

shaping tomorrow,
TODAY!

annual report 11-12



VISION

"We have dreamt of enriching the lives of our brethren by creating world-class real estate solutions and redefining lifestyle standards... Quite aptly, we are headed towards this direction."

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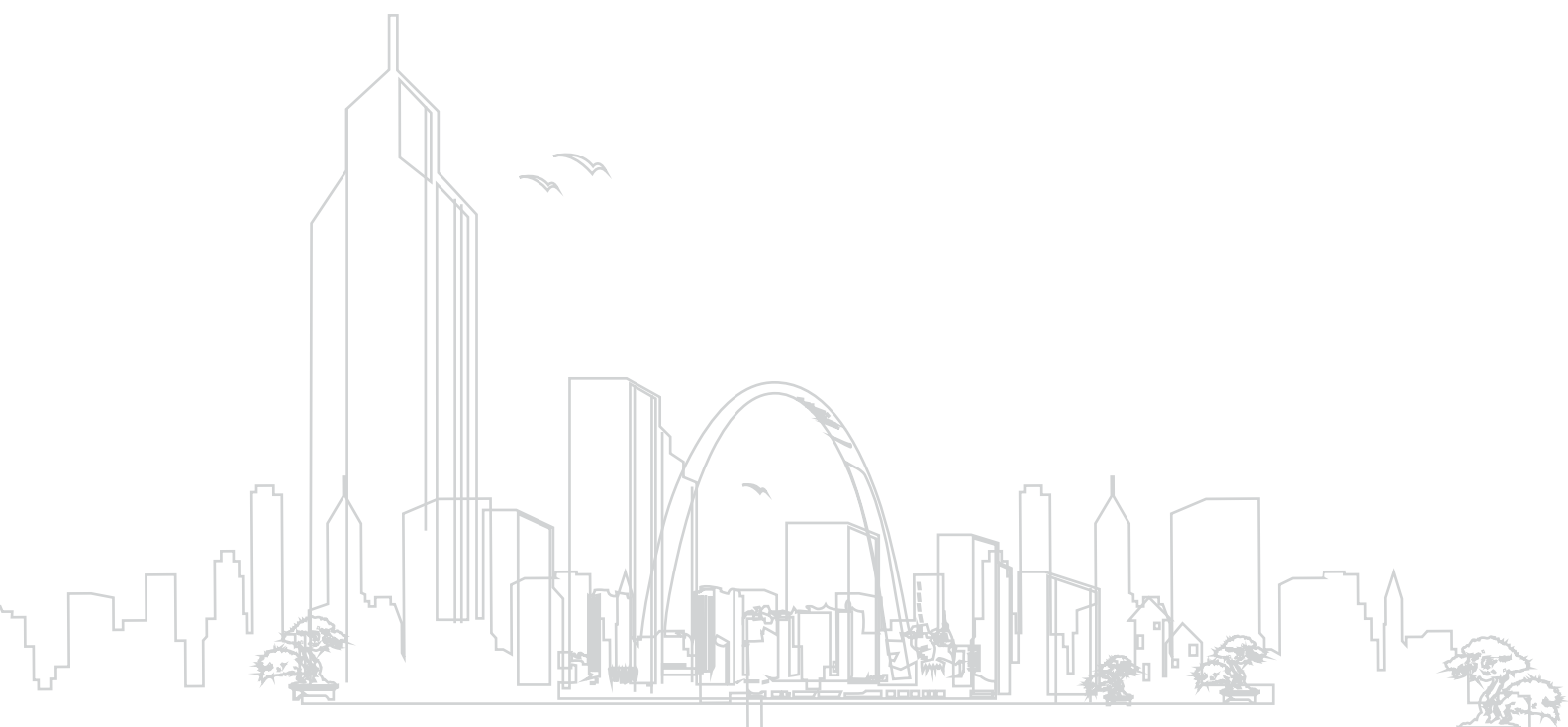
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our mission defines **OUR ETHOS, OUR GOALS**

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

Cities are sometimes defined by how their poorest live. Conversely, slums can mar both the image and progress of an urban agglomeration desiring to find its place in the lofty world order.

Confronted with a problem of gigantic proportions, part of Mumbai's infrastructure solution lies in slum rehabilitation.

Enter Satra Properties – a player in the real estate development space that has played a big role over the past seven years in helping transform the landscape of Mumbai.

After leaving its signature across residential, corporate and commercial segments, Satra Properties has thrown its weight behind slum rehabilitation. Presently focussing on the huge Slum Projects in suburban Mumbai.

When it's all done, numerous families hitherto living in squalor, will have access to an infinitely better life, with every basic and lifestyle amenity. From water and electricity to gardens and nurseries, temples and schools.

And Mumbai, will have transformed one more civic eyesore into a cityscape worthy of its global city status.

While Satra Properties engages itself in the mega slum rehabilitation projects in Mumbai it continues to leave its mark across middle-class and upscale milieus around India's fastest growing urban agglomerations.

Satra Properties. Realising tomorrow's dreams ahead of schedule.

where business is a **PLEASURE**

Navi Mumbai, once but a satellite of Mumbai, today a flourishing city in its own right. Characterised by a breathtaking sweep of steel and glass – all calling cards of India's Inc's latest addresses.

More than finding its place amidst this hotbed of corporate expansion, Satra Plaza is a crowning jewel in Vashi's own queen's necklace, Palm Beach Road. The project representing the aesthetics in architecture as much as it does the finer points of corporate ergonomics.

Satra Plaza is the perfect marriage of utility with style; a seamless blend of practicality with class. No wonder corporate India has ordained it another of its modern hubs.





Introducing the world of
tomorrow, **SATRA PLAZA**
Vashi, Navi Mumbai

Satra Plaza is where businesses live in perfect harmony. Where retail and corporate co-exist like they were meant to.

Retail spaces of 600 sq ft, with frontages that elegantly open onto the upmarket Palm Beach Road. The feeling of space both lateral and vertical – every ceiling rising majestically to 14 feet.

Corporate business, no less pampered. First, confronted with an expansive lobby and a grand elevation. Then, work spaces to suit every budget – from the nano to the mega.

For everyone, ample parking. Satra Properties is a work address to flaunt.



the art of **LIVING**

As Mumbai pushes its boundaries further north, its suburb of Borivili transforms into an upmarket residential location, strategically perched between the city's business district, action-packed suburbs and distant getaways.

In this turbo fast-growing suburb, the index of quality living equally soaring. It is here that families are finding a new kind of bliss that translates from personal wellbeing, all-round development and classier civic amenities.

Amidst this future of living stands Satra Park. A timely symbol of a warm, caring touch that appreciates that families live here – not just people statistics.

Within and without, a property that compromises on nothing in creating a world within a world for every member of the family. This is truly the life!

Introducing the world of
tomorrow, **SATRA PARK**
Borivali, Mumbai

Satra Park comprises aesthetically designed 16-storey residential towers with three wings. High street retail outlets occupy the ground level, adding another dimension of convenience for the towers' residents.

Convenience outside, luxury inside... the spacious 2 and 3 BHK apartments are self-contained with every modern amenity.

The quality of life spills over into the immediate ambience. Hi-tech gymnasium, jogging track, azure swimming pool with toddler's splash section. Add to that, club house, podium garden, children's play park, Jain temple... and life could not be more actualised! Plus multi-level car parking.

Further afield, schools, colleges, hospitals, temples, malls and multiplexes.

In all of this safety never gets compromised – the earthquake resistant RCC structure adds total peace of mind to the quality of life.



life as it's meant **TO BE LIVED**

Life can sometimes be a fine balance between providing one's family with a better lifestyle and affording it.

In Ghatkopar, along Mumbai's eastern corridor, exists a locale that isn't a happy compromise but a true fulfilment of aspirations. A burgeoning suburb characterised both by its accessibility to Mumbai's business nerve centre and simultaneously an upmarket hub of residential activity. The new upscale address of India's Maximum City.

Within this microcosm of Mumbai itself, sits Satra Hills. The idyllic balance between high living and affordability... Of dreams and reality.





Introducing the world of
tomorrow, **SATRA HILLS**
Ghatkopar, Mumbai

Living up to its name, Satra Hills adds the romance of a hilly location to the rest of its promises. An exotic ambience right within the bustling city. The project epitomises value and aesthetics.

Residents and visitors are first greeted by artistic exteriors, the style and theme of which gets carried into the interiors with the grand entrance lobby. Transfer to the high-rise apartments is swift and efficient on high speed elevators.

But a lover of style and aesthetics will be tempted to linger a while longer around the property to take in the landscaped gardens or marvel at the quality of life portrayed by the swimming pools, gymnasium and other amenities around the property.

Satra Hills is where life is lived to the fullest.



the confluence of **PAST AND FUTURE**

Conceptually, time stands still in Rajasthan's royal city of Jodhpur. Through the centuries, this has been the epicentre of historic architecture, with its majestic palaces, forts, temples and monuments.

And yet, time itself seems to blend past and future as history meets modernity in the very dimension that defines this ancient city – its architecture.

Modern buildings hardly seem out of place amidst the historic legacy; rather, reaffirming the status of Jodhpur as a business and tourist destination.

Satra Galleria successfully captures the seeming variance of past and present, delightfully blending it into the opulence associated with the town's eternal legacy. In a sense, it's a pleasing instance of history repeating itself.

Introducing the world of
tomorrow, **SATRA GALLERIA**
Jodhpur, Rajasthan

In keeping with Jodhpur's lure for tourists and lovers of handicrafts, Satra Galleria is an intermingling of a shopping mall and a hotel. In trademark style, the entrance lobby rises and opens up majestically in a grand welcoming gesture.

The contemporary co-exists perfectly with the traditional. Imported escalators and elevators infuse a spirit of reassuring efficiency.

Space is never an issue – even the car parking is ample and expansive.

With Satra Galleria, a slice of history gets a contemporary makeover.



new frontiers of **LIFESTYLE**

The India success story is finding new territory. No more just limited to the metropolitan hotspots of the country's Big 7 cities, new candidates are vying to join this elite league.

Amongst them, Madhya Pradesh's capital, Bhopal. The fast-emerging new frontier of entrepreneurship – and to go with that status, a need for its infrastructure to keep pace.

Satra Properties identified Bhopal as its next big potential. Geographically and strategically at the heart of India. And with a moderate climate around the year to attract those looking to make it their new home.

Shrishti, beyond a project, is a combined venture. Its a beautifully planned hub of business, complemented with supportive residential sections.





Introducing the world
of tomorrow, **SHRISHTI**
Bhopal, Madhya Pradesh

Located flush in the Central Business District, this sprawling township stretches luxuriously across 15 acres. A pleasant mix of all segments of real estate, complete with high-end amenities and specifications.

Characterised by eye-catching elevation and ample car parking space, this is the high-rise premium residential address that high-profile patrons have yearned for.

With a high street shopping arcade, mall and commercial office complex, plus a one-of-its-kind five-star hotel, Shrishti offers something for every family member and every business minded entrepreneur.

Jointly developed under the special purpose vehicle – Deepmala Infrastructure Private Limited.

chairman's **COMMUNIQUE**



“If you are not willing
to risk the unusual,
you will have to settle
for the ordinary.”

JIM ROHN

DEAR SHAREHOLDERS,

The year 2011-12 witnessed global economic uncertainty, deepening financial crisis in Euro zone and political upheavals in the Middle East countries coupled with un-conducive external environment. In addition, Indian economy was affected by its internal socio-economic issues which resulted in slower growth reforms, continued liquidity crisis, adverse currency fluctuations, down grading of outlook and worrying rate of inflation.

On account of the subdued real estate market and RBI's tighter monetary policy particularly in real estate, your company has been following a cautious approach towards its new launches and continues its efforts in delivering the existing projects, timely. The above factors adversely affected most the real estate companies. Though your company's performance as projected for the year 2011-12 revealed that the Revenue from Operations increased by 70% from Rs. 124 Crores to Rs. 211 Crores and the corresponding Net Profit Before Tax increased by 45% from Rs. 7.67 Crores to Rs.10.94 Crores. The said reduction in the profit margin was attributed to the delay in completion of the projects as envisaged as a result of constant changes in the real scenario.

The management continues its focus more on redevelopment and SRA projects. One of your subsidiary company has already embarked on a SRA project in Mumbai, admeasuring about 1 million Sq. ft and has been focusing on its development by bridging the gap between scarcely available resources and completion of projects in time with effective utilization of resources available and that required. Management believes that the timely completion of the SRA projects undertaken will create an immense value to the investment made by the company and thereby improving the bottom line substantially over the years to come.

Moreover, I am grateful to all our shareholders, customers, bankers, business partners, suppliers and all the well wishers for their constant trust and continued support in our tough times. In addition, I would also like to thank all the employees for their sincere contribution.

Your company is committed and looks forward to new launches and timely deliveries of the same thereby creating and improving wealth of its stake holders and public at large.

Regards

PRAFUL N. SATRA

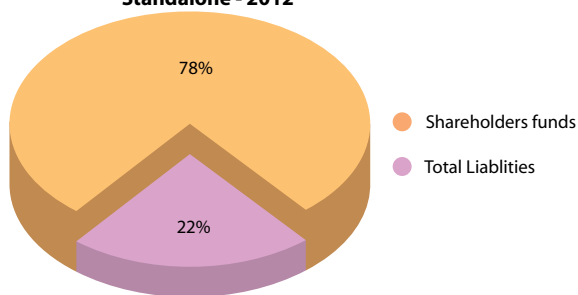
Chairman & Managing Director

financial HIGHLIGHTS

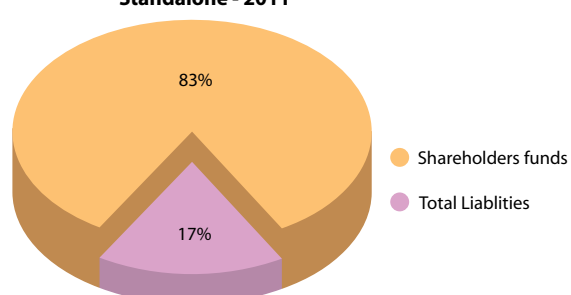
INR in Lacs								
S. No.	Particular	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
1	Total Revenue	22,260	13,951	22,361	12,203	20,717	6,645	2,194
2	Earning before depreciation, interest and taxes	3,793	3,824	4,448	3,908	6,539	1,036	351
3	Depreciation	49	88	90	100	84	29	0.02
4	Earning after taxes	390	447	857	168	3,773	622	229
5	Market capitalisation	7,568	21,509	21,968	27,141	131,977	16,786	5,186
6	Equity share capital	3,227	3,227	3,107	3,107	3,107	292	274
	[Face value per share (₹)]	2	2	2	2	2	10	10
7	Reserves and Surplus	6,107	5,973	4,702	4,095	3,972	2,265	338
8	Equity shareholder's fund	9,334	9,200	7,810	7,202	7,079	2,538	602
9	Equity dividend (%)	5%	5%	5%	-	15%	30%	25%
10	Secured Borrowings	11,863	10,030	25,948	26,901	12,312	4,215	-
11	Dividend payout	161	161	155	-	185	84	69
12	Total assets	45,808	59,238	67,754	56,896	47,544	17,886	4,940
	Key Indicators							
1	Earning per share (₹) *	0.20	0.24	0.51	0.06	2.38	1.42	0.60
2	Book value per share (₹) *	5.78	5.70	5.03	4.64	4.56	5.80	1.46
3	Net profit margin	1.85%	3.61%	4.15%	1.58%	19.43%	9.40%	10.48%
4	Debt equity ratio	2.43	3.75	5.98	4.67	2.70	3.17	4.05
5	Return on net worth	4.18%	4.86%	10.98%	2.33%	53.30%	24.53%	38.06%
6	Return on capital employed	8.12%	6.65%	7.86%	10.16%	24.72%	9.53%	13.89%

* Figures for 2005-06 & 2006-07, adjusted for sub-division and issue of bonus shares

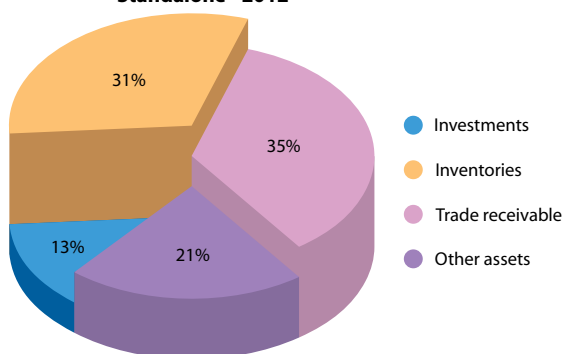
Shareholders funds and Total liabilities
Standalone - 2012



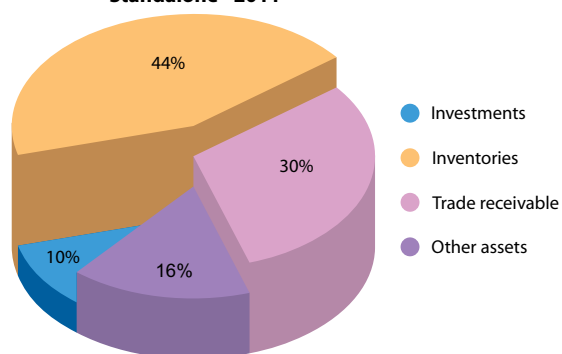
Shareholders funds and Total liabilities
Standalone - 2011



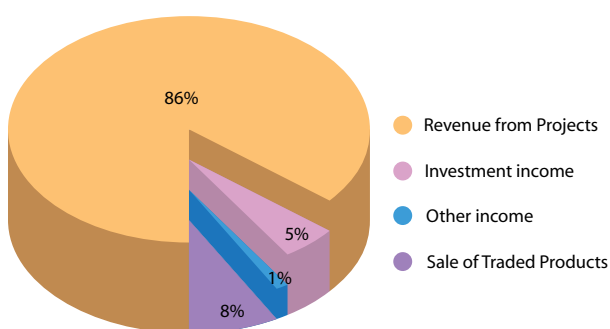
Total Assets
Standalone - 2012



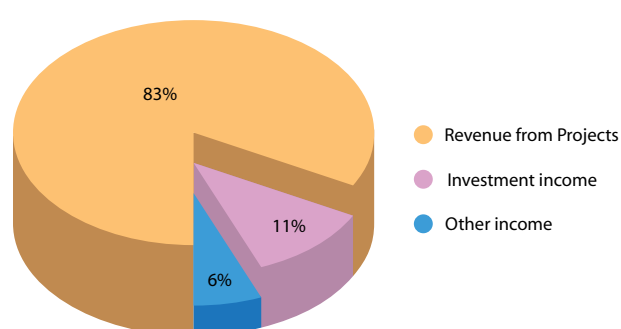
Total Assets
Standalone - 2011



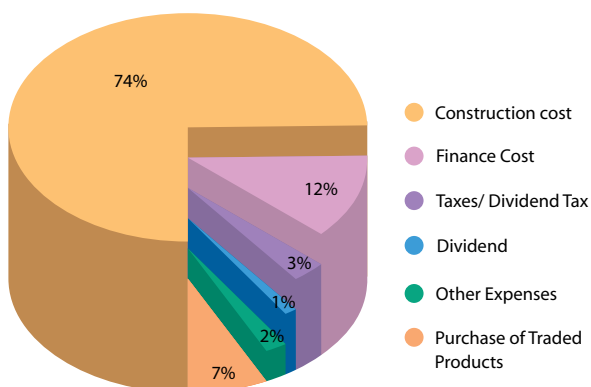
Revenue Breakup
Standalone - 2012



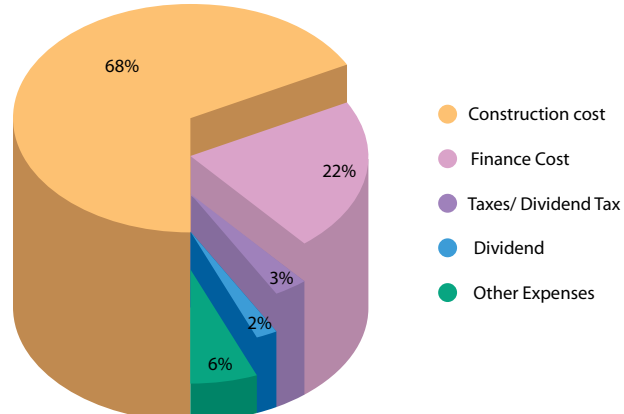
Revenue Breakup
Standalone - 2011



Expenditure & Outflows
Standalone - 2012



Expenditure & Outflows
Standalone - 2011



corporate INFORMATION

BOARD OF DIRECTORS

Praful N. Satra

Chairman & Managing Director

Rajan P. Shah

Director

Vidyadhar D. Khadilkar

Independent Director

Vinayak D. Khadilkar

Independent Director

CHIEF FINANCIAL OFFICER

Bhavesh V. Sanghavi

COMPANY SECRETARY / COMPLIANCE OFFICER

Manan Y. Udani

AUDITORS

B S R & Associates
1st Floor, Lodha Excelus,
Apollo Mills Compound,
N.M. Joshi Marg, Mahalaxmi,
Mumbai – 400 011

Bhuta Shah & Co.
901, Regent Chambers,
Nariman Point,
Mumbai – 400 021

LEGAL ADVISORS & SOLICITORS

Bharat R. Zaveri

Vimla & Co.

ARCHITECTS & ENGINEERS

Vivek Bhole Architects Private Limited
Hiten Sethi & Associates
Planwell Architects Private Limited
Rein Profile Consulting Engineers
Prashant & Associates

BANKERS

Axis Bank
Syndicate Bank
Allahabad Bank
Industrial Development Bank of India Limited

REGISTERED OFFICE

Dev Plaza, 2nd Floor,
Opp. Andheri Fire Station,
S.V. Road, Andheri (West),
Mumbai – 400 058. INDIA
Tel No: +91 (022) 2671 9999
Fax No: +91 (022) 2620 3999
E-mail: info@satraproperties.in
Website: www.satraproperties.in

REGISTRAR AND SHARE TRANSFER AGENT

Adroit Corporate Services Private Limited
19/20, Jaferbhoy Industrial Estate,
Makwana Road, Marol Naka,
Andheri (East), Mumbai - 400 059. INDIA
Tel No: +91 (022) 4227 0400
Fax No: +91 (022) 2850 3748
Email: info@adroitcorporate.com
Website: www.adroitcorporate.com



NOTICE

Notice is hereby given that the Twenty-Ninth Annual General Meeting of the Members of **Satra Properties (India) Limited** will be held on **Friday, 28 September 2012** at **4.30 p.m.** at **Navinbhai Thakkar Hall, Ground Floor, Shraddhanand Road, Vile Parle (East), Mumbai - 400 057**, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31 March 2012 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare Preference Dividend on 8% Cumulative Redeemable Preference Shares for the Financial Year 2011-12.
3. To declare Dividend on Equity Shares for the Financial Year 2011-12.
4. To appoint a Director in place of Mr. Vidyadhar D. Khadilkar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint M/s. B S R & Associates, Chartered Accountants (Firm Reg. No.: 116231W) and M/s. Bhuta Shah & Co., Chartered Accountants (Firm Reg. No.: 101474W) as the Statutory Auditors of the Company to hold office until the conclusion of the next Annual General Meeting on such remuneration as shall be fixed by the Board of Directors.
3. Corporate Members intending to send authorised representatives to attend the Meeting are requested to send a duly certified copy of the resolution authorising their representatives to attend and vote at the meeting.
4. In terms of the provisions of Section 256 of the Companies Act, 1956, Mr. Vidyadhar D. Khadilkar, Director retires by rotation at the ensuing General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.
5. The Register of Members and Transfer Books of the Company will be closed from Thursday, 20 September 2012 to Friday, 28 September 2012 (both days inclusive). If the 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 Thursday, 4 October 2012 as under:
 - a) To all the Beneficial Owners in respect of Equity Shares held in electronic form as per the data as may be made available by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as of the close of the business hours on Wednesday, 19 September 2012.
 - b) To all Members in respect of Equity 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 the business hours on Wednesday, 19 September 2012.

By Order of the Board of Directors
Satra Properties (India) Limited

Manan Y. Udani
Company Secretary

Mumbai, 13 August 2012

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

NOTES:

1. The relevant details as required by Clause 49 of the Listing Agreement entered into with the Stock Exchange, of person seeking re-appointment as Director under Item No. 4 is 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.
6. Trading in Company's shares through Stock Exchanges is permitted only in dematerialised/electronic form. The Equity Shares of the Company have been admitted in both NSDL and CDSL to enable shareholders to hold and trade in the shares in dematerialised/electronic form. In view of the numerous advantages offered by the depository

Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the scheduled time of the commencement of 29th Annual General Meeting. Proxies submitted on behalf of the Limited Companies, Societies, etc., must be supported by an appropriate resolution/authority, as applicable. *A Proxy so appointed shall have no right to speak at the meeting.*

In respect of 8% Cumulative Redeemable Preference Shares, dividend will be paid to the Shareholders on the Company's Register of Members as of the close of the business hours on Wednesday, 19 September 2012.

system, Members holding shares in physical form are requested to consider consolidating their shareholdings held in multiple folios and also converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease in portfolio management and to make/update nomination in respect of shares with Company/ Depository Participant, as may be applicable.

7. Members holding shares in physical form are requested to advise any change in their address/ bank account/update E-mail ID immediately to the Company's Registrar and Share Transfer Agents, Adroit Corporate Services Private Limited. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend and such members are requested to intimate immediately any change in their address/ bank account/ update E-mail ID to their respective Depository Participant(s) with whom they are maintaining their demat accounts and not to the Company or the Company's Registrar and Share Transfer Agents.
8. In terms of Section 205A and 205C of the Companies Act, 1956 the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investors Education and Protection Fund (IEPF). Accordingly, the Company will be required to transfer the unclaimed or unpaid dividend for the financial year ended 31 March 2006 to the Investors Education and Protection Fund on or before 11 August 2013. Members may please note that no claim shall lie either against the Fund or the Company in respect of dividend which remain unclaimed and unpaid for a period of seven years from the date it is lying in the unpaid dividend account and no payment shall be made in respect thereto.
9. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the Bank Account details furnished by the Depositories for crediting dividend. The Company has made arrangements for crediting the dividends through National Electronic Clearing Services (NECS)/ Electronic Clearing Services (ECS) to investors where NECS/ECS details are available. Members holding shares in electronic form may kindly note that their Bank details registered against their respective Depository Account as furnished by the respective Depositories to the Registrar and Share Transfer Agents will be used by the Company

for payment of Dividend and that the Company/ Registrar and Share Transfer Agents will not entertain any direct request from such Members for deletion of/change in such Bank details. Further, instructions, if any, already given by the Members in respect of Shares held in physical form will not be automatically applicable to Dividend paid on shares held in electronic form. Members may, therefore, give instructions regarding Bank Accounts in which they wish to receive Dividend, directly to their Depository Participant/(s).

10. All documents referred to in the notice calling the Annual General Meeting are open for inspection at the Registered Office of the Company on all working days between 10.30 a.m. to 1.30 p.m. from the date hereof upto the date of the Annual General Meeting.
11. Queries on accounts of the Company, if any, may be sent to the Company Secretary, at least 10 days in advance of the Annual General Meeting so as to enable the Management to keep the information ready at the meeting.
12. Members are requested to :
 - Bring their copy of annual report and attendance slip at the venue of the meeting.
 - Quote their Folio/Depository Participant/(s) & Client ID No. in all correspondence with the Company/Registrar and Share Transfer Agents.
 - Note that the attendance slip/proxy form should be signed as per the specimen signature registered with the Registrar and Share Transfer Agents/Depository Participant/(s).
 - Note that in case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

**By Order of the Board of Directors
Satra Properties (India) Limited**

Manan Y. Udani
Company Secretary

Mumbai, 13 August 2012

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



DETAILS OF DIRECTOR SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Particulars	Mr. Vidyadhar D. Khadilkar
Date of Birth	16/09/1958
First Date of Appointment as Director	26/05/2007
Qualifications	Diploma in Civil and Sanitary Engineering
Expertise in specific Functional Areas	Wide experience in Engineering field
Directorships/ Memberships/ Chairmanships of Committees of other Public Companies (includes only Audit Committee and Shareholders'/ Investors' Grievance Committee)	Directorships held in other Companies: Satra Property Developers Private Limited Chairmanships / Memberships held in other Companies: Satra Property Developers Private Limited – Chairman, Audit Committee
Number of shares held in the Company	NIL

ATTENTION MEMBERS

GREEN INITIATIVE IN CORPORATE GOVERNANCE

The Ministry of Corporate Affairs, Government of India, has permitted companies to send electronic copies of Annual Report, notices etc., to the E-mail IDs of shareholders. With a view to lend a strong support to this environment friendly initiative of the Government of India, Annual Reports for Financial Year 2011-12 of your Company has been sent via Electronic Mode (E-mail) to the Members whose E-mail ID was made available to us by the Depositories Participants. We request the Members to register / update their E-mail address on **gogreensatra@adroitcorporate.com** in case they have not already registered / updated the same. Physical copies of Annual Reports have been sent to only those shareholders whose E-mail addresses were not available.

Please note, as a member of the Company, you will be entitled to be furnished, free of cost, with a hard copy of the Annual Report of the Company as required by law that may be sent to you, upon receipt of a requisition from you to this effect.

DIRECTORS' REPORT

To,
The Members,
SATRA PROPERTIES (INDIA) LIMITED

Your Directors are pleased to present the 29th Annual Report and the Audited Financial Accounts for the Year ended 31 March 2012.

1) FINANCIAL HIGHLIGHTS:

(Currency – ₹ in Lacs)

Particulars	Standalone for the year	
	2011-12	2010-11
Earnings before Tax	1,093.99	767.42
Less: Taxation	703.68	320.05
Earnings after Tax	390.31	447.37
Add: Balance in Statement of Profit and Loss brought forward from previous year	3,593.03	3,402.85
Profit available for appropriation	3,983.35	3,850.22
Less: Appropriations		
Proposed Dividend on Preference Shares	59.20	59.20
Tax on proposed dividend on preference shares	9.60	9.83
Proposed Dividend on Equity Shares	161.36	161.36
Tax on proposed dividend on Equity Shares	26.18	26.80
Transfer to debenture redemption reserve	390.00	-
Surplus in the Statement of Profit and Loss	3,337.01	3,593.03

2) OPERATIONS:

On standalone basis, during the year under review, your Company registered an increase of 70% in the Revenue to ₹ 21,134 Lacs as compared to the previous year's turnover of ₹ 12,404 Lacs. The said increase was mainly attributed to booking of incremental revenues on completion and delivering of project and partly due to closure of few deals in TDRs. The Profit before Tax increased 45% to ₹ 1,093.99 Lacs as against ₹ 767.42 Lacs in the previous year.

The Consolidated turnover of the Company for the year ended 31 March 2012 aggregated to ₹ 22,622 Lacs as against ₹ 14,744 Lacs for the previous year. However the Consolidated Profit after Tax for the previous year was ₹ 2,427.19 Lacs which was reduced by ₹ 2,811.17 Lacs resulting in a Consolidated loss of ₹ 383.98 Lacs for the year under review. The loss was as a resultant of recessionary trends mainly in the Real Estate sector in the Middle East countries, where your Company's Foreign subsidiary was unable to start its project as envisaged. However, the management is putting all its endeavors to explore the possibility of joint venture in the project and also to reduce its stake in the foreign subsidiary to secure its principal investment and to mitigate the risk of further investments.

Your Company has continued its focus on undertaking residential projects, in particular, SRA and re-development, which involves minimal capital investment and reduction of debt to minimize the burden of financial cost.

Brief about various Projects undertaken by your Company.

a. Satra Plaza, Vashi, Navi Mumbai:

The project at Navi Mumbai offers office spaces ideal for multinational companies and shops keeping in view of the nearby APMC market and demand for organized market for hardware, interior items. Vashi is among the top ten most developed zones in the Mumbai Metropolitan area. During the year under review, your Company has completed and delivered the project.

As your Company adopts Sale model, it has already sold about 95% of the area and is targeting to generate revenues by selling the balance area in the project.

b. Satra Park, Borivali, Mumbai:

A highly affluent residential locality at Shimpoli started out as a small village community which has now receded to a corner of the locality to



accommodate the high-rise apartment blocks. Your Company changed the scope of work of said project from shopping mall to combination of shopping centre cum 3 residential towers which also comprises of a Jain Temple, keeping in view the burgeoning population in the said location.

Subsequent to the completion of construction work under Shop Segment, the Company has already received part Occupation Certificate. The RCC work of the residential segment is completed about 80%. On getting the necessary and timely approvals, your Company is targeting to complete the balance construction work and deliver the said Residential project in next 12-18 months.

Projects undertaken by Subsidiary Company

c. Dreams the Mall, Bhandup, Mumbai:

The said joint venture project of 8 Lacs sq. ft. located at the junction of LBS Marg and Bhandup Railway Station is duly completed. The said project is intermingling of retail, multiplex and amusement with ample parking spaces. Your Company has successfully encashed the value of remaining unsold units in the project in the current year and thereby achieving the targeted revenue and profit thereon.

d. Satra Hills, Ghatkopar, Mumbai:

The proposed project is under Slum Rehabilitation Scheme awarded to your Company by the Slum Rehabilitation Authority. The said project is situated in the vicinity of Ghatkopar (West) and its hilly location will add value and aesthetic touch to the project. The proposed project is expected to have artistically designed interiors and exteriors with grand entrance lobby. It shall also encompass high rise buildings with high speed elevators and all amenities such as landscape gardens, swimming pools and gymnasium, which will make life of patrons cozy than ever.

The Company has already carried out the construction of 3 transit camps out of 4 transit camp some of the slum dwellers are already shifted while 4th is on the verge of completion. Further it has received approval for construction of Rehabilitation building, which is going on in full swing.

Apart from the above, there are other projects undertaken by its associate companies and few projects are under initial stage of negotiation.

3) ISSUE OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES:

During the year, your Company has issued on private placement basis Secured Redeemable Non-Convertible Debentures of ₹ 1,00,000/- each fully paid up aggregating to ₹ 9,300 Lacs. Your Company has made an early redemption of 1,437 Debentures out of the project proceeds aggregating to ₹ 14.37 Crores upto 31 March 2012.

4) DIVIDEND:

Your Directors are pleased to recommend, for approval of the members, Preference Dividend of ₹ 0.80 per share (@8% per share) on 74,00,000 Cumulative Redeemable Preference Shares of ₹ 10/- each for the Financial Year 2011-12. The Dividend payout on Preference Shares, if declared as above, will result in outflow of ₹ 59.20 Lacs towards Dividend and ₹ 9.60 Lacs towards Dividend Tax, resulting in total outflow of ₹ 68.80 Lacs.

The Directors also recommend, for approval of the members, Dividend of ₹ 0.10 per share (@ 5% per share) on 16,13,58,000 Equity Shares of ₹ 2/- each of the Company for the Financial Year 2011-12. The Dividend payout on Equity Shares, if declared as above, will result in outflow of ₹ 161.36 Lacs towards Dividend and ₹ 26.18 Lacs towards Dividend Tax, resulting in total outflow of ₹ 187.54 Lacs.

5) SUBSIDIARIES:

Your Company has 6 subsidiaries, namely, Satra Property Developers Private Limited; Satra Buildcon Private Limited; Satra Infrastructure and Land Developers Private Limited; Satra Lifestyles Private Limited; Satra Estate Development Private Limited and Satra International Realtors Limited.

The Ministry of Corporate Affairs, Government of India has vide Circular No. 2/2011 dated 8 February 2011 granted general exemption from attaching the annual accounts of the subsidiaries in the Annual Report of the Company, subject to fulfillment of certain conditions. Accordingly, Board of Directors has passed resolution in its meeting held on 30 May 2012, giving consent for not attaching the Accounts of the subsidiaries concerned. As directed by the Central Government, the summarized financials of all the subsidiaries have been furnished under the heading "Financial Information of Subsidiary Companies under Section 212(8) of the Companies Act, 1956" which forms part of the Annual Report.

The Annual Accounts of these subsidiaries and related detailed information will be made available to any member of the Company / its subsidiaries seeking such information at any point of time and are also available for inspection by any member of the Company / its subsidiaries at the Registered Office of the Company or the respective Subsidiary Companies.

The Audited Consolidated Financial Statements based on the Financial Statements received from Subsidiary Companies as approved by their respective Board of Directors, have been prepared in accordance with the Accounting Standard-21 - "Consolidated Financial Statements" and Accounting Standard-23 - "Accounting for Investment in Associates", notified under Section 211(3C) of the Companies Act, 1956 read with Companies (Accounting Standards), Rules, 2006, as applicable. Your Company has presented the Consolidated Financial Statements which forms part of the Annual Report.

6) DIRECTORS:

Mr. Vidyadhar D. Khadilkar, Independent Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

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

7) FIXED DEPOSITS:

During the year under review, the Company has not accepted deposits from the public within the meaning of Section 58A of the Companies Act, 1956.

8) INSURANCE:

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

9) DIRECTORS RESPONSIBILITY STATEMENT:

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

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

departures except in case of Borivali project wherein the Management perception has been explained elsewhere in Report.

- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year.
- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the Directors have prepared the annual accounts for the year ended 31 March 2012 on a going concern basis.

10) CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT:

Your Company has been practicing the principles of good Corporate Governance. A detailed Report on Corporate Governance together with Management Discussion and Analysis Report are included in the Annual Report. M/s. Hemanshu Kapadia & Associates, Practicing Company Secretaries, have certified the Company's compliance with the requirements of Corporate Governance in line with Clause 49 of the Listing Agreement and the same is annexed to the Report on Corporate Governance.

11) DEPOSITORY SYSTEM:

Your Company's Equity Shares are available for dematerialisation through National Securities Depository Limited and Central Depository Services (India) Limited. As on 31 March 2012, 77.60% of the Equity Shares of your Company were held in demat form.

12) COMMENTS IN THE AUDITORS REPORT:

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

- a) The Auditors have made a remark regarding the Borivali project wherein construction cost arising out of significant change in structural



plan of the project have been provided in work-in-progress instead of charging to the Statement of Profit and Loss. The Management is of the view that during the Financial Year ended 2008-09, the Company had changed the structural plan of the Borivali Project from Commercial complex to Commercial cum residential complex to improve the overall profitability of the project. As a result, in order to facilitate the construction as per revised plan, certain existing structures at the site have been demolished subsequent to the year ended 31 March 2009. Management has revised its estimated cost to complete the revised commercial cum residential project and still believes that the overall margins of the revised project will be adequate to recover the construction cost of demolished area. Hence, the construction cost of demolished area continues to be included in the construction work-in-progress and has not been charged to the Statement of Profit and Loss to the extent of ₹ 157,974,510 during the years ended as 31 March 2009; 31 March 2010; 31 March 2011, out of which ₹ 77,535,650 has been charged to the Statement of Profit and Loss on recognition of Revenue from the project and the balance of ₹ 80,438,860 continues to be a part of construction work-in-progress for the year ended 31 March 2012 and the same shall be charged to the Statement of Profit and Loss over the period of the project.

- b) The Auditors have made a remark regarding pending quantification of the Value Added Tax (VAT) collectable from customers, the VAT payable to the government authorities and the VAT to be charged to the statement of profit and loss on the part of the Company. The Management is of the view that the Company is in the process of ascertaining of the applicability of the certain recent judicial pronouncements with respect to VAT. MCHI has already filed Special Leave Petition in the Honourable Supreme Court against the judgement of Hon'ble High Court, Mumbai and further, the outcome of Larsen & Toubro Limited versus State of Karnataka is also awaited. Hence, the Management is of the opinion that under the circumstances, it would be premature to hold whether the contracts entered into for sale of units under construction by the Company in the state of Maharashtra constitutes "works

contracts" and the quantification of the tax liability thereon, if any and its impact on the Statement of profit and loss would be determined at the time of assessment. Pending quantification, the Company has not recognised the VAT collectable from customers, the VAT payable to the government authorities and the VAT to be charged to the statement of profit and loss, if any. In opinion of the Management, the impact of such non-recognition will not be material.

- c) The Auditors have made a remark regarding the Company not having an internal audit function. The Management have to state that 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. However, we are in the process of appointing Internal Auditor.
- d) The Auditors have made a remark regarding delays in payment of statutory dues and pending undisputed statutory dues more than six months of ₹ 80,39,147/- on account of Dividend Distribution Tax; ₹ 7,74,90,141/- on account of Income Tax and ₹ 1,69,502/- on account of Works Contract Tax. The Management has to state that during the year under review, the Company was facing liquidity constraints on account of continuing recession in the Real Estate Industry, which has affected the overall business and performance of the Company to a very large extent. Hence, your Company could not make its commitment towards payment of its statutory dues in time. Your Company is confident to meet its outstanding statutory liabilities very soon.
- e) The Auditors have made a remark regarding defaults in certain cases wherein the Company has delayed in repayment of dues to its bankers and financial institutions at various dates during the year which have also been made good as at the year end. The Management have to state that during the year under review, the Company was facing liquidity constraints on account of continued recession in the Real Estate Industry, which had affected the business and overall performance of the Company in terms of generating fresh sales, completing the projects as per the scheduled

time and liquidation of Debtors in time, etc. to a very large extent. However, your Company has repaid most of the dues of the bankers/financial institutions and is in the process to clear the balance outstanding dues very soon.

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

13) AUDITORS:

The Company's Auditors, M/s. B S R & Associates, Chartered Accountants, and M/s. Bhuta Shah & Co., Chartered Accountants, retire at the conclusion of the forthcoming 29th 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 25 May 2012 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 2012-13 to hold office till the conclusion of next Annual General Meeting of the Company, the Board of Directors have, at their meeting held on 30 May 2012 recommended 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 2011-12 to hold office till the conclusion of the next Annual General Meeting of the Company. Their re-appointment is subject to the approval of the Shareholders of the Company at the forthcoming Annual General Meeting of the Company.

14) PERSONNEL:

The Company is professionally managed and has very cordial relationship with all its employees.

Highly qualified personnel from the field of engineering, finance and administration assist the top-level management. Your Directors wish to place on record their deep appreciation of the dedicated and efficient services rendered by them.

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

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

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

16) APPRECIATION:

The Board of Directors expresses their deep gratitude for the assistance and guidance and support extended to the Company by its Customers, Vendors, Bankers, Professionals and various Government Authorities and to all 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
Satra Properties (India) Limited

Praful N. Satra
Chairman and Managing Director

Mumbai, 13 August 2012



MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

INDUSTRY STRUCTURE AND DEVELOPMENT

WORLD GDP:

The GDP per Capita of an economy is often used as indicator of the average standard of living of individual. The world economies started with a solid footing on recovery from the slow-down and continued to grow with growth rate of 3.5% for the year 2012. However BRIC economies have shown the sign of slower growth rate as compared to the world economies.

The resurgence of crisis in the High Income World economies is a reminder that the aftershocks of the 2008/2009 crisis have yet to declare its innings. Assuming that the crisis would not deteriorate further, still it will have an effect on the developing economies in terms of reduced capital inflows, large swings in investor's sentiments, hoarding of commodities and rising capital cost.

INDIAN GDP

Indian economy is estimated to grow by 6.9% in 2011-12 mainly due to weakening industrial growth. This indicates a slow-down compared not just to the previous two years, when the economy grew by 8.4%, however GDP growth rate is predicted to be 7.6% in 2012-13.

Reflecting the deterioration in India's external balances, the Indian Rupee depreciated against Dollar by a landslide of about 25% i.e. from ₹ 45/- to ₹ 56/- . This has affected in cost escalation on the imports of petroleum products and capital goods, creating an inflationary pressure in the country. With this high inflation, even Reserve Bank of India (RBI) is unable to ease on the interest rates required to stimulus to the economy. Portfolio flows to Indian economy rebounded in the initial months of 2012, but resurgent Euro area turmoil and concerns about the fiscal and current deficit and weak political will to implement growth policies and reform measures. The resultant of the external factors coupled with the internal socio-economic issues has forced the rating agencies to put Indian economy on the negative outlook.

Where the monetary and fiscal measures are unable to arrest the slow-down in the economy and in view of the adverse external environment in short run, we hope that steps may be taken by the Government to boost Investment Expenditure, regaining of investor's confidence, implementation of key reforms pertaining to land, labour, environment and taxation, and speedy project approvals, to revive the economy in medium term.

INDUSTRY OVERVIEW

As the economy shows signs of decreasing GDP growth rate, the Indian real estate industry faces its own share of concerns. The economic slow-down in IT/ITes, which is predominantly driven by U.S. and European economies, have resulted in reducing their exposure to the real estate segment. Prices in commercial properties have already shown a down trend and a further correction is expected in the year 2012. Looking at the general macro-economic conditions, the investors will follow a cautious approach while investing in commercial spaces.

In residential spaces, though the buyers may follow a wait and watch strategy but due to the supply constraint and urbanization, the demand for affordable housing for medium income group population will continue.

The challenges that the industry and our Company face during such a growth phase are manifold, with the top priority of the Real Estate companies would be to deliver the existing projects and to reduce the debt. All the factors indicates towards the severe correction in prices in the market, however this theory may not hold good for a market like Mumbai, where the demand for residential spaces is manifold than its availability.

OPPORTUNITIES

Your Company being a Mumbai centric, has focused on development of residential spaces under re-development and Slum Rehabilitation (SRA) Projects. Accordingly one of its wholly owned subsidiary company has undertaken SRA projects in the central suburbs of Mumbai. Your company believes that its low cost land bank, strong in-house design for affordable housing size and development capabilities will provide it with a competitive advantage in this segment of the housing market. Company expects demand from the affordable and mid income residential segments to remain strong and believe there is significant demand – supply gap in this category.

Alike in developed countries where the demand for rented premise is more, in Indian culture, it is a pride to own a house. Mumbai being one of the island city and lack of the availability of land, makes it a strong resistance to the recessionary trends. Further the demand for 1 & 2 Bedrooms outstrips that of 3 BHK in most of the locations. The demand for affordable housing is directly proportionate to the increasing property prices in Mumbai.

RISKS AND THREATS:

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

Market Recession:

The real estate sector will be significantly affected if there is a slow-down in India's economic growth. Sustained economic growth is crucial to stable growth in demand for real estate. The sector's demand is inversely proportional to high interest rates, thus any increase in interest rates for home loans has a direct impact on the performance of the sector.

To mitigate this risk, your Company has been focusing on redevelopment in residential segments and Slum Rehabilitation projects. In addition, the management has a good experience in managing land banks in prime localities of Mumbai, putting it in a strong position to counter any downtrend.

Change in Government Policies:

Unfavourable changes in government policies and the regulatory environment can adversely impact the performance of the sector. There are substantial procedural delays with regards to land acquisition, land use, project launches and construction approvals. Retrospective policy changes and regulatory bottlenecks may impact profitability and affect the attractiveness of the sector and companies operating within the sector.

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 delay in completion of existing projects, thereby affecting the profit estimates. To mitigate this risk, your Company has enhanced project flexibility and control, improving the quality of real estate construction, appointing architects, engineers and contractors thereby reducing the time taken for completion of projects.

Increase in the Construction cost

The risk of increase in prices and availability of essential materials like cement, steel, sand, etc. and availability of cheap labour, may lead to increased cost of project, which may have the effect on the profitability of the Company.

Human Resources:

Your Company's business growth is dependent on the availability and capability of its Human Resource. The success of establishing a strong presence in new market depends highly on the ability of our team to scale up, assumed additional responsibilities, and expand their knowledge base. In your Company employees are

motivated and empowered to grow strong leader in industry, enabling us to win markets.

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 is committed to delivery, high focus on core operation and strong financial discipline has helped in generating positive operating cash flows over the last few years. We have been successful in bringing down our debt levels consistently, which has laid a strong foundation for capturing growth opportunities.

Land Availability:

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

Calamities and Disasters:

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

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

Future Plans and Outlook:

- Intensifying focus on Redevelopment of Residential and SRA projects.
- Leveraging past experience in delivering quality, landmark and time bound projects.
- Acquiring Land Reserves at competitive prices.
- To control the time and cost of the project by adopting innovative techniques and processes.
- Creating a dedicated and confident workforce through continual development process.
- To Develop Customer Centric approach.
- To Develop Strong Marketing Network.



SEGMENT WISE OR PRODUCT WISE PERFORMANCE:

The Company is operating in single segment i.e. Real Estate and there is only one reportable segment.

OUTLOOK

Given the prevalent sentiments, Company plans to follow a cautious approach towards new launches. Your Company has planned to make selective new launches based on targeted market research in different markets to catch the changing demand scenario. To increase its margin of operations and bring better returns to the shareholders, your company is focusing on affordable housing projects, redevelopment and SRA projects. Further to trim the financial burden on the profits of the Company, the management is determined to execution of projects at a faster pace, realisation of debtors and exiting of non-strategic assets.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has an adequate system of Internal Controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposal and to ensure all transactions are authorized, recorded and reported correctly. Issues of documented and operating procedures and authorities have adequate built-in controls at the beginning of any activity and at any time if there is any major change. The internal controls are supplemented by an extensive program of internal checks and periodic review by the management. The system is designed to adequately ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability of assets. During the year the Corporate Audit and Assurance Department carried out various reviews and provided assurance on compliances in line with the laid down policies, process and internal controls.

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 and 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 maintaining accountability of assets.

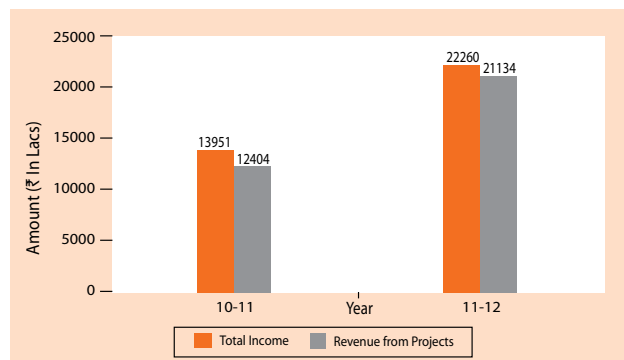
There exists a dynamic internal check system, which helps in improving the efficiency and effectiveness of Internal Control Systems.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

STATEMENT OF PROFIT AND LOSS

1. Income

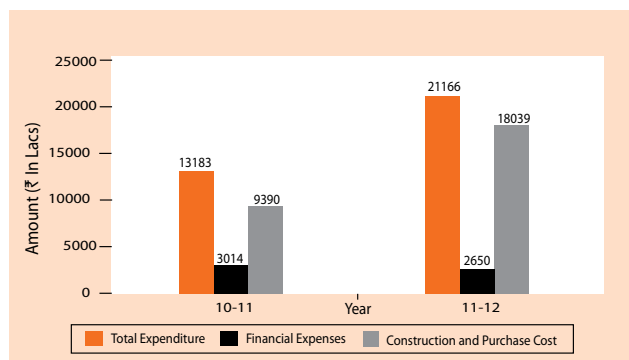
Your Company is following prudent accounting policies in recognizing revenue. Revenue in respect of real-estate projects are recognised on percentage completion method. Revenue is recognised when significant cost has been incurred on the project as compared to total estimated cost of project. During the year 2011-12 there was increase in the completion percentage of various ongoing projects which resulted in recognizing revenue at a higher percentage and closure of few sale deals of TDR. Accordingly the total sales was higher by 70% at ₹ 21,134 Lacs as compared to ₹ 12,404 Lacs in the previous year.



2. Costs

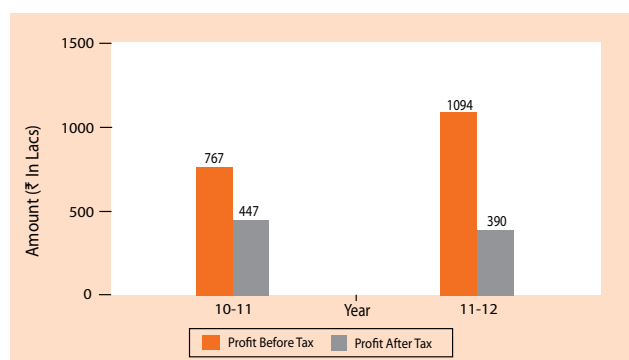
Cost of Project includes land cost, TDR, construction cost, finance cost and other incidental cost directly associated to a project. When revenue is not recognised for the undivided shares of land, it is transferred to Work-in-Progress. Construction cost mainly consists of, cost of materials consumed towards civil, electrical and finishing works. Due to increased sales volume and increase in the progress of the projects, the overall construction cost increased from ₹ 9,390 Lacs in fiscal 2011 to ₹ 16,440 Lacs in fiscal 2012. Considering the purchase cost of TDR along with the construction cost, there is an increase from ₹ 9,390 Lacs to ₹ 18,039 Lacs. Financial expenses not attributable to a specific

project are charged to the Statement of Profit and Loss after capitalizing some portion to Inventories as per the Accounting Standards. During the year there was significant reduction in borrowed funds and hence there was a reduction in the financial expenses to ₹ 2,650 Lacs in current year as compared to ₹ 3,014 Lacs for the previous year. Other expenses were generally in line with level of operations.



3. Profit and Margin Growth:

Subsequent to increase in the overall operations of the Company and Sales volume, the profit from operations before tax increased from ₹ 767 Lacs to ₹ 1,094 Lacs in current year. However due to provisioning of taxes, the overall profit after tax decreased from ₹ 447 Lacs in fiscal year 2011 to ₹ 390 Lacs in fiscal year 2012. The Management is taking effective steps to improve overall performance of the Company by concentrating on executing the on-going projects at fast pace.

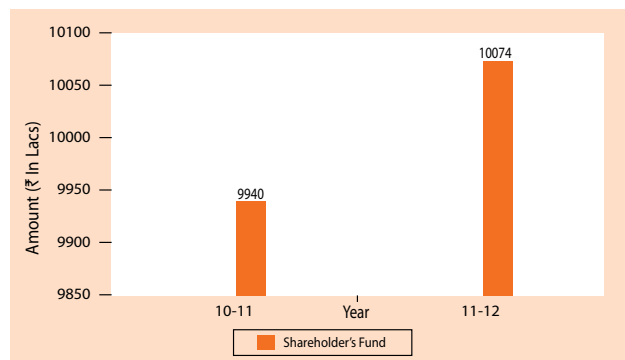


BALANCE SHEET:

1. Shareholder's Fund

Shareholders' funds represent Equity Share Capital, Preference Share Capital and Reserves and Surplus. During the year ended 31 March 2012,

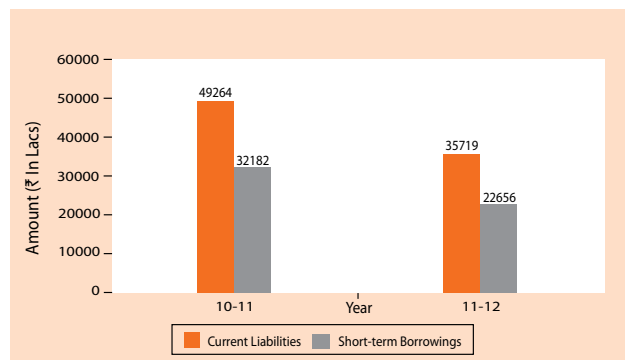
the shareholder's funds surpassed the mark of ₹ 100 Crores. It comprises of ₹ 3,227 Lacs Equity Share Capital, ₹ 740 Lacs 8% Cumulative Redeemable Preference Share Capital and Reserves and Surplus of ₹ 6,107 Lacs. During the year Reserves and Surplus marginally increased from ₹ 5,973 Lacs to ₹ 6,107 Lacs.



2. Current Liabilities

Current Liabilities includes Short-term Borrowing, Trade Payables, Short-term Provision and Other current liabilities. The Short-term borrowing includes secured and unsecured loan having repayment schedule during the normal operating cycle of the Company. Trade Payable represents monies payable for purchase of TDR, materials and other services used in completion of project.

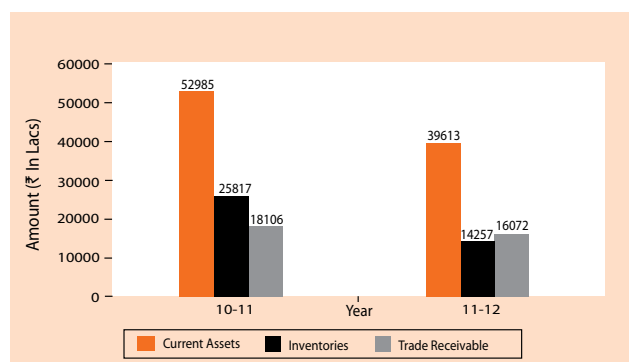
During the year, Current Liabilities decreased by 27.49% from ₹ 49,264 Lacs to ₹ 35,719 Lacs. Short-term Borrowing has decreased by 29.60% from ₹ 32,182 Lacs to ₹ 22,656 Lacs in current year. Other current liabilities include interest payable on borrowings and amount received from buyers pending recognition of revenue or identification of premises. There was a reduction in other current liabilities by 41.65% from ₹ 12,629 Lacs to ₹ 7,369 Lacs in the current year. Whereas the provisions has increased by 50.27% from ₹ 1,343 Lacs to ₹ 2,018 Lacs in the current year mainly because of increase in provision for taxation.





3. Current Assets

Current Assets is comprised of Inventories, Trade Receivables, Cash and bank balances, Short-term Loans and advances and other current assets. Inventories represent construction work in progress and stock of Materials, the said cost is transferred to cost of construction at the time of recognizing revenues. During the year under review there was a decrease in the total current assets by 25.24% from ₹ 52,985 Lacs to ₹ 39,613 Lacs. Accordingly the cost of Inventories decreased by 44.78% from ₹ 25,817 Lacs to ₹ 14,257 Lacs. This decrease in inventories was mainly due to charging of construction WIP to the Statement of Profit and Loss based on percentage completion of projects. There was a decrease in Trade receivables from ₹ 18,106 Lacs to Rs 16,072 Lacs in current year which was mainly attributable to collection from debtors. Short-term Loans and advances represent loans given to Subsidiaries, other companies and advances given against acquiring new properties /TDR. The Company transfers the advances paid for acquisition of property to Construction work in progress, when it acquires right / title against such properties / TDR. The loans & advances reduced by 6.20% from ₹ 6,574 Lacs to ₹ 6,166 Lacs in the current year mainly due to receipt of advances paid for properties / TDR.



HUMAN RESOURCES DEVELOPMENT:

The thrust of your Company's human resource development efforts therefore is to create a responsive and market-driven organization. Company believes that it has strong and good working relation with its employees and recognises that they are the most invaluable resource of the Company. It is an article of profound faith in

the Company that it is its people who constitute its most sustainable and invincible competitive business advantage. The organization cherishes its association and relationship with every single and valuable Member of an inspired Team at "SATRA".

Realising the importance of the Company's HR assets, the Management has been paying special attention to various aspects like training, welfare and safety of its employees, thereby further strengthening the Human Resource Relations.

As on 31 March 2012, the group has total employee strength of 66.

We intend to continue recruiting fresh talent to further enhance and grow our business.

INFORMATION TECHNOLOGY:

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

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

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

CAUTIONARY STATEMENT:

The statements in this Report, particularly which relate to Management Discussion and Analysis describing the Company's objectives, plans, projections, estimates, expectations or prediction, may constitute "forward looking statements" within the meaning of applicable Securities laws and regulations. These statements being based on certain assumptions and expectations of future events, actual results may differ substantially or materially from those expressed or implied in the statement depending on the circumstances, which are beyond the control of the Company like Economic Conditions, finished goods prices, change in government regulations and tax regime etc. The Company assumes no responsibility to publically amend, modify or revise in respect of forward looking statements on the basis of subsequent developments, information or events.

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is a systematic process by which an organization is directed, administered, managed and controlled. Corporate Governance encompasses adhering effectively to the governing laws, procedures, practices, and the implicit rule that determines a management's ability to take sound decisions in the best interest of all its stakeholders, viz. shareholders, the Board of Directors, employees, customers, creditors, suppliers and the community at large. Corporate Governance is primarily based on the principles of transparency and fairness, integrity and ethical conduct, empowerment and accountability, full disclosure and compliances, stakeholders' interest, etc.

The Company has complied with the provisions of Clause 49 of the Listing Agreement on Corporate Governance which is set out below:

1. Company's Philosophy on Code of 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 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 recognises good Corporate Governance practices as a key driver to sustainable growth and value creation and thus encourages timely and accurate dissemination of information to all their stakeholders. Accordingly the Company has adopted Code of Conduct for Board of Directors and Senior Management as well as for prevention of Insider trading.

2. Board of Directors

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 comprises of an optimal combination of executive, non-executive and independent directors so to preserve and maintain the independence of the Board. As of 31 March 2012, the Board of Directors of the Company comprises of 4 Directors, out of which Mr. Praful N. Satra (Chairman and Managing Director) is Executive Director, Mr. Vinayak D. Khadilkar, Mr. Vidyadhar D. Khadilkar (Independent Directors) and Mr. Rajan P. Shah are Non-Executive Directors.

• Directors' Profile:

- a) **Mr. Praful N. Satra**, Promoter and Chairman and Managing Director of the Company, has a total experience of over 27 years in domestic and international business which includes 12 years of experience in Real Estate Development. He has been the visionary behind the growth and success of the Company. He has vast experience in execution and management of wide variety of construction and development of projects. His core area of operations include identification of land/properties and formulation of finance and business strategies. He is Chairman of Investment Committee and Borrowing Committee.

Mr. Praful Satra holds Directorship in various Companies viz. Satra Property Developers Private Limited, Satra Buildcon Private Limited, Satra Estate Development Private Limited, Satra Lifestyles Private Limited, Satra Infrastructure and Land Developers Private Limited, Satra International Realtors Limited, Satra Reality and Builders Limited, Satra Re-Development Company Limited, Satra Infrastructure Development Private Limited, Satra Land Development Private Limited, Satra Property Development Private Limited, Satra Retail Private Limited, Shravan Developers Private Limited, Prime Multi Tiles Trading Private Limited, C. Bhansali Developers Private Limited, Deepmala Infrastructure Private Limited and Savla Realtors and Developers Private Limited as on 31 March 2012.

Mr. Praful Satra holds 73,798,106 shares of the Company in his name as on 31 March 2012.

- b) **Mr. Rajan P. Shah**, Director of the Company, has over 20 years of experience in the Real Estate Industry and construction activities in the execution and management of a wide variety of construction projects. He is guiding the Company in matters concerned with Project Execution, liasoning and legal matters relating to the Company. He is a Member of the Shareholder's Grievance Committee, Audit Committee, Investment Committee and Borrowing Committee.

Mr. Rajan Shah holds Directorship in various Companies viz. Alif International Private Limited, Satra Property Developers Private Limited, Satra Buildcon Private Limited, Satra Estate Development Private Limited, Satra Lifestyles Private Limited, Satra Infrastructure and Land Developers Private Limited, Satra Reality and Builders Limited, Satra



Re-Development Company Limited, Satra Infrastructure Development Private Limited, Satra Property Development Private Limited and Shravan Developers Private Limited as on 31 March 2012.

Mr. Rajan Shah does not hold any shares of the Company in his name as on 31 March 2012.

- c) **Mr. Vidyadhar D. Khadilkar**, Independent Director of the Company, holds a diploma in Civil and Sanitary Engineering from the Victoria Jubilee Technical Institute, Mumbai. He has a total work experience of over 32 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 26 May 2007. He is a Chairman of Shareholders' Grievance Committee and Member of the Audit Committee and Borrowing Committee.

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

Mr. Vidyadhar Khadilkar does not hold any shares of the Company in his name as on 31 March 2012.

- d) **Mr. Vinayak D. Khadilkar**, Independent Director of the Company, holds a Bachelors degree in Commerce from University of Mumbai. He is a practicing Chartered Accountant and has over 29 years of experience in the field of Finance, Accounts, Audit and Taxation. Mr. Vinayak Khadilkar joined our Company on 26 May 2007 and is a Chairman of the Audit Committee and a Member of the Shareholders' Grievance Committee and Investment Committee.

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

Mr. Vinayak Khadilkar does not hold any shares of the Company in his name as on 31 March 2012.

- **Board Meetings:**

During the Financial Year ended 31 March 2012, ten Board Meetings were held on 11 May 2011; 27 May 2011; 26 July 2011; 11 August 2011; 21 September 2011; 29 September 2011; 7 October 2011; 17 October 2011; 5 November 2011 and 9 February 2012 and the gap between two Meetings did not exceed four months.

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

- 3. **Audit Committee**

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. As of 31 March 2012, the Audit Committee of the Company comprises of 3 Non-Executive Directors, out of which two-thirds Directors, viz. Mr. Vinayak D. Khadilkar (Chairman) and Mr. Vidyadhar D. Khadilkar are Independent and Mr. Rajan P. Shah is Non-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.

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 to ensure that the financial statement is correct, sufficient and credible.
- 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.

- **Audit Committee Meetings:**

During the Financial Year ended 31 March 2012, four Audit Committee Meetings were held on 26 May 2011; 9 August 2011; 4 November 2011 and 7 February 2012 and the gap between two Meetings did not exceed four months. Mr. Vinayak D. Khadilkar, Chairman of the Audit Committee was present at 28th Annual General Meeting held on 29 September 2011.

- 4. **Remuneration Committee**

As the Executive Directors have consented for not drawing Remuneration from the Company and being a non-mandatory requirement, the Board in its meeting held on 11 May 2011 has dissolved Remuneration Committee. The Committee consisted of all Independent Directors and Mr. Vidyadhar D. Khadilkar, Chairman of the Remuneration Committee was present at the 28th Annual General Meeting held on 29 September 2011.

- **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 Independent Directors i.e. Mr. Vidyadhar D. Khadilkar and Mr. Vinayak D.

Khadilkar did not draw any remuneration (other than sitting fees) from the Company during the Financial Year under review.

- **Criteria for making payment to Non-Executive Directors:**

The remuneration of Non-Executive Independent Directors consists of sitting fees not exceeding the limits prescribed under Section 309 of the Companies Act, 1956, which is decided by the Board within the limits approved by the shareholders. The Non-Executive Independent 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 various Meetings of the Board or its committees.

- 5. **Shareholders' Grievance 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' Grievance Committee was constituted. The constitution and terms of reference of the Shareholders' Grievance Committee is in conformity with the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchange. The Shareholders' 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. It comprises of 3 Non-Executive Directors, out of which 2 are Independent Directors viz. Mr. Vidyadhar D. Khadilkar (Chairman) and Mr. Vinayak D. Khadilkar are Independent and Mr. Rajan P. Shah is Non-Executive Director.

- **Name and Designation of Compliance officer:**

Mr. Manan Y. Udani – Company Secretary is the Compliance Officer of the Company.

- **Shareholders' Grievance Committee Meetings and attendance during the year:**

During the Financial Year ended 31 March 2012, four Shareholders' Grievance Committee Meetings were held on 26 May 2011; 9 August 2011; 4 November 2011 and 7 February 2012.

- **Shareholders Complaints during the Financial Year 2011-12:**

Particulars	Received	Cleared	Pending
Nature of Complaints	6	6	NIL

Name of Directors	Category of Directorship	Remuneration Paid (in ₹)			No. of Board Meetings during the financial year 2011-12		No. of Audit Committee Meetings during the financial year 2011-12		Whether attended last AGM (held on 29 September 2011)	No. of Other Directorship - #	Other Committee positions in Public Ltd. Co's. - \$	
		Salary	Sitting Fees*	Commission	Held	Attended	Held	Attended			Member	Chairman
Mr. Praful N. Satra (Chairman & Managing Director)	Promoter Non-Independent Executive	2,77,419/- (Upto 11 May 2011)	N.A.	N.A.	10	9	N.A.	N.A.	Yes	8	NIL	NIL
Mr. Rajan P. Shah	Non-Promoter Non-Independent Non-Executive	1,38,710/- (Upto 11 May 2011)	N.A.	N.A.	10	8	4	3	Yes	7	NIL	NIL
Mr. Vinayak D. Khadilkar	Non-Promoter Independent Non-Executive	N.A.	1,20,000/-	N.A.	10	10	4	4	Yes	NIL	NIL	NIL
Mr. Vidyadhar D. Khadilkar	Non-Promoter Independent Non-Executive	N.A.	1,30,000/-	N.A.	10	10	4	4	Yes	1	NIL	1

* The Non-Executive Independent Directors are paid sitting fees at the rate of ₹ 10,000/- for attending each Board Meeting and ₹ 2,500/- for attending other Committee Meetings of the Company.

The Directorships held by Directors as mentioned above includes Private Limited Companies which are Subsidiaries of Public Limited Companies but do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

\$ In accordance with Clause 49, Memberships/Chairmanships of only the Audit Committees and Shareholders' Grievance Committees of all Public Limited Companies (including Private Limited Companies which is Subsidiary of the Public Limited Companies) have been considered.

No Director is related to any other Director on the Board (inter-se) within the meaning of Clause 49 IV(G)(ia) of the Listing Agreement except Mr. Vinayak D. Khadilkar and Mr. Vidyadhar D. Khadilkar, who are related to each other as brothers.

6. General Body Meetings

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

Financial Year	AGM No.	Venue	Day and Date	Time
2010-11	28 th	Prime Party Hall Shafi Mansion, Irla Society Road, Vile Parle (W), Mumbai – 400 056	Thursday, 29 September 2011	4.30 p.m.
2009-10	27 th		Wednesday, 29 September 2010	5.00 p.m.
2008-09	26 th		Tuesday, 29 September 2009	5.00 p.m.

No Special Resolutions were passed in the previous three Annual General Meetings.

No Resolution was passed by Postal Ballot during the year under review.

7. Subsidiary Companies

Mr. Vidyadhar D. Khadilkar, Independent Director of the Company holds a position as Director in Satra Property Developers Private Limited, a material non listed Indian Wholly Owned Subsidiary Company, as required under Clause 49 III (i) of the Listing Agreement.

The Board and the Audit Committee of the Company reviews inter-alia the financial statements, minutes of the board meetings of the Subsidiary Companies, etc. to the extent applicable as per the relevant provisions of the said Clause 49 of the Listing Agreement.

8. Disclosures

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.

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.

During the year under review, the Company has not raised any funds by way of Public issue, Rights Issue, Preferential Issue, etc.

Risk Management: An analysis of the Company's risks covering business, finance, legal and regulatory and other risks as perceived by the management has been reviewed. The Board is assessing the risk management on project to project basis.

Whistle Blower policy: 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

Quarterly, Half Yearly and Annual results are regularly submitted to the Stock Exchanges where the securities of the Company are listed and are also published in the English and vernacular newspaper viz. Free Press Journal and Navshakti. The Company has also displayed the results as specified under Clause 41 of the Listing Agreement on the Company's website www.satraproperties.in under separate section "Investor Relationship". No specific presentation has been made to institutional investors or to the analysts.

10. Compliance with Non-Mandatory Requirements

- 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.



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- **Remuneration Committee:** Please refer point 4 of this Report.
 - **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.
 - **Audit Qualifications:** The Qualifications in the Audit Report for the Financial Year under review has been discussed in the Director's Report.
 - **Training of Board Members:** No training is provided to the Board Members as on date of this Report.
 - **Mechanism for evaluating Non-Executive Board Members:** No mechanism is in place on the date of this Report.
 - **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.
-

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
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 31 March 2012, as stipulated in Clause 49 of the Listing Agreement entered into with the BSE Limited.

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, 13 August 2012

SHAREHOLDERS' INFORMATION

1. General Shareholders' Information

(a) 29th Annual General Meeting

Day, Date, Time	:	Friday, 28 September 2012 at 4.30 p.m.
Venue	:	Navinbhai Thakkar Hall, Ground Floor, Shraddhanand Road, Vile Parle (East), Mumbai - 400 057

(b) Financial Year : 1 April 2011 to 31 March 2012

(c) Date of Book Closure : The Company's Register of Members and Share Transfer Books will remain closed from Thursday, 20 September 2012 to Friday, 28 September 2012 (both days inclusive)

(d) Dividend Payout Date : On or after Thursday, 4 October 2012

(e) Listing on Stock Exchanges : BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

(f) Annual Listing Fees : The Equity and Preference Shares of the Company are listed on BSE Limited (BSE). The Annual Listing Fees payable to BSE for the Financial Year 2012-13 have been paid within the prescribed time limit.

(g) Annual Custodial Fees : The Company has paid Annual Custodial Fees for the Financial Year 2012-13 to National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within the prescribed time limit.

(h) Stock Code : Equity Shares - 508996
Preference Shares - 700124

(i) ISIN Number : Equity Shares - INE086E01021
Preference Shares - INE086E04017

(j) CIN : L65910MH1983PLC030083

(k) Market Price Data : High, Low during each month in last financial year

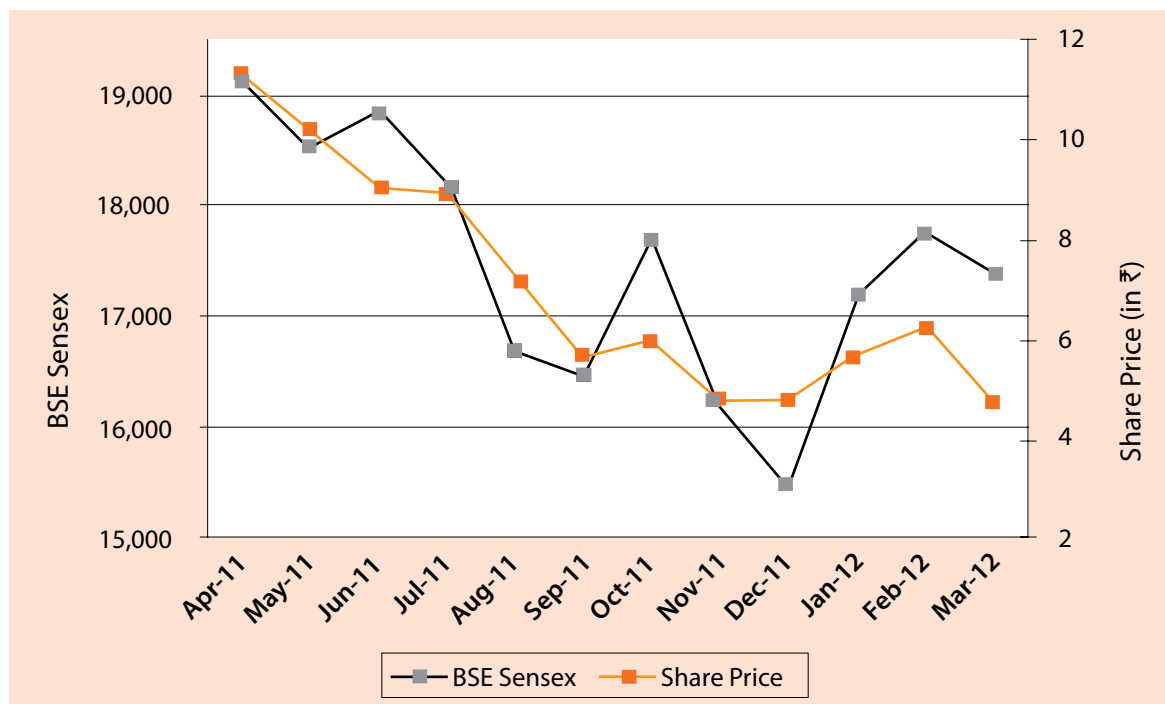
The performance of the Equity Shares of the Company on the BSE Limited depicting the liquidity of the Company's Equity Shares for the Financial Year ended 31 March 2012, on the said exchange is given hereunder:

Months	High - ₹	Low - ₹	Volume - Nos.
April 2011	13.95	11.00	4,24,905
May 2011	12.46	9.30	4,24,478
June 2011	10.50	8.34	3,01,766
July 2011	9.68	8.00	1,11,400
August 2011	9.64	6.77	1,76,014
September 2011	7.99	4.75	7,10,224
October 2011	6.48	4.75	2,84,832
November 2011	6.30	4.21	12,37,131
December 2011	5.30	4.00	2,47,459
January 2012	7.14	4.56	2,37,384
February 2012	7.60	5.60	3,16,801
March 2012	6.50	3.65	13,76,683



2. Stock Performance

Your Company's Closing Share Price movement during the Financial Year 2011-2012 on BSE Limited vis-à-vis respective indices:



3. 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 - 400 059

Tel: +91 - 022 - 4227 0400, Fax: +91 - 022 - 2850 3748.

E-mail: info@adroitcorporate.com / Website: www.adroitcorporate.com

4. 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 Registrar and Share Transfer Agent. 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. The Company obtains from the Company Secretary in practice a half-yearly certificate for compliance with the requirements of Clause 47 (c) of the Listing Agreement with the Stock Exchange and files a copy of the same with the Stock Exchange within stipulated time.

5. Distribution of Shareholding size class as on 31 March 2012

Number of Shares held (F.V. of ₹ 2/- each)	Shareholders		Shares	
	Number	% of Total	Number	% of Total
1 – 500	3,362	63.00	6,17,174	0.38
501 – 1,000	796	14.92	6,78,785	0.42
1,001 – 2,000	460	8.62	7,21,824	0.45
2,001 – 3,000	160	3.00	4,19,399	0.26
3,001 – 4,000	64	1.20	2,29,884	0.14
4,001 – 5,000	114	2.14	5,50,343	0.34
5,001 – 10,000	119	2.23	8,91,297	0.55
10,001 – above	261	4.89	15,72,49,294	97.46
Total	5,336	100.00	16,13,58,000	100.00

6. Distribution of shareholding by ownership as on 31 March 2012

Category	No. of Shares	% of Total
A. Shareholding of Promoter and Promoter Group		
1. Indian		
a. Individuals/Hindu Undivided Family	12,00,000	0.74
b. Directors	7,37,98,106	45.74
c. Directors – Relatives	3,59,48,293	22.28
Sub-Total (A)(1)	11,09,46,399	68.76
2. Foreign	-	-
Sub-Total (A)(2)	-	-
Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	11,09,46,399	68.76
B. Public Shareholding		
1. Institutions		
a. Financial Institutions/Banks	100	0.00
b. Central Government/State Government(s)	61,81,811	3.83
c. Foreign Institutional Investors	4,67,000	0.29
Sub-Total (B)(1)	66,48,911	4.12
2. Non-Institutions		
a. Bodies Corporate	1,17,50,065	7.28
b. Individuals		
b.i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	69,96,055	4.34
b.ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	2,48,11,622	15.38
c.i. Clearing Member	29,037	0.02
c.ii. Non-Resident Individuals	1,75,911	0.11
Sub-Total (B)(2)	4,37,62,690	27.12
Total Public Shareholding (B) = (B)(1) + (B)(2)	5,04,11,601	31.24
Grand Total (A) + (B)	16,13,58,000	100.00



7. Dematerialisation of Shares And Liquidity

As at 31 March 2012, 77.60% of shareholding aggregating to 125,216,050 equity shares were held in dematerialised form with NSDL and CDSL, while 22.40% of shareholding aggregating to 36,141,950 equity shares were held in physical form.

8. Capital Built-Up

The Equity Capital Built-Up of the Company up to 31 March 2012 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 ₹ 10/- each to ₹ 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 Share)	29/01/08	10,35,72,000
8.	Allotment of further shares on Preferential Basis	17/01/11	60,00,000
	Total Equity Shares of F.V. of ₹ 2/- each		16,13,58,000

The 8% Cumulative Redeemable Preference Capital Built - Up of the Company up to 31 March 2012 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. of ₹ 10/- each		74,00,000

Note: The Board of Directors in its meeting held on 3 February 2011 has approved the extension of the date of redemption of 74,00,000 8% Cumulative Redeemable Preference Shares for a further period of 3 years i.e. with an option to the Company to exercise put/call option for early redemption. Accordingly, the date of maturity of the said Preference Shares would be 2 February 2014.

9. Outstanding ADRs/GDRs

As on 31 March 2012, the Company did not have any outstanding GDRs/ ADRs/ Warrants or any convertible instruments.

10. 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 - 400 059

Tel: +91 - 022 - 4227 0400, Fax: +91 - 022 - 2850 3748

E-mail: info@adroitcorporate.com / Website: www.adroitcorporate.com

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

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

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

Praful N. Satra
Chairman and Managing Director
Mumbai, 13 August 2012

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

To,
The Board of Directors
SATRA PROPERTIES (INDIA) LIMITED

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

- A. We have reviewed financial statement and the cash flow statement for the year ended 31 March 2012 and that to the best of our knowledge and belief:
 - i. these statements 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 and fair view of the Company’s affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company’s code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control system of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
 - i. significant changes in internal control financial reporting during the year;
 - ii. significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which have become aware and that the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control systems over financial reporting.

Praful N. Satra
Chairman and Managing Director
Mumbai, 13 August 2012

Bhavesh V. Sanghavi
Chief Financial Officer
Mumbai, 13 August 2012



AUDITORS' REPORT

To the Members of
Satra Properties (India) Limited

We have audited the attached balance sheet of Satra Properties (India) Limited ('the Company') as at 31 March 2012 and the statement of profit and loss and the cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We report as follows:

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to above, we report that:
 - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, *except as stated in paragraphs (f) and (g) below*, the balance sheet, the statement of profit and loss 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 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) *As more fully explained in Note 41 to the financial statements, construction work-in-progress of a project included construction cost of ₹ 157,974,510 arising out of a significant change in the structural plan of the project in the year ended 31 March 2009. In accordance with the provisions of Accounting Standard – 2, "Inventories", such construction costs should have been charged to the statement of profit and loss for the year ended 31 March 2009. During the year ended 31 March 2012, the Company has recognized revenue from this project as a result of which the cost of construction recognized in the statement of profit and loss includes ₹ 77,535,650 for the year, resulting in an understatement of profit after tax for the year ended 31 March 2012 by ₹ 51,108,850. Consequently, the construction work-in-progress and the surplus in the statement of profit and loss continues to be overstated by ₹ 80,438,860 as at 31 March 2012;*
 - (g) *As more fully explained in Note 43 to the financial statements, in view of certain recent judicial pronouncements, the Company is required to pay Value Added Tax ("VAT") on sale of residential/commercial properties to the relevant authorities. The Company is currently in the process of ascertaining the exact applicability of these pronouncements, especially in respect of tax rate applicable, contractual ability to collect VAT from past and current customers and the mechanism of collection and payment of VAT to the government authorities. The Company is required to record the VAT collectable from customers and the VAT payable to the government authorities, and the VAT which is deemed to be not-collectable from its past and current customers needs to be charged to the statement of profit and loss. Pending quantification of the VAT collectable from customers, the VAT payable to the government authorities, and the VAT to be charged to the statement of profit and loss, we are unable to comment the impact of the same on the balance of trade receivables and other current liabilities as at 31 March 2012, on the rates and taxes and the profit for the year ended 31 March 2012 and the consequential impact on the balance in surplus in the statement of profit and loss as at 31 March 2012; and*
 - (h) in our opinion, and to the best of our information and according to the explanations given to us, *subject to the effect of the matter included in the paragraph (f) above and impact of adjustments required, if any, in respect of the matter included in the paragraph (g) above*, the said accounts give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2012;
 - ii. in the case of the statement of profit and loss, of the profit of the Company for the year ended on that date; and
 - iii. in the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

For M/s. Bhuta Shah & Co.
Chartered Accountants
Firm's Registration No. 101474W

S. J. Parmar
Partner
Membership No. 103424
Mumbai, 30 May 2012

For B S R & Associates
Chartered Accountants
Firm's Registration No. 116231W

Bhavesh Dhupelia
Partner
Membership No. 042070
Mumbai, 30 May 2012

ANNEXURE TO THE AUDITORS' REPORT – 31 MARCH 2012

(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 were 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) The Company has granted unsecured loans to three companies covered in the register maintained under Section 301 of the Companies Act, 1956 ('the Act'). The maximum amount outstanding during the year was ₹ 732,252,315 and the year-end balance of such loans was ₹ 706,251,710. The Company has not granted any loans, secured or unsecured to firms or other parties covered in the register maintained under Section 301 of the Act.
- (b) In our opinion, the rate of interest and other terms and conditions on which loans have been granted to companies listed in the register maintained under Section 301 of the Act are not, prima facie, prejudicial to the interest of the Company.
- (c) The loans granted to companies covered in the register maintained under Section 301 of the Act are repayable on demand. According to the information and explanations given to us, the principal and interest have been paid as demanded by the Company during the year.
- (d) There is no overdue amount in excess of Rupees one lakh in respect of the loans granted to the companies covered in the register maintained under Section 301 of the Act.
- (e) The Company has taken unsecured loans from one company and one party covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year was ₹ 382,603,484 and the year-end balance of such loans was ₹ 335,992,042.
- (f) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from a company and a party listed in the register maintained under Section 301 of the Act, are not, prima facie, prejudicial to the interest of the Company.
- (g) The loans taken from a company and a party covered in the register maintained under Section 301 of the Act are considered repayable on demand. According to the information and explanations given to us, the Company has been regular in repayment of principal and payment of interest as demanded.
- 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, transferrable development rights and sale of commercial/residential premises and sale of transferrable development rights. The activities of the Company currently do not involve sale of goods. Accordingly, paragraph 4 (iv) of the Order with respect to sale of goods 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 ₹ 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) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 209(1) (d) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- 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 Wealth Tax, Cess, Profession Tax, Provident Fund and other material statutory dues have been regularly deposited during the year by the Company, except for Works Contract Tax, Service tax and Income Tax which have generally been regularly deposited during the year by the Company with the appropriate authorities, *and there have been significant delays in few cases.* Also refer Note 43 to the financial statements in respect of material statutory dues of Value added tax. As explained to us, the Company did not have any dues on account of Employees' State Insurance, Customs Duty, Excise Duty and Investor Education and Protection Fund.



According to the information and explanations given to us, *except for ₹ 8,039,147 on account of Dividend Distribution Tax, ₹ 77,490,141 on account of Income Tax and ₹ 169,502 on account of Works Contract Tax*, no undisputed amounts payable in respect of Wealth Tax, Cess, Profession Tax, Works Contract Tax, Provident Fund, Service Tax, Income tax and other material statutory dues were in arrears as at 31 March 2012 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Wealth Tax, Cess, Profession Tax, Works Contract Tax, Provident Fund and Service Tax which have not been deposited with the appropriate authorities on account of any disputes.

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

Name of the Statute	Nature of the Dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	17,455,266	A.Y. 2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	461,854	A.Y. 2007-08	Commissioner of Income Tax (Appeals)

- x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, *the Company has defaulted in repayment of dues to its bankers and financial institutions at various dates during the year which have been made good as at the year end. The defaults existing as at the balance sheet date are on account of (a) repayment of interest amount to a bank of ₹ 2,383,166 for a period ranging from 57 days to 89 days and; (b) the repayment of an amount of ₹ 20,927,604 to a bank which includes interest amount of ₹ 927,604 has remained unpaid as at the date of the auditor's report.*
The Company has not defaulted in repayment of dues to its debenture holders 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) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
- xviii) The Company has not made any preferential allotment of shares to companies, firms and parties covered in the register maintained under Section 301 of the Act.
- xix) According to the information and explanations given to us, the Company has created security or charge in respect of debentures issued 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 M/s. Bhuta Shah & Co.
Chartered Accountants
Firm's Registration No. 101474W

For B S R & Associates
Chartered Accountants
Firm's Registration No. 116231W

S. J. Parmar
Partner
Membership No. 103424
Mumbai, 30 May 2012

Bhavesh Dhupelia
Partner
Membership No. 042070
Mumbai, 30 May 2012

SATRA PROPERTIES (INDIA) LIMITED

BALANCE SHEET as at 31 March 2012

		(Currency: Indian Rupees)	
	Note	2012	2011
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	3	396,716,000	396,716,000
Reserves and surplus	4	610,664,411	597,266,824
		1,007,380,411	993,982,824
NON-CURRENT LIABILITIES			
Long-term borrowings	5	612,138	2,084,636
Long-term provisions	6	907,879	1,318,222
		1,520,017	3,402,858
CURRENT LIABILITIES			
Short-term borrowings	7	2,265,615,870	3,218,221,397
Trade payables	8	367,581,051	311,022,609
Other current liabilities	9	736,894,437	1,262,886,475
Short-term provisions	10	201,773,122	134,273,499
		3,571,864,480	4,926,403,980
		4,580,764,908	5,923,789,662
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
- Tangible assets	11	13,218,208	19,596,276
Non-current investments	12	597,810,450	597,810,450
Deferred tax assets (net)	13	7,254,082	6,713,216
Long-term loans and advances	14	1,150,762	1,150,762
Other non-current assets	15	40,129	40,129
		619,473,631	625,310,833
CURRENT ASSETS			
Inventories	16	1,425,682,567	2,581,675,435
Trade receivables	17	1,607,162,923	1,810,555,349
Cash and bank balances	18	17,584,524	3,996,853
Short-term loans and advances	19	616,645,620	657,405,636
Other current assets	20	294,215,643	244,845,556
		3,961,291,277	5,298,478,829
		4,580,764,908	5,923,789,662
Significant accounting policies	2		
Notes to the financial statements	3-43		

The notes referred to above are an integral part of these financial statements.
As per our report of even date attached.

For **B S R & Associates**
Chartered Accountants
Firm's Registration No. 116231W

For **M/s. Bhuta Shah & Co.**
Chartered Accountants
Firm's Registration No. 101474W

For and on behalf of the Board of Directors

Bhavesh Dhupelia
Partner
Membership No. 042070
Mumbai, 30 May 2012

S. J. Parmar
Partner
Membership No. 103424
Mumbai, 30 May 2012

Manan Y. Udani
Company Secretary
Mumbai, 30 May 2012

Vidyadhar D. Khadilkar
Director

Praful N. Satra
Chairman and
Managing Director



STATEMENT OF PROFIT AND LOSS for the year ended 31 March 2012

(Currency: Indian Rupees)			
	Note	2012	2011
INCOME			
Revenue from operations	21	2,113,437,728	1,240,432,318
Other income	22	112,512,550	154,622,116
Total revenue		2,225,950,278	1,395,054,434
EXPENSES			
Cost of materials consumed	23	484,991,700	890,607,951
Purchase of traded products	24	159,950,226	-
(Increase)/decrease in inventories of construction work-in-progress, unsold units and traded products	25	1,159,008,038	48,354,845
Employee benefits expense	26	15,581,815	21,413,998
Finance costs	27	265,021,988	301,362,323
Depreciation and amortisation expenses	11	4,863,659	8,831,493
Other expenses	28	27,133,941	47,741,550
Total expenses		2,116,551,367	1,318,312,160
Profit before tax		109,398,911	76,742,274
Tax expenses:			
- Current tax		54,155,200	20,078,375
- Prior year charge of current tax		16,753,187	13,500,000
- Deferred tax (credit)		(540,866)	(1,573,168)
Profit for the year		39,031,390	44,737,067
Earnings per equity share (₹)			
Basic and diluted (face value of ₹ 2 per share)	29	0.20	0.24
Significant accounting policies	2		
Notes to the financial statements	3-43		

The notes referred to above are an integral part of these financial statements.
As per our report of even date attached.

For **B S R & Associates**
Chartered Accountants
Firm's Registration No. 116231W

For **M/s. Bhuta Shah & Co.**
Chartered Accountants
Firm's Registration No. 101474W

For and on behalf of the Board of Directors

Bhavesh Dhupelia
Partner
Membership No. 042070
Mumbai, 30 May 2012

S. J. Parmar
Partner
Membership No: 103424
Mumbai, 30 May 2012

Manan Y. Udani
Company Secretary
Mumbai, 30 May 2012

Vidyadhar D. Khadilkar
Director
Praful N. Satra
Chairman and Managing Director

CASH FLOW STATEMENT for the year ended 31 March 2012

	(Currency: Indian Rupees)	
	2012	2011
A. Cash flows from operating activities:		
Profit before tax	109,398,911	76,742,274
Adjusted for:		
Depreciation/amortisation	4,863,659	8,831,493
Dividend income	(14,603,900)	(29,207,800)
Interest income	(90,785,684)	(125,068,155)
Profit on sale of fixed assets	-	(342,972)
Financial expenses	265,021,988	301,362,323
	164,496,063	155,574,889
Operating profit before working capital changes	273,894,974	232,317,163
Decrease in working capital		
Inventories	1,158,177,556	75,297,795
Trade receivables	203,392,426	298,305,424
Loans and advances	103,432,360	121,969,865
Trade payables	56,558,442	(6,266,679)
Long-term provisions	(410,343)	357,920
Short-term provisions	(182,067)	14,340
Other current liabilities	(680,720,887)	219,551,640
	840,247,487	709,230,305
Cash generated from operations	1,114,142,461	941,547,468
Taxes paid (net of refund)	(6,804,700)	(26,894,216)
Net cash generated from operating activities	1,107,337,761	914,653,252
B. Cash flows from investing activities:		
Purchase of fixed assets	(670,279)	(7,712,760)
Sale of fixed assets	-	1,800,000
Loans given	(91,880,144)	(513,425,000)
Loans repaid	-	953,394,012
(Increase) in investment in fixed deposits (including earmarked balances)	(2,699,839)	(8,179)
Dividend received	43,811,700	-
Interest received	41,415,597	25,292,212
Net cash (used in)/generated from investing activities	(10,022,965)	459,340,285
C. Cash flows from financing activities :		
Proceeds from issue of share capital	-	120,000,000
Proceeds from long-term borrowings	-	107,118,078
Repayment of long-term borrowings	(1,472,498)	(1,707,575,780)
Proceeds from short-term borrowings	1,556,924,597	1,374,250,000
Repayment of short-term borrowings	(2,509,530,124)	(1,203,676,395)
Dividend paid	(22,055,800)	(27,375,800)
Finance costs paid	(110,293,139)	(81,639,953)
Net cash (used in) financing activities	(1,086,426,964)	(1,418,899,850)
Net increase/(decrease) in cash and cash equivalents	10,887,832	(44,906,313)
Cash and cash equivalents, beginning of year	3,648,121	48,554,434
Cash and cash equivalents, end of year	14,535,953	3,648,121
Cash and cash equivalents		
Balances with banks		
- in current accounts	12,808,543	2,967,766
- in overdraft accounts	53,848	-
Cheques on hand	1,000,000	-
Cash on hand	673,562	680,355
	14,535,953	3,648,121

Note: a) Cash flow statement has been prepared using the indirect method as prescribed in Accounting Standard - 3

As per our report of even date attached.

For B S R & Associates

Chartered Accountants

Firm's Registration No. 116231W

For M/s. Bhuta Shah & Co

Chartered Accountants

Firm's Registration No. 101474W

For and on behalf of the Board of Directors

Bhavesh Dhupelia

Partner

Membership No. 042070

Mumbai, 30 May 2012

S. J. Parmar

Partner

Membership No: 103424

Mumbai, 30 May 2012

Manan Y. Udani

Company Secretary

Mumbai, 30 May 2012

Vidyadhar D.

Khadilkar

Director

Praful N. Satra

Chairman and

Managing Director



NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

1. COMPANY OVERVIEW

The Company was incorporated on 30 May 1983 as Express Leasing Limited. The name of the Company was changed to Satra Properties (India) Limited ('the Company') on 8 December 2005. The Company is engaged in the business of real estate development and trading in properties and transferable development rights.

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.

The financial statements for the year ended 31 March 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Act. Consequent to the notification of revised Schedule VI under the Act, the financial statements for the year ended 31 March 2012 are prepared as per revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

2.2 Current/Non-current classification

The Revised Schedule VI to the Act requires assets and liabilities to be classified as either Current or Non-current.

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within twelve months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the balance sheet date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

All other liabilities are classified as non-current.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 3 to 4 years for the purpose of current – non-current classification of assets and liabilities.

2.3 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. Significant estimates used by the management in the preparation of these financial statements include computation of percentage completion for projects in progress, project cost, revenue and saleable area estimates, estimate of the economic useful lives of fixed assets.

2.4 Fixed assets and depreciation/amortisation and construction work-in-progress

Tangible assets

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

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

Assets costing less than ₹ 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 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.

2.7 Inventories

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

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

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

2.8 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. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed beyond reasonable time due to other than temporary interruption. All other borrowing costs are charged to the statement of profit and loss as 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, leave salary etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service.

(b) Post employment benefits

Defined contribution plans:

The Company makes specified monthly contributions towards employee provident fund. The Company's contribution paid/payable under the schemes is recognized as an expense in the statement of profit and loss 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.



NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

When the calculation results in a benefit to the Company, the recognized 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 statement of profit and loss.

2.10 Revenue recognition

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

Income from real estate sales is recognized 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 recognized 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, in 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 recognized on time proportion basis.

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

2.11 Taxation

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

Current tax provision is made annually based on the tax liability computed in accordance with the provisions of the Income Tax Act, 1961.

The deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) 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.

2.12 Foreign currency transactions

Foreign currency 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 statement of profit and loss 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 statement of profit and loss.

Non-monetary asset such as investments in equity shares, etc. are carried forward in the balance sheet at costs.

2.13 Operating lease

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

2.14 Earnings per share (EPS)

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

2.15 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. Contingent assets are not recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2012

(Currency: Indian Rupees)

3. SHARE CAPITAL
Authorised capital:

210,000,000 (2011: 210,000,000) equity shares of ₹ 2 each

8,000,000 (2011: 8,000,000) 8% cumulative redeemable preference shares of ₹ 10 each

	2012	2011
	420,000,000	420,000,000
	80,000,000	80,000,000
	500,000,000	500,000,000
	322,716,000	322,716,000
	74,000,000	74,000,000
	396,716,000	396,716,000

Issued, subscribed and paid-up:

161,358,000 (2011: 161,358,000) equity shares of ₹ 2 each, fully paid-up

7,400,000 (2011: 7,400,000) 8% cumulative redeemable preference shares of ₹ 10 each, fully paid-up

Sub-notes :
1. The reconciliation of the number of equity shares and preference shares outstanding as at the year end is set as below:

Equity shares	31 March 2012		31 March 2011	
	Number of equity share (Units)	Amount	Number of equity share (Units)	Amount
At the beginning of the year	161,358,000	322,716,000	155,358,000	310,716,000
Add: Equity shares issued during the year *	-	-	6,000,000	12,000,000
At the end of the year	161,358,000	322,716,000	161,358,000	322,716,000

* 6,000,000 equity shares of ₹ 2 each were issued on preferential allotment basis at a premium of ₹ 18 per share during the year ended 31 March 2011

Preference shares	31 March 2012		31 March 2011	
	Number of preference share (Units)	Amount	Number of preference share (Units)	Amount
At the beginning and end of the year	7,400,000	74,000,000	7,400,000	74,000,000

2. Rights, preferences and restrictions attached to shares
Equity shares :

The Company has only one class of equity shares having a face value of ₹ 2 each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting. During the year ended 31 March 2012, the Company has proposed final dividend of ₹ 0.10 per equity share (2011: final dividend of ₹ 0.10 per equity share). In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to their shareholding.

Preference shares :

74,00,000 8% cumulative redeemable preference shares of ₹ 10 each are redeemable at par on 2 February 2014 with an option to the Company to exercise put / call option for early redemption. Preference shares carry a preferential right as to dividend over equity shareholders. Where dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward. The preference shares are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights. However, a cumulative preference shareholder acquires voting rights on par with an equity shareholder if the dividend on preference shares has remained unpaid for a period of not less than two years. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares.

3 The details of shareholders holding more than 5% of the equity shares of the Company as at year end is as below :

Name of equity shareholder	31 March 2012		31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Praful N. Satra	73,798,106	45.74	73,798,106	45.74
Minaxi P. Satra	35,948,293	22.28	38,948,293	24.14
Anil B. Mehta	9,154,450	5.67	9,154,450	5.67



NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2012

(Currency: Indian Rupees)

4. The details of shareholders holding more than 5% of the Preference shares of the Company as at year end is as below:

Name of preference shareholder	31 March 2012		31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Praful N. Satra	4,500,000	60.81	4,500,000	60.81
Minaxi P. Satra	2,500,000	33.78	2,500,000	33.78
Anil B. Mehta	400,000	5.41	400,000	5.41

5. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date :

	31 March 2012 No. of Shares	31 March 2011 No. of Shares
Equity shares allotted as fully paid bonus shares after capitalisation of general reserve and securities premium account during the year 2007-08. (refer Note i below)	103,572,000	103,572,000
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash. (refer Note ii below)	37,192,250	37,192,250
Preference shares allotted as fully paid-up pursuant to contracts for consideration other than cash. (refer Note ii below)	7,400,000	7,400,000

- (i) 103,572,000 (2011: 103,572,000) equity shares of ₹ 2 each have been issued as fully paid up by way of bonus equity shares in the ratio of 2:1 i.e. 2 bonus equity shares for every 1 existing equity share held, after capitalisation of general reserve and securities premium account during the year 2007-08.
- (ii) 37,192,250 (2011: 37,192,250) equity shares of ₹ 2 each and 7,400,000 (2011: 7,400,000) 8% cumulative redeemable preference shares of ₹ 10 each were issued in 2008 pursuant to the order of the Honourable High Court, Mumbai, approving the scheme of amalgamation of Om Housing Company Private Limited with the Company, for consideration other than cash.

4. RESERVES AND SURPLUS

Capital reserves

Reserve on amalgamation (at the commencement and end of the year)

21,796,437 21,796,437

Securities premium reserve

At the commencement of the year

108,000,000 -

Add: Securities premium received on shares issued on preferential allotment basis

- 108,000,000

At the end of the year

108,000,000 108,000,000

Debenture redemption reserve

At the commencement of the year

- -

Add: Transferred in the current year

39,000,000 -

At the end of the year

39,000,000 -

General reserve (at the commencement and end of the year)

108,166,888 108,166,888

Surplus in the statement of profit and loss

At the commencement of the year

359,303,499 340,285,425

Add: Profit for the year transferred

39,031,390 44,737,067

398,334,889 385,022,492

Less: Appropriations

Proposed dividend on preference shares

5,920,000 5,920,000

Tax on proposed dividend on preference shares

960,372 983,238

Proposed dividend on equity shares

16,135,800 16,135,800

Tax on proposed dividend on equity shares

2,617,631 2,679,955

Transfer to debenture redemption reserve

39,000,000 -

Total appropriations

64,633,803 25,718,993

Net surplus in the statement of profit and loss

333,701,086 359,303,499

610,664,411 597,266,824

NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2012

(Currency: Indian Rupees)

	2012	2011
5. LONG-TERM BORROWINGS		
From banks (Secured)		
Vehicle loan [refer Note 5(i)]	142,930	489,743
From others (Secured)		
Vehicle loans [refer Note 5(ii)]	469,208	1,594,893
	612,138	2,084,636
Details of security on loans		
Name of the security	Terms of repayment	
(i) Vehicle loan from The Cosmos Co operative Bank Ltd are secured by hypothecation of the respective vehicles purchased.	Payment of equated monthly installments of ₹ 32,879 beginning from the month subsequent to taking the loan i.e. July 2008. The last installment will be due by June 2013.	
(ii) Vehicle loans from Kotak Mahindra Prime Limited are secured by hypothecation of the respective vehicles purchased.	Monthly payment of equated monthly installments ranging from ₹ 9,300 to ₹ 66,800 beginning from the month subsequent to taking the loan i.e. various dates between April 2010 to February 2011. The last installment for the various loans range from March 2013 to December 2013.	
6. LONG-TERM PROVISIONS		
Provision for employee benefits		
Provision for gratuity	907,879	1,318,222
	907,879	1,318,222
7. SHORT-TERM BORROWINGS		
Secured borrowings		
7,863 (2011: Nil) 23% Secured Redeemable Non-Convertible Debentures of ₹ 100,000 each [refer Note 7(i)]	786,300,000	-
From banks		
Term loan from Indian Bank [refer Note 7(ii)]	-	343,832,822
Term loan from Syndicate Bank [refer Note 7(iii)]	-	170,433,189
Term loan from Syndicate Bank [refer Note 7(iv)]	52,466,717	40,071,433
Bank overdraft [refer Note 7(v)]	102,298,031	134,163,744
From others		
Term loan from Housing and Urban Development Corporation Limited (HUDCO) [refer Note 7(vi)]	-	311,083,503
Term loan from India Infoline Investment Services Ltd. [refer Note 7(vii)]	244,638,500	-
Unsecured borrowings		
Loans repayable on demand		
- Inter corporate loans [refer Note 7(x)]	719,200,653	1,598,496,353
Loan from related parties [refer Note 7(x)]	335,992,042	345,420,425
Other loans and advances		
- India Infoline Investment Services Limited [refer Note 7(ix)]	24,719,927	274,719,928
	2,265,615,870	3,218,221,397



NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2012

(Currency: Indian Rupees)

Notes:

A Details of security on loans

Name of the security

- (i) 23% Secured Redeemable Non-Convertible Debentures are secured against a first and exclusive mortgage and charge over the unsold units, development rights, receivables and set off over the Escrow account of project 'Satra Park', Borivali.
- (ii) Term loan from Indian Bank was secured against certain units of shops, residential premises and receivables of project 'Satra Park', Borivali.
- (iii) Term loan from Syndicate Bank was secured against equitable mortgage of Jodhpur project properties and all present and future construction and development work thereon.
- (iv) Term loan from Syndicate Bank is secured against english mortgage of Jodhpur project properties and all present and future construction and development work thereon.
- (v) Bank overdraft is secured against subservient charge on all current assets.
- (vi) Term loan from HUDCO was secured against english mortgage of project 'Satra Plaza', Vashi and all present and future construction and development work thereon.
- (vii) Term loan from India Infoline Investment Services Ltd. is secured against registered mortgage on unsold units in commercial project 'Satra Plaza' situated at Vashi and charge on Escrow account.
- (viii) All the above term loans, the bank overdraft and the debentures are secured by personal guarantees of directors/shareholders of the Company.
- (ix) Term loan from India Infoline Investment Services Ltd.
- (x) Inter corporate loans and loan from related parties are repayable on demand.

Terms of repayment

The interest on debentures is 23% p.a. payable quarterly starting from 20 December 2011. These debentures are redeemable in five quarterly installments of ₹ 18.60 crores each starting from August 2012 to September 2013 and accordingly ₹ 41.43 crores is repayable within a year.

This loan carried interest at Benchmark Prime Lending Rate ('BPLR') and principal was repayable in five quarterly installments ranging from ₹ 6 crores to ₹ 11.28 crores starting from December 2010 to December 2011.

The term loan carried interest at BPLR plus 2.5% per annum and is payable monthly. The term loan was repayable in five quarterly installments ranging from ₹ 5 crores to ₹ 10 crores starting from June 2010 to June 2011.

Interest rate for the term loan is BPLR plus 7.75% per annum and is payable monthly. The loan is repayable in three quarterly installments ranging from ₹ 2 crores to ₹ 3 crores starting from December 2011 to June 2012.

Interest rate is BPLR plus 50 basis points. Overdraft is repayable in four installments ranging from ₹ 2 crores to ₹ 5.25 crores starting from December 2011 to May 2012.

The term loan carried a floating rate of interest payable on a quarterly basis. The loan was repayable in six equal quarterly installments of ₹ 11.66 crores starting from May 2010 to August 2011.

The loan carries an interest rate of 23% p.a. payable quarterly starting from February 2012. The loan is repayable in seven equal monthly installments of ₹ 4 crores starting from May 2012 to November 2012.

The term loan carries an interest rate of 19% p.a. payable which was payable in lumpsum by 8 September 2012.

B Refer Note No. 31 for default in payment of short-term borrowings and interest thereon, if any.

	2012	2011
8. TRADE PAYABLES		
Dues to Micro and small enterprises (refer Schedule 36)	-	-
Others	367,581,051	311,022,609
	367,581,051	311,022,609

NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2012

		(Currency: Indian Rupees)	
		2012	2011
9. OTHER CURRENT LIABILITIES			
Current maturities of long-term borrowings			
From banks (Secured)			
- Vehicle loans [refer Note 5(i)]		346,813	316,012
From others (Secured)			
- Vehicle loan [refer Note 5(ii)]		1,129,223	1,019,401
Interest accrued but not due on borrowings			
- Term loan from India Infoline		91,45,893	-
- Term loan from HUDCO		-	4,109,643
- Debentures		5,945,721	-
Interest accrued and due on borrowings			
- Syndicate Bank		-	18,937
- Loans from related parties		-	29,383,058
- Inter corporate loans		74,207,377	196,964,204
- Term loan from India Infoline		1,060,796	3,989,837
Unpaid dividend *		437,238	348,732
Other payables			
- advance received against property		609,609,211	980,204,961
- statutory dues payable		22,270,413	36,899,214
- employee benefits payable		1,512,007	6,558,127
- advance received for maintenance		9,011,314	1,476,092
- interest payable to vendors		2,218,431	1,598,257
		736,894,437	1,262,886,475
* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.			
10. SHORT-TERM PROVISIONS			
Provision for employee benefits			
Provision for gratuity		15,657	83,897
Provision for compensated absences		281,450	395,077
		297,107	478,974
Other provisions			
Provision for taxation [net of advance tax and tax deducted at source ₹ 246,141,313 (2011: ₹ 221,531,546)]		162,999,583	100,965,257
Provision for fringe benefits tax [net of advance tax ₹ 156,444 (2011: ₹ 156,444)]		472,031	351,089
Provision for wealth tax		45,640	45,840
Dividend on preference shares		5,920,000	5,920,000
Tax on dividend on preference shares		7,399,637	5,116,283
Proposed dividend on equity shares		16,135,800	16,135,800
Tax on proposed dividend on equity shares		8,503,324	5,260,256
		201,476,015	133,794,525
		201,773,122	134,273,499

NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2012

11. FIXED ASSETS

(Currency: Indian Rupees)

	GROSS BLOCK			ACCUMULATED DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 1 April 2011	Additions	Deletions/ Disposals	As at 31 March 2012	As at 1 April 2011	For the year	On Deletions/ Disposals	As at 31 March 2012	2012
Tangible assets									
Leasehold improvements	25,331,539	-	-	25,331,539	22,533,395	2,798,144	-	25,331,539	-
Plant and machinery	6,483,603	-	-	6,483,603	3,397,683	890,320	-	4,288,003	2,195,600
Computer	4,290,454	365,562	-	4,656,016	3,413,733	477,871	-	3,891,604	764,412
Furniture and fittings	2,136,844	-	-	2,136,844	1,419,726	138,526	-	1,558,252	578,592
Office equipment	5,942,524	304,717	-	6,247,241	2,226,061	568,231	-	2,794,292	3,452,949
Temporary structures	407,275	-	-	407,275	407,275	-	-	407,275	-
Vehicles	16,314,058	-	-	16,314,058	7,912,148	2,175,255	-	10,087,403	6,226,655
Total	60,906,297	670,279	-	61,576,576	41,310,021	7,048,347	-	48,358,368	13,218,208

Notes:

(i) Depreciation aggregating ₹ 2,184,688 (2011: ₹ 1,951,034) has been transferred to construction work in progress.

	GROSS BLOCK			ACCUMULATED DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 1 April 2010	Additions	Deletions/ Disposals	As at 31 March 2011	As at 1 April 2010	For the year	On Deletions/ Disposals	As at 31 March 2011	2011
Tangible assets									
Leasehold improvements	22,087,807	3,243,732	-	25,331,539	16,572,297	5,961,098	-	22,533,395	2,798,144
Plant and machinery	6,483,603	-	-	6,483,603	2,326,105	1,071,578	-	3,397,683	3,085,920
Computer	4,112,274	178,180	-	4,290,454	2,864,671	549,062	-	3,413,733	876,721
Furniture and fittings	2,136,844	-	-	2,136,844	1,261,242	158,484	-	1,419,726	717,118
Office equipment	5,459,972	482,552	-	5,942,524	1,690,719	535,342	-	2,226,061	3,716,463
Temporary structures	407,275	-	-	407,275	407,275	-	-	407,275	-
Vehicles	13,549,545	4,152,905	1,388,392	16,314,058	6,495,391	2,332,660	915,903	7,912,148	8,401,910
Trucks	4,826,500	-	4,826,500	-	3,667,658	174,303	3,841,961	-	-
Total	59,063,820	8,057,369	6,214,892	60,906,297	35,285,358	10,782,527	4,757,864	41,310,021	19,596,276

Notes:

(i) Depreciation aggregating ₹ 1,951,034 (2010: ₹ 1,550,007) has been transferred to construction work in progress.

NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2012

		(Currency: Indian Rupees)	
		2012	2011
12. NON-CURRENT INVESTMENTS (AT COST)			
Trade investments : unquoted			
Investment in equity instruments			
<i>In subsidiaries</i>			
10,000 (2011: 10,000) equity shares of Satra Buildcon Private Limited of ₹ 10 each, fully paid-up		100,000	100,000
10,000 (2011: 10,000) equity shares of Satra Estate Development Private Limited of ₹ 10 each, fully paid-up		100,000	100,000
10,000 (2011: 10,000) equity shares of Satra Infrastructure and Land Developers Private Limited of ₹ 10 each, fully paid-up		100,000	100,000
10,000 (2011: 10,000) equity shares of Satra Lifestyles Private Limited of ₹ 10 each, fully paid-up		100,000	100,000
14,603,900 (2011: 14,603,900) equity shares of Satra Property Developers Private Limited of ₹ 10 each, fully paid-up		585,616,450	585,616,450
100 (2011:100) equity shares of Satra International Realtors Limited, UAE of AED 10,000 each, fully paid-up		11,711,600	11,711,600
<i>In associates</i>			
2,000 (2011: 2,000) equity shares of C. Bhansali Developers Private Limited of ₹ 10 each, fully paid-up		20,000	20,000
<i>Other investments</i>			
624 (2011: 624) equity shares of The Cosmos Co-operative Bank Limited of ₹ 100 each, fully paid-up		62,400	62,400
Aggregate amount of unquoted investments		597,810,450	597,810,450
13. DEFERRED TAX ASSET (NET)			
The components of deferred tax balances are as follows:-			
- Difference between book depreciation and depreciation as per Income Tax Act, 1961		6,947,306	6,247,467
- On provision allowable on a payment basis under the Income Tax Act, 1961		306,776	465,749
		7,254,082	6,713,216
14. LONG-TERM LOANS AND ADVANCES			
- Advance tax and tax deducted at source		1,150,762	1,150,762
		1,150,762	1,150,762
15. OTHER NON-CURRENT ASSETS			
Other bank balances			
- Deposits with banks having maturity of more than 12 months		40,129	40,129
		40,129	40,129
16. INVENTORIES			
Construction work-in-progress		1,198,915,644	2,570,682,971
Materials at site		14,007,634	10,992,464
Unsold units		212,759,289	-
		1,425,682,567	2,581,675,435
17. TRADE RECEIVABLES			
<i>(unsecured and considered good)</i>			
Debts outstanding for a period exceeding six months from the date they are due for payment		709,810,952	1,381,022,173
Other debts		897,351,971	429,533,176
		1,607,162,923	1,810,555,349



NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2012

		(Currency: Indian Rupees)	
		2012	2011
18. CASH AND BANK BALANCES			
Cash and cash equivalents			
Balances with banks			
- in current accounts	12,808,543	2,967,766	
- in overdraft accounts	53,848	-	
Cheques on hand	1,000,000	-	
Cash on hand	673,562	680,355	
	14,535,953	3,648,121	
Other bank balances			
- Earmarked balances with banks (under lien)	438,571	348,732	
- Balances in deposits with original maturity of less than 12 months but more than 3 months	2,610,000	-	
	17,584,524	3,996,853	
Deposits with banks having maturity of more than 12 months	40,129	40,129	
19. SHORT-TERM LOANS AND ADVANCES			
<i>(Unsecured and considered good)</i>			
Loans given to related parties			
- Satra International Realtors Limited (subsidiary)	248,288,400	248,288,400	
- Satra Property Developers Private Limited (subsidiary)	91,880,144	-	
- C. Bhansali Developers Private Limited (associate)	77,388,305	77,388,305	
Loans given to other parties	9,778,608	9,778,608	
Advances given to related parties			
- C. Bhansali Developers Private Limited (associate)	4,000,000	4,000,000	
- Satra Infrastructure & Land Developers Private Limited (subsidiary)	6,500,000	-	
Advance paid for property	151,747,250	264,747,250	
Others			
- Advances to staff	278,500	318,500	
- Dividend receivable	-	29,207,800	
- Advances to vendors	16,300,718	4,590,834	
- Prepaid expenses	1,213,818	2,614,071	
- Deposits*	3,687,018	16,471,868	
- Amounts recoverable from banks and financial institutions	5,582,859	-	
	616,645,620	657,405,636	
* includes ₹ 2,150,000 (2011: ₹ 2,150,000) rent deposit given to the Managing Director			
20. OTHER CURRENT ASSETS			
Interest accrued on fixed deposits with banks	35,761	2,832	
Interest accrued and due from related parties			
- Satra International Realtors Limited (subsidiary)	243,894,035	179,339,051	
- Satra Property Developers Private Limited (subsidiary)	-	28,615,749	
- C. Bhansali Developers Private Limited (associates)	44,800,826	32,890,694	
Interest accrued and due from other parties	5,485,021	3,997,230	
	294,215,643	244,845,556	

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

		(Currency: Indian Rupees)	
		2012	2011
21. REVENUE FROM OPERATIONS			
Revenue from construction projects		1,908,250,400	1,153,073,074
[includes ₹ Nil (2011: ₹ 15,375,690) pertaining to earlier period]			
Sale of traded products			
Sale of transferable development rights		179,064,522	-
Other operating revenues			
Development charges		26,122,806	87,359,244
[includes ₹ Nil (2011: ₹ 81,577,383) pertaining to earlier period]			
		2,113,437,728	1,240,432,318
22. OTHER INCOME			
Interest income on			
- fixed deposits with banks		271,458	62,106
- loans given to subsidiaries		75,627,645	111,669,146
- loans given to associates		13,233,480	11,943,574
- loans given to other parties		1,653,101	1,393,329
Dividend from subsidiary		14,603,900	29,207,800
Other non-operating income			
- provision for managerial remuneration written back		6,701,498	-
- excess provision for gratuity written back		421,468	-
- profit on sale of fixed assets		-	346,161
		112,512,550	154,622,116
23. COST OF MATERIALS CONSUMED			
Inventory at the beginning of the year	(A)	10,992,464	35,984,382
Incurred during the year			
Development rights/land cost		25,630,000	3,820,000
Professional and legal fees		8,552,372	9,474,312
Civil, electrical and contracting		312,872,177	519,059,657
Depreciation		2,184,688	1,951,034
Administrative and other expenses		8,351,400	9,588,076
Borrowing costs		130,416,233	321,722,954
	(B)	488,006,870	865,616,033
Less: Inventory at the end of the year	(C)	14,007,634	10,992,464
	(A) + (B) - (C)	484,991,700	890,607,951
24. PURCHASE OF TRADED PRODUCTS			
Purchase of transferable development rights		159,950,226	-
		159,950,226	-
25. (INCREASE)/DECREASE IN INVENTORIES OF CONSTRUCTION WORK IN PROGRESS, UNSOLD UNITS AND TRADED PRODUCTS			
Opening stock			
Construction work in progress		2,570,682,971	2,619,037,816
Unsold units		-	-
Transferable development rights		-	-
		2,570,682,971	2,619,037,816
Less: Closing stock			
Construction work in progress		1,198,915,644	2,570,682,971
Unsold units		212,759,289	-
Transferable development rights		-	-
		1,411,674,933	2,570,682,971
		1,159,008,038	48,354,845



NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

	(Currency: Indian Rupees)	
	2012	2011
26. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	14,430,601	18,527,558
Contributions to provident and other funds	1,048,955	2,380,717
Staff welfare expenses	102,259	147,803
Gratuity	-	357,920
	15,581,815	21,413,998
27. FINANCE COSTS		
Interest on long term borrowings		
From banks		
-Vehicle loans	78,536	110,748
Interest on short term borrowings		
Debentures	100,293,549	-
From banks	47,277,592	183,160,483
Others	204,680,255	419,877,754
Interest on delayed payment of statutory dues	21,778,668	10,917,501
Other borrowing costs		
Brokerage on finance	110,149	110,300
Processing Charges	18,069,472	8,908,491
Stamp Duty	3,150,000	-
	395,438,221	623,085,277
Less: borrowing costs transferred to construction work-in-progress	130,416,233	321,722,954
	265,021,988	301,362,323
28. OTHER EXPENSES		
Advertisement	1,123,026	3,733,070
Brokerage	3,707,349	9,815,424
Conveyance	474,958	260,276
Electricity	1,001,618	1,039,313
Power and Fuel	680,381	638,073
Rent	12,298,450	15,684,660
Telephone expenses	896,882	964,755
Postage and telegram	107,056	151,676
Repairs and maintenance		
- Others	402,356	779,424
Insurance	177,798	279,342
Rates and taxes	415,088	866,534
Auditors' remuneration (including service tax)		
As auditor		
- Statutory audit	1,047,850	937,550
- Tax audit	220,600	220,600
- Limited review of quarterly results	1,323,600	1,323,599
In other capacity		
- Taxation matters	-	110,300
Reimbursement of expenses	52,724	74,782
Directors' sitting fees	250,000	217,500
Travelling expenses	148,073	373,989
Printing and stationery	980,198	1,096,683
Profession and legal fees	1,623,651	1,435,800
Miscellaneous expenses	202,283	7,738,200
	27,133,941	47,741,550

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

(Currency: Indian Rupees)

29. EARNINGS PER SHARE

Particulars	2012	2011
Net profit after tax	39,031,390	44,737,067
Preference dividend (including taxes thereon)	6,880,372	6,903,238
Net profit after tax attributable to equity shareholders (A)	32,151,018	37,833,830
Number of equity shares at the beginning of the year	161,358,000	155,358,000
Number of equity shares outstanding at the end of the year	161,358,000	161,358,000
Weighted average number of equity shares outstanding during the year (based on date of issue of shares) (B)	161,358,000	156,574,438
Basic and diluted earnings (in rupees) per share of face value ₹ 2 (A)/(B)	0.20	0.24

30. CONTINGENCIES

	2012	2011
Income Tax matters under dispute	17,917,120	17,917,120

31. Default in payment of short term borrowings existing as at the balance sheet date

The details of defaults by the Company in repayment of short term borrowings and interest thereon are set out below:

Name of the lender	Amount due on	Amount repaid on	Amounts due on balance sheet date (Principal)	Amounts due on balance sheet date (Interest)	Number of days delay
Indiainfoline	5 February 2012	4 April 2012	-	1,060,797	58
Syndicate Bank	31 January 2012	27 April 2012	-	1,131,261	86
Syndicate Bank	29 February 2012	27 April 2012	-	152,162	57
Syndicate Bank	29 February 2012	29 May 2012	-	922,790	89
Syndicate Bank	31 March 2012	29 May 2012	-	176,953	58
Syndicate Bank	31 March 2012	Unpaid till 30 May 2012	20,000,000	927,604	

32. SEGMENT REPORTING

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

33. LEASES
Operating lease

- a) The Company has taken a commercial property on a cancellable operating lease in the current year. The commercial property was on a non-cancellable operating lease in the previous year. The future minimum lease payments in respect of lease property as at 31 March 2012 is as follows:

	2012	2011
Lease Payments		
Not later than one year	-	2,370,000
Later than one year but not later than 5 years	-	-
Later than 5 years	-	-
Payment of lease rentals during the year	12,298,450	15,684,660

- 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.



NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

(Currency: Indian Rupees)

34. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD - 15 (REVISED) 'EMPLOYEE BENEFITS'

i) 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.

	2012	2011	
I. Change in the defined benefit obligation			
Liability at the beginning of the year	1,402,119	1,044,199	
Interest cost	115,675	83,536	
Current service cost	476,143	436,082	
Benefit paid	(57,115)	-	
Actuarial (gain)/loss on obligations	(1,013,286)	(161,698)	
Liability at the end of the year	923,536	1,402,119	
II. Amount recognised in the balance sheet			
Liability at the end of the year	923,536	1,402,119	
Fair value of plan assets at the end of the year	-	-	
Difference	923,536	1,402,119	
Amount recognised in the balance sheet	923,536	1,402,119	
III. Expenses recognised in the statement of profit and loss			
Current service cost	476,143	436,082	
Interest cost	115,675	83,536	
Expected return on plan assets			
Net actuarial (gain)/loss to be recognised	(1,013,286)	(161,698)	
Expense recognised in the statement of profit and loss	(421,468)	357,920	
IV. Balance sheet reconciliation			
Opening net liability	1,402,119	1,044,199	
Expense as above	(421,468)	357,920	
Benefits paid	(57,115)	-	
Amount recognised in the balance sheet	923,536	1,402,119	
V. Actuarial assumptions			
Discount rate	8.25%	8.25%	
Salary escalation	6.00%	6.00%	
	2012	2011	2010
VI. Experience adjustments			
Present value of defined benefit obligation	923,536	1,402,119	1,044,199
Fair value of the plan assets	-	-	-
Deficit in the plan	923,536	1,402,119	1,044,199
Experience adjustments on:			
Plan liabilities (gain)/loss	(981,359)	(149,821)	15,231
Plan assets	-	-	-

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

The Company's liability on account of gratuity is not funded and hence the disclosures relating to the planned assets are not applicable.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

(Currency: Indian Rupees)

ii) Defined contribution plan

Contribution to provident and other funds aggregating to ₹ 1,048,955 [2011: ₹ 2,380,717] is recognised as an expense and included in "Employee benefits expense".

iii) Compensated absences

Compensated absences for employee benefits of ₹ 281,450 [2011 : ₹ 395,077] has been recognised as a gain/expense during the year.

35. RELATED PARTY DISCLOSURES

A. Parties where control exists:

I. Praful N. Satra – Chairman and Managing Director (also key managerial personnel)

II. Subsidiaries

Satra Property Developers Private Limited
Satra Buildcon Private Limited
Satra Estate Development Private Limited
Satra Infrastructure and Land Developers Private Limited
Satra Lifestyles Private Limited
Satra International Realtors Limited

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

I. Associates/ Joint Venturers

C. Bhansali Developers Private Limited
Prime Property Development Corporation Limited (upto 12 August 2010)
Prime Down Town Estate Private Limited (upto 12 August 2010)

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

Deepmala Infrastructure Private Limited
BKC Developers Private Limited (upto 3 April 2010)
Prime Multi Tiles Trading Private Limited
Shravan Developers Private Limited
Satra Infrastructure Development Private Limited
Satra Land Development Private Limited
Satra Novelties Private Limited (upto 20 April 2010)
Satra Property Development Private Limited
Savla Realtors and Developers Private Limited
Satra Reality and Builders Limited
Satra Re-Development Company Limited
Satra Retail Private Limited
Prime Developers
Rushabh Developers
Prime Bond Industries
Henry Hill International
Trinity Plast (upto 1 April 2010)

III. Key Managerial Personnel

Praful N. Satra
Rajan P. Shah



NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

35. RELATED PARTY DISCLOSURES

(Currency: Indian Rupees)

Sr. No.	Nature of Transaction	Wholly Owned Subsidiaries		Associates/ Joint Venture		Entities over which key managerial personnel or their relatives exercises significant Influence		Key Managerial Personnel and their relative		Total	
		2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
1.	Loans taken	-	-	-	-	-	206,350,000	8,800,000	400,000	8,800,000	206,750,000
2.	Loans given	405,350,000	513,425,000	-	-	-	-	-	-	405,350,000	513,425,000
3.	Interest income	75,627,645	111,669,146	13,233,480	11,943,574	-	-	-	-	88,861,125	123,612,720
4.	Dividend income	14,603,900	29,207,800	-	-	-	-	-	-	14,603,900	29,207,800
5.	Interest expense	-	-	-	-	-	30,480,168	602,967	3,058,704	602,967	33,538,872
6.	Sale of immovable property	-	-	-	-	59,286,500	500,442,000	-	-	59,286,500	500,442,000
7.	Receiving of services	-	-	-	-	59,141,591	15,686,279	12,298,450	15,684,660	71,440,041	31,370,939
8.	Sale of pledged shares*	-	-	-	-	-	-	6,969,629	37,408,148	6,969,629	37,408,148
9.	Directors remuneration	-	-	-	-	-	-	416,129	5,596,685	416,129	5,596,685
10.	Advance received against property	-	-	-	-	-	34,000,000	-	-	-	34,000,000
11.	Advances given	6,500,000	-	-	-	-	-	-	-	6,500,000	-
	Outstanding balance receivable/ Deposits										
1.	Loans outstanding	584,062,579	456,243,200	122,189,131	110,278,999	-	-	-	-	706,251,710	566,522,199
2.	Deposits	-	-	-	-	-	-	2,150,000	2,150,000	2,150,000	2,150,000
3.	Advances given	6,500,000	-	4,000,000	4,000,000	-	-	-	-	10,500,000	4,000,000
4.	Trade receivables	-	-	-	-	7,549,425	404,184,320	-	-	7,549,425	404,184,320
5.	Dividend receivable	-	29,207,800	-	-	-	-	-	-	-	29,207,800
	Outstanding balances payable										
1.	Loans alongwith the net interest	-	-	-	-	335,992,042	371,322,042	-	3,581,441	335,992,042	374,803,483
2.	Trade payables	-	-	-	-	25,854,497	9,215,588	77,440	21,393,990	25,931,937	30,609,578
3.	Remuneration payable	-	-	-	-	-	-	-	4,773,498	-	4,773,498
4.	Advance received against property	-	-	-	-	-	5,000,000	-	-	-	5,000,000

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

(Currency: Indian Rupees)

Details of material related party transactions

Sr. No.	Nature of Transaction	Total	
		2012	2011
1.	Loans taken		
	Praful N. Satra	8,800,000	400,000
	Shravan Developers Private Limited	-	206,350,000
2.	Loans given		
	Satra Property Developers Private Limited	405,350,000	505,925,000
3.	Interest income		
	Satra Property Developers Private Limited	11,072,661	47,114,162
	Satra International Realtors Limited	64,554,984	64,554,984
	C. Bhansali Developers Private Limited	13,233,480	11,943,574
4.	Dividend income		
	Satra Property Developers Private Limited	14,603,900	29,207,800
5.	Interest expense		
	Praful N. Satra	602,967	2,901,804
	Shravan Developers Private Limited	-	30,480,168
6.	Sale of Immovable Property		
	Satra Property Development Private Limited	59,286,500	50,442,000
	Shravan Developers Private Limited	-	450,000,000
7.	Receiving of services		
	Praful N. Satra	12,298,450	15,684,660
	Satra Property Development Private Limited	59,141,591	15,686,279
8.	Sale of pledged shares*		
	Praful N. Satra	-	29,095,226
	Minaxi P. Satra	6,969,629	8,312,922
9.	Directors remuneration		
	Praful N. Satra	277,419	43,96,685
	Rajan P. Shah	138,710	1,200,000
10.	Advance Received		
	Satra Infrastructure Development Private Limited	-	34,000,000
11.	Advance given		
	Satra Infrastructure and Land Developers Private Limited	6,500,000	-
	Outstanding balances receivable/Deposits		
1.	Loans alongwith the net interest		
	C. Bhansali Developers Private Limited	122,189,131	110,278,999
	Satra Property Developers Private Limited	91,880,144	28,615,749
	Satra International Realtors Limited	492,182,435	427,627,451
2.	Deposits		
	Praful N. Satra	2,150,000	2,150,000
3.	Advances Given		
	Satra Infrastructure and Land Developers Private Limited	6,500,000	-
	C. Bhansali Developers Private Limited	4,000,000	4,000,000
4.	Sundry Debtors		
	Shravan Developers Private Limited	-	370,000,000
	Satra Property Development Private Limited	7,549,425	34,184,320
5.	Dividend Receivable		
	Satra Property Developers Private Limited	-	29,207,800
	Outstanding balances payables		
1.	Loans alongwith the net interest		
	Shravan Developers Private Limited	335,992,042	371,222,042
2.	Sundry creditors		
	Praful N. Satra (For Office Rent)	77,440	21,393,990
	Satra Property Development Private Limited	25,854,497	9,215,588
3.	Remuneration payable		
	Praful N. Satra	-	4,767,498
4.	Advance received against property		
	Savla Realtors and Developers Private Limited	-	5,000,000

* includes amounts payable to the promoters on account of invocation of the shares of the Company held by the lenders, towards loan dues of the Company.



NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

(Currency: Indian Rupees)

36. 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 disclosures 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.

	2012	2011
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	-	-

37. OTHER MATTERS

Information with regard to other matters specified in Schedule VI of the Act, is either nil or not applicable to the Company for the year.

38. CIF VALUE OF IMPORTS

	2012	2011
Construction material	-	7,108,240
Capital goods	-	-
	-	7,108,240

39. EXPENDITURE AND EARNINGS IN FOREIGN CURRENCY - ₹ NIL (2011: ₹ NIL)

40. 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	
		2012	2011	2012	2011
1.	Satra International Realtors Limited	492,182,435	427,627,451	492,182,435	427,627,451
2.	Satra Property Developers Private Limited	91,880,144	28,615,749	117,880,749	554,162,878
3.	Satra Buildcon Private Limited	-	-	-	7,500,000
4.	Satra Infrastructure and Land Developers Private Limited	6,500,000	-	6,500,000	-

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	
		2012	2011	2012	2011
1	C. Bhansali Developers Private Limited	122,189,131	114,278,999	122,189,131	114,278,999

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

	Name of the Company	Balance as at		Maximum Outstanding during the year	
		2012	2011	2012	2011
1	Arjun Realtors Private Limited	-	-	-	16,741,014
2	Cine Line Exports Private Limited	15,263,629	13,775,838	15,263,629	13,775,838
3	Orchid Hotels Private Limited	-	-	-	2,732,682

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

(Currency: Indian Rupees)

41. During the year ended 31 March 2009, the Company had changed the structural plan of the Borivali Project from a commercial complex to a commercial cum residential complex to improve the overall profitability of the project. As a result, in order to facilitate the construction as per the revised plan, certain existing structures at the site have been demolished. The estimated construction cost incurred by the Company on the demolished portion amount to ₹ 157,974,510 and the same was included in construction work-in-progress. Out of the total estimated construction cost incurred by the Company on the demolished portion, ₹ 80,438,860 continues to be included in the construction work-in-progress as at 31 March 2012 on account of part recognition of revenue from the project till date. During the year, the Company has recognised revenue from the project and accordingly, management has revised its estimated cost to complete the revised commercial cum residential project and believes that the overall margins of the revised project will be adequate to recover the construction cost of demolished area incurred during the year.

42. TRANSFER PRICING

The Company's international transactions with related parties are at arm's length as per the independent accountants report for the year ended 31 March 2011. Management believes that the Company's international transactions with related parties post 31 March 2011 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision for taxation.

43. In the case of Maharashtra Chamber of Housing Industry ('MCHI') and Ors. v/s The State of Maharashtra & Ors, the Honorable High Court, Mumbai has upheld the constitutional validity for charging Value added Tax ('VAT') on sale of flats, shops, etc. under construction and we being a member of MCHI, have been given to understand that MCHI is in the process of filing a Special Leave petition in the Honourable Supreme Court against this judgement. Further the outcome of the reference to the Larger Bench of the Supreme Court in the case of Larsen & Toubro Limited Versus State of Karnataka is also awaited. Under the circumstances, it would be premature to hold whether the contracts entered into for sale of units under construction by the Company in the state of Maharashtra constitutes "work contracts" and the quantification of the tax liability thereon, if any and its impact on the Statement of profit and loss would be determined at the time of assessment. Pending quantification, the Company has not recognized the VAT collectable from customers, the VAT payable to the government authorities, and the VAT to be charged to the Statement of profit and loss, if any. In opinion of the management, the impact of such non-recognition will not be material.

As per our report of even date attached.

For **B S R & Associates**

Chartered Accountants

Firm's Registration No. 116231W

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

Chartered Accountants

Firm's Registration No. 101474W

For and on behalf of the Board of Directors

Bhavesh Dhupelia

Partner

Membership No. 042070

Mumbai, 30 May 2012

S. J. Parmar

Partner

Membership No: 103424

Mumbai, 30 May 2012

Manan Y. Udani

Company Secretary

Mumbai, 30 May 2012

Vidyadhar D. Khadilkar

Director

Managing Director

Praful N. Satra

Chairman and

Director



AUDITORS' REPORT

To the Board of Directors of
Satra Properties (India) Limited

1. 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 2012, and also the consolidated statement of profit and loss and the consolidated cash flow statement for the year ended on that date.
2. 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.
3. 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.
4. The financial statements of the subsidiaries of the Company for the year ended 31 March 2012 have been audited by one of the joint auditors, M/s. Bhuta Shah & Co. The attached consolidated financial statements include assets of ₹ 2,470,614,473 as at 31 March 2012 and revenues of ₹ 275,899,673 and cash outflows amounting to ₹ 102,149,292 for the year ended on that date in respect of the aforementioned subsidiaries.
5. We have relied upon the unaudited financial statements of certain associates whose financial statements reflect Group's share of profit of ₹ Nil for the year ended on 31 March 2012. These unaudited financial statements as certified by the respective managements of those 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.
6. 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 - 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.
7. *As more fully explained in Note 40 to the consolidated financial statements, construction work-in-progress of a project included construction cost of ₹ 157,974,510 arising out of a significant change in the structural plan of the project in the year ended 31 March 2009. In accordance with the provisions of Accounting Standard – 2, "Inventories", such construction costs should have been charged to the consolidated statement of profit and loss for the year ended 31 March 2009. During the year ended 31 March 2012, the Group has recognized revenue from this project as a result of which the cost of construction recognized in the consolidated statement of profit and loss includes ₹ 77,535,650 for the year. Had this cost been included in the relevant year, the reported consolidated loss after tax of ₹ 38,398,237 would have been converted into consolidated profit after tax of ₹ 12,710,613 for the year. Consequently, the construction work-in-progress and the surplus in the consolidated statement of profit and loss continues to be overstated by ₹ 80,438,860 as at 31 March 2012;*
8. *As more fully explained in Note 41 to the consolidated financial statements, in view of certain recent judicial pronouncements, the Group is required to pay Value Added Tax ("VAT") on sale of residential / commercial properties to the relevant authorities. The Group is currently in the process of ascertaining the exact applicability of these pronouncements, especially in respect of tax rate applicable, contractual ability to collect VAT from past and current customers and the mechanism of collection and payment of VAT to the government authorities. The Group is required to record the VAT collectable from customers and the VAT payable to the government authorities, and the VAT which is deemed to be not collectable from its past and current customers needs to be charged to the consolidated statement of profit and loss. Pending quantification of the VAT collectable from customers, the VAT payable to the government authorities, and the VAT to be charged to the consolidated statement of profit and loss, we are unable to comment the impact of the same on the balance of trade receivables and other current liabilities as at 31 March 2012, on the rates and taxes and the consolidated loss for the year ended 31 March 2012 and the consequential impact on the balance in surplus in the consolidated statement of profit and loss as at 31 March 2012 ; and*
9. Based on our audit as aforesaid and on consideration of the unaudited financial statements approved by the respective Board of Directors as mentioned in para 5, *subject to the effect of the matter stated in the paragraph 7 above and impact of adjustments required, if any, in respect of the matter included in the paragraph 8 above*, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the consolidated balance sheet, of the consolidated state of affairs of the Group as at 31 March 2012;
 - b) in the case of the consolidated statement of profit and loss, of the consolidated loss of the Group for the year ended on that date; and
 - c) in the case of the consolidated cash flow statements, of the consolidated cash flows for the year ended on that date.

For **M/s. Bhuta Shah & Co.**
Chartered Accountants
Firm's Registration No. 101474W

For **B S R & Associates**
Chartered Accountants
Firm's Registration No. 116231W

S. J. Parmar
Partner
Membership No. 103424
Mumbai, 30 May 2012

Bhavesb Dhupelia
Partner
Membership No. 042070
Mumbai, 30 May 2012

SATRA PROPERTIES (INDIA) LIMITED

CONSOLIDATED BALANCE SHEET as at 31 March 2012

		(Currency: Indian Rupees)	
	Notes	2012	2011
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	3	396,716,000	396,716,000
Reserves and surplus	4	724,635,803	791,036,960
		1,121,351,803	1,187,752,960
NON-CURRENT LIABILITIES			
Long-term borrowings	5	1,884,963	4,119,644
Long-term provisions	6	1,209,023	1,477,801
		3,093,986	5,597,445
CURRENT LIABILITIES			
Short-term borrowings	7	2,831,785,721	3,547,379,687
Trade payables	8	413,064,584	360,885,795
Other current liabilities	9	1,077,036,224	2,010,641,525
Short-term provisions	10	366,507,351	271,975,186
		4,688,393,880	6,190,882,193
		5,812,839,669	7,384,232,598
ASSETS			
Non-current assets			
Fixed assets			
-Tangible assets	11	26,601,104	35,421,594
-Intangible assets		-	32,549,908
Non-current investments	12	685,420	685,420
Deferred tax assets (net)	13	7,254,082	6,713,216
Long-term loans and advances	14	1,150,762	1,160,625
Other non-current assets	15	3,139,499	2,839,084
		38,830,867	79,369,847
CURRENT ASSETS			
Inventories	16	2,145,335,915	3,269,603,490
Trade receivables	17	1,652,570,202	1,883,777,990
Cash and bank balances	18	52,171,279	134,319,137
Short-term loans and advances	19	1,758,670,371	1,878,886,926
Other current assets	20	165,261,035	138,275,208
		5,774,008,802	7,304,862,751
		5,812,839,669	7,384,232,598
Significant accounting policies	2		
Notes to the financial statements	3-42		

The notes referred to above are an integral part of these financial statements.

As per our report of even date attached.

For **B S R & Associates**
Chartered Accountants
Firm's Registration No. 116231W

For **M/s. Bhuta Shah & Co.**
Chartered Accountants
Firm's Registration No. 101474W

For and on behalf of the Board of Directors

Bhavesh Dhupelia
Partner
Membership No. 042070
Mumbai, 30 May 2012

S. J. Parmar
Partner
Membership No: 103424
Mumbai, 30 May 2012

Manan Y. Udani
Company Secretary
Mumbai, 30 May 2012

Vidyadhar D. Khadilkar
Director

Praful N. Satra
Chairman and
Managing Director



STATEMENT OF CONSOLIDATED PROFIT AND LOSS for the year ended 31 March 2012

(Currency: Indian Rupees)			
	Notes	2012	2011
INCOME			
Revenue from operations	21	2,262,185,428	1,474,421,642
Other income	22	149,432,978	502,310,425
Total revenue		2,411,618,406	1,976,732,067
EXPENSES			
Cost of materials consumed	23	601,014,537	1,022,959,391
Purchase of traded products/Compensation	24	169,364,226	6,367,720
Decrease in inventories of construction work-in-progress, unsold units and traded products	25	1,127,380,491	75,810,737
Employee benefits expense	26	19,615,184	24,310,852
Finance costs	27	344,808,217	383,309,417
Depreciation and amortization expenses	11	38,680,266	43,585,805
Other expenses	28	48,243,061	51,495,209
Total expenses		2,349,105,982	1,607,839,131
Profit before tax		62,512,424	368,892,936
Tax expenses:			
- Current tax		84,433,700	104,287,325
- Prior year charge		17,017,827	23,396,997
- Deferred tax (credit)		(540,866)	(1,510,327)
(Loss)/profit for the year		(38,398,237)	242,718,941
Earnings per equity share (₹)			
Basic and diluted (face value of ₹ 2 per share)	29	(0.28)	1.51
Significant accounting policies	2		
Notes to the financial statements	3-42		

The notes referred to above are an integral part of these financial statements.
As per our report of even date attached.

For **B S R & Associates**
Chartered Accountants
Firm's Registration No. 116231W

For **M/s. Bhuta Shah & Co.**
Chartered Accountants
Firm's Registration No. 101474W

For and on behalf of the Board of Directors

Bhavesh Dhupelia
Partner
Membership No. 042070
Mumbai, 30 May 2012

S. J. Parmar
Partner
Membership No. 103424
Mumbai, 30 May 2012

Manan Y. Udani
Company Secretary
Mumbai, 30 May 2012

Vidyadhar D. Khadilkar
Director
Praful N. Satra
Chairman and
Managing Director

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 March 2012

(Currency: Indian Rupees)

	2012	2011
A. CASH FLOWS FROM OPERATING ACTIVITIES :		
Profit before tax	62,512,424	368,892,936
Adjusted for:		
Depreciation/amortisation	6,130,359	11,035,898
(Profit) on sale of Investment	-	(375,000,000)
Interest income	(142,248,435)	(126,504,114)
Profit on sale of fixed assets	-	(342,972)
Net foreign exchange fluctuation	7,673,595	-
Goodwill amortised	32,549,907	32,549,907
Unrealised gain on foreign exchange fluctuation	-	(65,945)
Finance costs	344,808,217	379,638,367
	248,913,643	(78,688,859)
Operating profit before working capital changes	311,426,067	290,204,077
Decrease in working capital		
Inventories	1,127,810,886	98,597,128
Trade receivables	228,108,418	290,384,277
Loans and advances	213,056,342	(11,482,171)
Trade payables	56,558,442	(6,266,679)
Long-term provisions	(268,778)	357,920
Short-term provisions	(182,067)	14,340
Other current liabilities	(989,007,869)	267,531,593
	636,075,374	639,136,408
Cash generated from operations	947,501,441	929,340,485
Taxes paid (net of refund)	(33,927,768)	(46,327,365)
Net cash generated from operating activities	913,573,673	883,013,120
B. CASH FLOWS FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(853,179)	(13,574,210)
Investment made	-	(500,000)
Proceeds from sale of investment	-	375,000,000
Sale of fixed assets	-	1,800,000
Loans given	(400,458,122)	(369,061,902)
Loans repaid	310,427,154	405,037,364
(Increase)/decrease in investment in fixed deposits (including earmarked balances)	(9,113,598)	28,791,790
Foreign exchange fluctuation	(11,793,846)	-
Interest received	115,262,608	24,240,101
Taxes paid	-	(9,580,000)
Net cash generated from investing activities	3,471,017	442,153,143
C. CASH FLOWS FROM FINANCING ACTIVITIES :		
Proceeds from issue of share capital	-	227,181,231
Proceeds from long-term borrowings	92,100,000	81,055,237
Repayment of long-term borrowings	(105,757,305)	(306,950,780)
Proceeds from short-term borrowings	2,147,086,809	(855,309,065)
Repayment of short-term borrowings	(2,880,143,757)	(255,417,393)
Dividend and dividend distribution tax paid	(22,055,800)	(27,375,800)
Finance costs paid	(239,536,093)	(125,103,053)
Net cash (used in) financing activities	(1,008,306,146)	(1,261,919,623)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(91,261,456)	63,246,640
Cash and cash equivalents, beginning of year	118,222,249	54,975,609
Cash and cash equivalents, end of year	26,960,793	118,222,249
Cash and cash equivalents		
Balances with banks		
- in current accounts	24,134,215	116,715,904
- in overdraft accounts	53,848	-
Cheques on hand	1,000,000	-
Cash on hand	1,772,730	1,506,345
	26,960,793	118,222,249

Note: Cash flow statement has been prepared using the indirect method as prescribed in Accounting Standard -3

As per our report of even date attached.

For **B S R & Associates**
Chartered Accountants
Firm's Registration No. 116231W

Bhavesh Dhupelia
Partner
Membership No. 042070
Mumbai, 30 May 2012

For **M/s. Bhuta Shah & Co.**
Chartered Accountants
Firm's Registration No. 101474W

S. J. Parmar
Partner
Membership No: 103424
Mumbai, 30 May 2012

For and on behalf of the Board of Directors

Manan Y. Udani
Company Secretary

Mumbai, 30 May 2012

Vidyadhar D. Khadilkar
Director

Praful N. Satra
Chairman and
Managing Director



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2012

1 COMPANY OVERVIEW

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 8 December 2005 ('the company'). The Company and its subsidiaries are engaged in the business of real estate development and trading in properties and transferable development rights.

1.1 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/joint control over ownership and voting power and the associates and joint venture (herein after collectively referred to as the "Group"). The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and 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.
- In case of foreign subsidiaries, revenue items are consolidated at the average exchange rate prevailing during the year. All monetary assets and liabilities are converted at the exchange rate prevailing at the end of the year and non-monetary assets and liabilities at the exchange rate prevailing on the date of the transaction. Any exchange difference arising on consolidation of integral foreign operation is recognised in the statement of profit and loss.
- 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.
- 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 statement of profit and loss as the profit or loss on disposal of investment in subsidiaries.
- Investment in associates, where the Company directly or indirectly through subsidiaries holds 20% or more of equity, are accounted for using equity method in accordance with Accounting Standard – 23 "Accounting for investments in associates in consolidated financial statements". The Company accounts for its share in the change of the net assets of the associates, post acquisition after eliminating unrealised profits and losses resulting from transactions between the company and its associates to the extent of its share, through its statement of profit and loss to the extent such change is attributable to the Associates' statement of profit and loss, 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.
- If, under the equity method, the Company's share of losses of an associate equals or exceeds the carrying amount of the investment, the company discontinues recognizing its share of further losses and the investment is reported at nil value. Additional losses are provided for to the extent that the Company has incurred obligations or made payments on behalf of the associate to satisfy obligations of the associate that the Company has guaranteed or to which the company is otherwise committed. If the associate subsequently reports profits, the Company resumes including its share of those profits only after its share of the profits equals the share of net losses that have not been recognised.
- Goodwill on consolidation is amortised over a period of 5 years from the date of acquisition/investment.
- 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 standalone financial statements.

The list of subsidiary companies which are included in the consolidated financial statements are as under:

Name of the company	Country of Incorporation	% holding 2012
Satra Property Developers Private Limited	India	100%
Satra Buildcon Private Limited	India	100%
Satra Lifestyles Private Limited	India	100%
Satra Estate Development Private Limited	India	100%
Satra Infrastructure and Land Developers Private Limited	India	100%
Satra International Realtors Limited	United Arab Emirates	100%

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

Name of the company	Country of Incorporation	% holding 2012
C. Bhansali Developers Private Limited	India	20%
Deepmala Infrastructure Private Limited	India	26%

Investments other than in Subsidiaries and Associates are accounted as per Accounting Standard 13 – "Accounting for Investments".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2012

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 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.

The financial statements for the year ended 31 March 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Act. Consequent to the notification of revised Schedule VI under the Act, the financial statements for the year ended 31 March 2012 are prepared as per revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

2.2 Current/Non-current classification

The Revised Schedule VI to the Act requires assets and liabilities to be classified as either Current or Non-current.

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within twelve months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the balance sheet date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

All other liabilities are classified as non-current.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 3 to 4 years for the purpose of current – non-current classification of assets and liabilities.

2.3 Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods. Significant estimates used by the management in the preparation of these financial statements include computation of percentage completion for projects in progress, project cost, revenue and saleable area estimates, estimate of the economic useful lives of fixed assets, provisions for bad and doubtful debts.

2.4 Fixed assets and depreciation/amortization

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

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

Assets costing less than ₹ 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2012

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 statement of profit and loss. 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 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.

2.7 Inventories

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

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

Stock-in-trade comprises of completed projects that are unsold.

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

2.8 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. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed beyond reasonable time due to, other than temporary interruption. All other borrowing costs are charged to the statement of profit and loss as 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, leave salary 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 an expense in the statement of profit and loss during the period in which the employee renders the related service.

Defined benefit plan:

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

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

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 recognized 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 statement of profit and loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2012

2.10 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 recognized 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 recognized 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 recognized 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 recognized on time proportion basis.

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

2.11 Taxation

Income tax expense comprises of current income tax and deferred tax charge or credit.

Current tax provision is made annually based on the tax liability computed in accordance with the provisions of the Income Tax Act, 1961.

The deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) 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.

2.12 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 statement of profit and loss 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 statement of profit and loss. Non-monetary asset such as investments in equity shares, etc. are carried forward in the balance sheet at costs.

2.13 Operating lease

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

2.14 Earnings per share (EPS)

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

2.15 Provisions and contingent liabilities

The group creates a provision where there is present obligation as a result of a past event that probable 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. Contingent assets are not recognized in the financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at 31 March 2012

(Currency: Indian Rupees)

	2012	2011
3. SHARE CAPITAL		
Authorised capital:		
210,000,000 (2011: 210,000,000) equity shares of ₹ 2 each	420,000,000	420,000,000
8,000,000 (2011: 8,000,000) 8% cumulative redeemable preference shares of ₹ 10 each	80,000,000	80,000,000
	500,000,000	500,000,000
Issued, subscribed and paid-up:		
161,358,000 (2011: 161,358,000) equity shares of ₹ 2 each, fully paid-up	322,716,000	322,716,000
7,400,000 (2011: 7,400,000) 8% cumulative redeemable preference shares of ₹ 10 each, fully paid-up	74,000,000	74,000,000
	396,716,000	396,716,000

Sub-notes:

1. The reconciliation of the number of equity shares and preference shares outstanding as at the year end is set as below:

Equity shares	31 March 2012		31 March 2011	
	Number of shares (Units)	Amount	Number of shares (Units)	Amount
At the beginning of the year	161,358,000	322,716,000	155,358,000	310,716,000
Add: Equity shares issued during the year*	-	-	6,000,000	12,000,000
At the end of the year	161,358,000	322,716,000	161,358,000	322,716,000

* 6,000,000 equity shares of ₹ 2 each were issued on preferential allotment basis at a premium of ₹ 18 per share during the year ended 31 March 2011

Preference Shares	31 March 2012		31 March 2011	
	Number of shares (Units)	Amount	Number of shares (Units)	Amount
At the beginning and end of the year	7,400,000	74,000,000	7,400,000	74,000,000

2. Rights, preferences and restrictions attached to shares

Equity shares:

The Company has only one class of equity shares having a face value of ₹ 2 each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting. During the year ended 31 March 2012, the Company has proposed final dividend of ₹ 0.10 per equity share (2011: final dividend of ₹ 0.10 per equity share). In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to their shareholding.

Preference shares:

74,00,000 8% cumulative redeemable preference shares of ₹ 10 each are redeemable at par on 2 February 2014 with an option to the Company to exercise put/call option for early redemption. Preference shares carry a preferential right as to dividend over equity shareholders. Where dividend on cumulative preference shares is not declared for a financial year, the entitlement thereto is carried forward. The preference shares are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights. However, a cumulative preference shareholder acquires voting rights on par with an equity shareholder if the dividend on preference shares has remained unpaid for a period of not less than two years. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 31 March 2012

(Currency: Indian Rupees)

3. The details of shareholders holding more than 5% of the equity shares of the Company as at year end is as below:

Name of equity shareholder	31 March 2012		31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Praful N. Satra	73,798,106	45.74	73,798,106	45.74
Minaxi P. Satra	35,948,293	22.28	38,948,293	24.14
Anil B. Mehta	9,154,450	5.67	9,154,450	5.67

4. The details of shareholders holding more than 5% of the Preference shares of the Company as at year end is as below :

Name of preference shareholder	31 March 2012		31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Praful N. Satra	4,500,000	60.81	4,500,000	60.81
Minaxi P. Satra	2,500,000	33.78	2,500,000	33.78
Anil B. Mehta	400,000	5.41	400,000	5.41

5. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date :

	2012	2011
	No. of Shares	No. of Shares
Equity shares allotted as fully paid bonus shares after capitalisation of general reserve and securities premium account during the year 2007-08. (refer Note i below)	103,572,000	103,572,000
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash. (refer note ii below)	37,192,250	37,192,250
Preference shares allotted as fully paid-up pursuant to contracts for consideration other than cash. (refer note ii below)	7,400,000	7,400,000

- (i) 103,572,000 (2011: 103,572,000) equity shares of ₹ 2 each have been issued as fully paid-up by way of bonus equity shares in the ratio of 2:1 i.e. 2 bonus equity shares for every 1 existing equity share held, after capitalisation of general reserve and securities premium account during the year 2007-08.
- (ii) 37,192,250 (2011: 37,192,250) equity shares of ₹ 2 each and 7,400,000 (2011: 7,400,000) 8% cumulative redeemable preference shares of ₹ 10 each were issued in 2008 pursuant to the order of the Honourable High Court, Mumbai, approving the scheme of amalgamation of Om Housing Company Private Limited with the Company, for consideration other than cash.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at 31 March 2012

(Currency: Indian Rupees)

	2012	2011
4. RESERVES AND SURPLUS		
Capital reserves		
Reserve on amalgamation (at the commencement and end of the year)	21,796,437	21,796,437
Securities premium reserve		
At the commencement of the year	108,000,000	-
Add : Securities premium received on shares issued on preferential allotment basis	-	108,000,000
At the end of the year	108,000,000	108,000,000
Debenture redemption reserve		
At the commencement of the year	-	-
Add : Transferred in the current year	39,000,000	-
At the end of the year	39,000,000	-
General reserve		
At the commencement of the year	141,458,822	117,089,549
Add : Transferred in the current year	-	24,369,273
At the end of the year	141,458,822	141,458,822
Surplus in the statement of profit and loss		
At the commencement of the year	519,781,701	332,002,076
Add : Profit for the year transferred	(38,398,237)	242,718,941
	481,383,464	574,721,017
Less : Appropriations		
- Proposed dividend on preference shares	5,920,000	5,920,000
- Tax on proposed dividend on preference shares	960,372	983,238
- Proposed dividend on equity shares	16,135,800	16,135,800
- Tax on proposed dividend on equity shares	2,617,631	2,679,955
- Transfer to debenture redemption reserve	39,000,000	-
- Transfer to general reserve	-	24,369,273
- Tax on interim dividend on equity shares	2,369,117	4,851,050
Total appropriations	67,002,920	54,939,316
Net surplus in the statement of profit and loss	414,380,544	519,781,701
	724,635,803	791,036,960
5. LONG-TERM BORROWINGS		
From banks (Secured)		
- Vehicle loans [refer Note 5(i) & 5(iii)]	1,415,755	2,408,384
From others (Secured)		
- Vehicle loan [refer Note 5(ii)]	469,208	1,711,260
	1,884,963	4,119,644

Details of security on loans

Name of the security

- Vehicle loans from The Cosmos Co-operative Bank Limited are secured by hypothecation of the respective vehicles purchased.
- Vehicle loans from Kotak Mahindra Prime Limited are secured by hypothecation of the respective vehicles purchased.
- Vehicle loan from Axis Bank Limited is secured by hypothecation of the respective vehicles purchased.

Terms of repayment

Payment of equated monthly installments ranging from ₹ 28,481 to ₹ 32,879 beginning from the month subsequent to taking the loan i.e. various dates. The last installment for various loan will be due by June 2013.

Monthly payment of equated monthly installments ranging from ₹ 9,300 to ₹ 66,800 beginning from the month subsequent to taking the loan i.e. various dates between August 2009 to February 2011. The last installment for the various loans range from March 2013 to December 2013.

The loan is repayable in equated monthly installments of ₹ 39,068 beginning from the month subsequent to the taking the loan. The last installment for the loan is December 2015.

SATRA PROPERTIES (INDIA) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS as at 31 March 2012

(Currency: Indian Rupees)		
	2012	2011
6. LONG-TERM PROVISIONS		
Provision for employee benefits		
Provision for gratuity	1,209,023	1,477,801
	1,209,023	1,477,801
7. SHORT-TERM BORROWINGS		
Secured borrowings		
7,863 (2011: Nil) 23% Secured Redeemable Non-Convertible Debentures of ₹ 100,000 each [refer note 7(i)]	786,300,000	-
From banks		
Term loan from Indian Bank [refer Note 7(ii)]	-	343,832,822
Term loan from Syndicate Bank [refer Note 7(iii)]	-	170,433,189
Term loan from Syndicate Bank [refer Note 7(iv)]	52,466,717	40,071,433
Term loan from The Greater Bombay Co-operative Bank Limited [refer Note 7(viii)]	69,007,914	-
Bank overdraft [refer Note 7(v) & 7(ix)]	102,298,031	214,324,422
From others		
Term loan from Housing and Urban Development Corporation Limited (HUDCO) [refer Note 7(vi)]	-	311,083,503
Term loan from India Infoline Investment Services Limited [refer Note 7(vii)]	244,638,500	-
Unsecured borrowings		
Loans repayable on demand		
- Inter corporate loans [refer Note 7(xii)]	1,211,675,464	1,800,408,323
Loan from related parties [refer Note 7(xii)]	340,679,168	392,506,067
Other loans and advances		
- India Infoline Investment Services Limited [refer Note 7(xi)]	24,719,927	274,719,928
	2,831,785,721	3,547,379,687



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Notes

A. Details of security on loans

Name of the security

- (i) 23% Secured Redeemable Non-Convertible Debentures are secured against a first and exclusive mortgage and charge over the unsold units, development rights, receivables and set off over the Escrow account of project 'Satra Park', Borivali.
- (ii) Term loan from Indian Bank was secured against certain units of shops, residential premises and receivables of project 'Satra Park', Borivali.
- (iii) Term loan from Syndicate Bank was secured against equitable mortgage of Jodhpur project properties and all present and future construction and development work thereon.
- (iv) Term loan from Syndicate Bank is secured against equitable mortgage of Jodhpur project properties and all present and future construction and development work thereon.
- (v) Bank overdraft is secured against subservient charge on all current assets.
- (vi) Term loan from HUDCO was secured against english mortgage of project 'Satra Plaza', Vashi and all present and future construction and development work thereon.
- (vii) Term loan from India Infoline Investment Services Limited is secured against registered mortgage on unsold units in commercial project 'Satra Plaza' situated at Vashi and charge on Escrow account.
- (viii) Term loan from The Greater Bombay Co-operative Bank Limited is secured against mortgage of shops situated at 'Dreams the Mall', Bhandup aggregating 10,218 sq. ft. area and receivables thereon.
- (ix) Bank overdraft from The Greater Bombay Co-operative Bank Limited was secured against mortgage of shops situated at 'Dreams the Mall', Bhandup aggregating 11,207 sq. ft. area and receivables thereon.
- (x) All the above term loans, the bank overdraft and the debentures are secured by personal guarantees of directors/shareholders of the Group.
- (xi) Term loan from India Infoline Investment Services Limited.
- (xii) Inter corporate loans and loan from related parties are repayable on demand.

Terms of repayment

The interest on debentures is 23% p.a. payable quarterly starting from 20 December 2011. These debentures are redeemable in five quarterly installments of ₹ 18.60 crores each starting from August 2012 to September 2013 and accordingly 41.43 crores is repayable within a year.

This loan carried interest at bank primary lending rate ('BPLR') and principal was repayable in five quarterly installments ranging from ₹ 6 crores to ₹ 11.28 crores starting from December 2010 to December 2011.

The term loan carried interest at BPLR plus 2.5% payable monthly. The term loan was repayable in five quarterly installments ranging from ₹ 5 crores to ₹ 10 crores starting from June 2010 to June 2011.

Interest rate for the term loan is BPLR plus 7.75% and is payable monthly. The loan is repayable in three quarterly installments ranging from ₹ 2 crores to ₹ 3 crores starting from December 2011 to June 2012.

Interest rate is BPLR plus 50 basis points. Overdraft is repayable in four installments ranging from ₹ 2 crores to ₹ 5.25 crores starting from December 2011 to May 2012.

The term loan carried a floating rate of interest payable on a quarterly basis. The loan was repayable in six equal quarterly installments of ₹ 11.66 crores starting from May 2010 to August 2011.

The loan carries an interest rate of 23% p.a. payable quarterly starting from February 2012. The loan is repayable in seven equal monthly installments of ₹ 4 crores starting from May 2012 to November 2012.

The loan is repayable in two equal annual installments of ₹ 4.605 crores starting from December 2012 to December 2013.

The overdraft was repayable on demand which was subject to annual review on 30 April 2011

The term loan carries an interest rate of 19% p.a. payable which is payable in lumpsum by 8 September 2012.

B. Refer Note 31 for default in payment of short-term borrowings and interest thereon, if any.

SATRA PROPERTIES (INDIA) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS as at 31 March 2012

(Currency: Indian Rupees)

	2012	2011
8. TRADE PAYABLES		
Dues to micro and small enterprises (Refer Note 36)	-	-
Others	413,064,584	360,885,795
	413,064,584	360,885,795
9. OTHER CURRENT LIABILITIES		
Current maturities of long-term borrowings		
From banks (Secured)		
- Vehicle loans [refer Note 5(i) & (iii)]	992,629	903,364
From others (Secured)		
- Vehicle loan [refer Note 5(ii)]	1,245,590	1,464,092
Interest accrued but not due on borrowings		
- Term loan from India Infoline Investment Services Limited	8,786,879	-
- Term loan from HUDCO	-	4,109,643
- Debentures	5,945,721	-
Interest accrued and due on borrowings		
- Term loan from Syndicate Bank	-	18,937
- Loans from related parties	2,856,504	71,226,826
- Inter corporate loans	79,473,114	206,674,375
- Term loan from India Infoline Investment Services Limited	1,419,810	-
Unpaid dividend *	437,238	348,732
Other payables		
- advance received against property	902,407,840	1,647,218,860
- statutory dues	26,408,972	47,148,470
- employee benefits payable	2,157,933	7,010,708
- advance received for maintenance	41,310,438	22,283,016
- interest payable to vendor	3,593,556	2,234,502
	1,077,036,224	2,010,641,525
* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.		
10. SHORT-TERM PROVISIONS		
Provision for employee benefits		
Provision for gratuity	21,021	85,292
Provision for compensated absences	455,594	395,077
	476,615	480,369
Other provisions		
Provision for taxation [net of advance tax and tax deducted at source ₹ 258,840,544 (2011:233,044,695)]	313,596,817	228,254,633
Provision for fringe benefits tax [net of advance tax ₹ 156,444 (2011: ₹ 156,444)]	472,031	351,089
Provision for wealth tax	45,640	45,840
Dividend on preference shares	5,920,000	5,920,000
Tax on dividend on preference shares	7,399,637	5,116,283
Proposed dividend on equity shares	16,135,800	16,135,800
Tax on proposed dividend on equity shares	8,503,324	5,260,256
Tax on interim dividend on equity shares	13,957,487	10,410,916
	366,030,736	271,494,817
	366,507,351	271,975,186



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at 31 March 2012

11 FIXED ASSETS

(Currency: Indian Rupees)

	GROSS BLOCK			ACCUMULATED DEPRECIATION/AMORTISATION			NET BLOCK	
	As at 1 April 2011	Additions	Deletions/ Disposals	As at 31 March 2012	As at 1 April 2011	For the year	On Deletions/ Disposals	As at 31 March 2012
Tangible assets								
Leasehold improvements	25,331,539	-	-	25,331,539	22,533,395	2,798,144	-	-
Plant and machinery	23,792,906	-	-	23,792,906	13,058,705	1,954,196	-	8,780,005
Computer	4,792,473	459,062	-	5,251,535	3,643,023	606,748	-	1,001,764
Furniture and fittings	3,652,161	33,750	-	3,685,911	2,420,500	235,063	-	1,030,348
Office equipment	6,451,718	360,367	-	6,812,085	2,343,100	624,280	-	3,844,705
Temporary structures	407,275	-	-	407,275	407,275	-	-	-
Building	2,633,240	-	-	2,633,240	88,016	127,261	-	2,417,963
Vehicles	22,759,599	-	-	22,759,599	9,905,303	3,327,977	-	9,526,319
	89,820,911	853,179	-	90,674,090	54,399,317	9,673,669	-	26,601,104
Intangible assets								
Goodwill W/off	162,749,538	-	-	162,749,538	130,199,630	32,549,908	-	-
Total	252,570,449	853,179	-	253,423,628	184,598,947	42,223,577	-	26,601,104

Notes:

(i) Depreciation aggregating ₹ 3,543,311 (2011: ₹ 2,119,005) has been transferred to construction work-in-progress.

	GROSS BLOCK			ACCUMULATED DEPRECIATION/AMORTISATION			NET BLOCK	
	As at 1 April 2010	Additions	Deletions/ Disposals	As at 31 March 2011	As at 1 April 2010	For the year	On Deletions/ Disposals	As at 31 March 2011
Tangible assets								
Leasehold improvements	22,087,807	3,243,732	-	25,331,539	16,572,297	5,961,098	-	22,533,395
Plant and machinery	23,792,906	-	-	23,792,906	10,751,355	2,307,350	-	13,058,705
Computer	4,330,693	461,780	-	4,792,473	3,012,889	630,134	-	3,643,023
Furniture and fittings	3,542,961	109,200	-	3,652,161	2,155,452	265,048	-	2,420,500
Office equipment	5,701,715	750,003	-	6,451,718	1,777,169	565,931	-	2,343,100
Temporary structures	407,275	-	-	407,275	407,275	-	-	407,275
Building	-	2,633,240	-	2,633,240	-	88,016	-	88,016
Vehicles	17,427,127	6,720,864	1,388,392	22,759,599	7,658,183	3,163,023	915,903	9,905,303
Trucks	4,826,500	-	4,826,500	-	3,667,658	174,303	3,841,961	-
	82,116,984	13,918,819	6,214,892	89,820,911	46,002,278	13,154,903	4,757,864	54,399,317
Intangible assets								
Goodwill W/off	162,749,538	-	-	162,749,538	97,649,722	32,549,908	-	130,199,630
Total	244,866,522	13,918,819	6,214,892	252,570,449	143,652,000	45,704,811	4,757,864	184,598,947

Notes:

(i) Depreciation aggregating ₹ 2,119,005 (2010: ₹ 1,550,007) has been transferred to construction work-in-progress.

SATRA PROPERTIES (INDIA) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS as at 31 March 2012

	(Currency: Indian Rupees)	
	2012	2011
12. NON-CURRENT INVESTMENTS (AT COST)		
Trade investment : unquoted		
Investment in equity instruments		
<i>In associates</i>		
2,000 (2011: 2,000) equity shares of C. Bhansali Developers Private Limited of ₹ 10 each, fully paid-up	-	-
2,600 (2011 : 2,600) equity shares of Deepmala Infrastructure Private Limited of ₹ 10 each, fully paid-up	26,000	26,000
<i>Other investments</i>		
948 (2011:948) equity shares of The Cosmos Co-operative Bank Limited of ₹ 100 each, fully paid-up	94,800	94,800
20,000 (2011 : 20,000) equity shares of The Greater Bombay Co-operative Bank Limited of ₹ 25 each, fully paid-up	500,000	500,000
Trade investment: quoted		
<i>Other investments</i>		
718 (2011: 718) equity shares of SEL Manufacturing Company Limited of ₹ 10 each, fully paid-up	64,620	64,620
	685,420	685,420
Aggregate amount of unquoted investment	620,800	620,800
Aggregate amount of quoted investment	64,620	64,620
Aggregate market value of quoted investment	6,670	12,996
13. DEFERRED TAX ASSETS (NET)		
The components of deferred tax balances are as follows:-		
- Difference between book depreciation and depreciation as per Income Tax Act, 1961	6,947,306	6,247,467
- On provision allowable on a payment basis under the Income Tax Act, 1961	306,776	465,749
	7,254,082	6,713,216
14. LONG-TERM LOANS AND ADVANCES		
-Advance tax and tax deducted at source	1,150,762	1,160,625
	1,150,762	1,160,625
15. OTHER NON-CURRENT ASSETS		
- Deposits with banks having maturity of more than 12 months	40,129	2,839,084
- Other receivables	3,099,370	-
	3,139,499	2,839,084
16. INVENTORIES		
Construction work-in-progress	1,853,733,064	3,109,477,555
Material at site	18,429,911	15,316,994
Unsold units	273,172,940	144,808,941
	2,145,335,915	3,269,603,490
17. TRADE RECEIVABLES		
<i>(unsecured and considered good)</i>		
Debts outstanding for a period exceeding six months from the date they are due for payment	727,139,231	1,417,303,258
Other debts	925,430,971	466,474,732
	1,652,570,202	1,883,777,990



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at 31 March 2012

(Currency: Indian Rupees)

	2012	2011
18. CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks		
- in current accounts	24,112,384	116,715,904
- in overdraft accounts	75,679	-
Cheques on hand	1,000,000	-
Cash on hand	1,772,730	1,506,345
	26,960,793	118,222,249
Other bank balances		
-Earmarked balances with banks (under lien)	1,826,486	368,763
-Balance in deposits with original maturity of less than 12 months but more than 3 months	6,179,000	6,028,125
Fixed Deposit (given as security for performance guarantee for Ghatkopar project)	17,205,000	9,700,000
	52,171,279	134,319,137
Deposits with banks having maturity of more than 12 months	40,129	40,129
19. SHORT-TERM LOANS AND ADVANCES		
<i>(Unsecured and considered good)</i>		
Loans given to related parties		
- C. Bhansali Developers Private Limited (associate)	77,388,305	77,388,305
- Deepmala Infrastructure Private Limited (associate)	640,326,568	550,295,600
Loans given to other parties	9,778,608	11,200,204
Advances given to related parties		
- C. Bhansali Developers Private Limited (associates)	4,000,000	4,000,000
Advance paid for property	878,476,341	985,402,202
Others		
- Advances to staff	331,000	389,000
- Advances to vendors	133,859,704	231,032,661
- Prepaid expenses	1,289,312	2,707,086
- Deposits*	7,637,674	16,471,868
- Amounts recoverable from banks and financial institutions	5,582,859	-
	1,758,670,371	1,878,886,926
* includes ₹ 3,300,000 (2011: ₹ 2,150,000) rent deposit given to the Managing Director		
20. OTHER CURRENT ASSETS		
Interest accrued on fixed deposits with banks	1,875,004	1,814,438
Interest accrued and due		
- C. Bhansali Developers Private Limited (associates)	44,800,826	32,890,694
- Deepmala Infrastructure Private Limited (associates)	113,100,184	99,572,846
- Other parties	5,485,021	3,997,230
	165,261,035	138,275,208

SATRA PROPERTIES (INDIA) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2012

(Currency: Indian Rupees)

	2012	2011
21. REVENUE FROM OPERATIONS		
Revenue from construction projects [includes ₹ Nil (2011: ₹ 15,375,690) pertaining to earlier period]	2,051,268,100	1,380,432,398
Sale of traded product		
Sale of transferable development rights	179,064,522	-
Other operating revenues		
Development charges [includes ₹ Nil (2011: ₹ 81,557,383) pertaining to earlier period]	31,852,806	93,989,244
	2,262,185,428	1,474,421,642
22. OTHER INCOME		
Interest income on		
- fixed deposits with banks	1,622,276	2,530,715
- loans given to associates	138,900,351	122,580,070
- loans given to other parties	1,725,808	1,393,329
Dividend received	61,040	-
Other non-operating income	537	-
- profit on sale of fixed assets	-	346,161
- profit on sale of investment	-	375,000,000
- provision for managerial remuneration written back	6,701,498	-
- excess provision for gratuity written back	421,468	-
Foreign exchange fluctuation gain	-	460,150
	149,432,978	502,310,425
23. COST OF MATERIALS CONSUMED		
Inventory at the beginning of the year	(A) 15,316,994	35,984,382
Incurred during the year		
Development rights/land cost	25,630,000	17,033,348
Professional and legal fees	12,336,424	13,710,639
Civil, electrical and contracting	405,382,665	629,066,959
Depreciation	3,543,312	2,119,005
Administrative and other expenses	18,635,041	16,934,118
Borrowing costs	(B) 138,600,012	323,427,934
	604,127,454	1,002,292,003
Less: Inventory at the end of the year	(C) 18,429,911	15,316,994
	(A) + (B) - (C) 601,014,537	1,022,959,391
24. PURCHASE OF TRADED PRODUCTS/COMPENSATION		
Purchase of transferable development rights	159,950,226	-
Compensation paid	9,414,000	6,367,720
	169,364,226	6,367,720
25. DECREASE IN INVENTORIES OF CONSTRUCTION WORK-IN-PROGRESS, UNSOLD UNITS AND TRADED PRODUCTS		
Opening stock		
Construction work-in-progress	3,109,477,554	3,025,480,960
Unsold units	144,808,941	304,616,273
Transferable development rights	-	-
	3,254,286,495	3,330,097,233
Less: Closing stock		
Construction work-in-progress	1,853,733,064	3,109,477,555
Unsold units	273,172,940	144,808,941
Transferable development rights	-	-
	2,126,906,004	3,254,286,496
	1,127,380,491	75,810,737



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2012

(Currency: Indian Rupees)

	2012	2011
26. EMPLOYEE BENEFITS EXPENSES		
Salaries, wages and bonus	17,090,304	20,438,690
Directors' remuneration	1,215,000	1,020,000
Contributions to provident and other funds	1,048,955	2,395,070
Staff welfare expenses	115,391	147,803
Gratuity	145,534	309,289
	19,615,184	24,310,852
27. FINANCE COSTS		
Interest on long-term borrowings		
From banks		
- vehicle loans	301,774	237,953
Interest on short-term borrowings		
Debentures	100,293,549	-
From banks	57,156,904	194,854,742
Others	257,884,561	484,257,497
Interest on delayed payment of statutory dues	44,195,437	13,795,838
Other borrowing costs		
Brokerage on finance	110,149	1,161,800
Processing fees	18,908,855	11,735,821
Stamp duty	4,557,000	693,700
	483,408,229	706,737,351
Less: borrowing costs transferred to construction work-in-progress	138,600,012	323,427,934
	344,808,217	383,309,417
28. OTHER EXPENSES		
Advertisement	3,479,111	4,325,750
Brokerage	4,767,053	10,219,765
Conveyance	479,256	434,041
Donation	438,000	91,000
Electricity	1,001,618	1,039,313
Power and fuel	680,381	638,073
Rent	17,228,860	15,684,660
Telephone expenses	928,433	1,030,435
Postage and telegram	107,056	151,676
Repair and maintainance		
- machinery	-	-
- others	429,931	779,424
Insurance	293,248	808,004
Rates and taxes	530,896	1,202,688
Loss on foreign exchange fluctuation	7,673,595	410,339
Auditors' remuneration (including service tax)		
As auditor		
- Statutory audit	1,632,272	1,406,314
- Tax audit	330,900	330,900
- Limited review of quarterly results	1,323,600	1,323,599
In other capacity		
- Taxation matters	-	110,300
Reimbursement of expenses	52,724	74,783
Directors' sitting fees	250,000	217,500
Travelling expenses	148,073	373,989
Printing and stationery	1,022,056	1,151,498
Profession and legal fees	2,470,696	1,589,579
Miscellaneous expenses	2,975,302	8,101,579
	48,243,061	51,495,209

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2012

(Currency: Indian Rupees)

29. EARNINGS PER SHARE

Particulars	2012	2011
Net (loss)/profit after tax	(38,398,237)	242,718,941
Preference dividend (including taxes thereon)	6,880,372	6,903,238
Net profit after tax attributable to equity shareholders (A)	(45,278,609)	235,815,703
Number of equity shares at the beginning of the year	161,358,000	155,358,000
Number of equity shares outstanding at the end of the year	161,358,000	161,358,000
Weighted average number of equity shares outstanding during the year (based on date of issue of shares) (B)	161,358,000	156,574,438
Basic and diluted earnings (in rupees) per share of face value ₹ 2 (A)/(B)	(0.28)	1.51

30. CONTINGENCIES AND COMMITMENTS

Particulars	2012	2011
Income tax matters under dispute	17,917,120	17,917,120

31. DEFAULT IN PAYMENT OF SHORT-TERM BORROWINGS EXISTING AS AT THE BALANCE SHEET DATE

The details of defaults by the Group in repayment of short term borrowings and interest thereon are set out below:

Name of the lender	Amount due on	Amount repaid on	Amounts due on balance sheet date (Principal)	Amounts due on balance sheet date (Interest)	Number of days delay
Indiainfoline	5 February 2012	4 April 2012	-	1,060,797	58
Syndicate Bank	31 January 2012	27 April 2012	-	1,131,261	86
Syndicate Bank	29 February 2012	27 April 2012	-	152,162	57
Syndicate Bank	29 February 2012	29 May 2012	-	922,790	89
Syndicate Bank	31 March 2012	29 May 2012	-	176,953	58
Syndicate Bank	31 March 2012	Unpaid till 30 May 2012	20,000,000	927,604	

32. SEGMENT REPORTING

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

33. LEASES
Operating lease

- a) The group has taken a commercial property on cancellable operating lease in the current year. The commercial property was on a non-cancellable operating lease in the previous year. The future minimum lease payments in respect of lease property as at 31 March 2012 is as follows:

Lease Payments	2012	2011
Not later than one year	1,350,000	2,513,000
Later than one year but not later than 5 years	-	24,000
Later than 5 years	-	-
Payment of lease rentals during the year	19,980,860	17,457,160

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2012

(Currency: Indian Rupees)

34. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD - 15 (REVISED) 'EMPLOYEE BENEFITS'

i) Defined Benefit Plans

The group 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.

		2012	2011
I. Change in Benefit Obligation			
Liability at the beginning of the year	1,563,093	1,253,804	
Interest cost	128,955	100,304	
Current service cost	572,312	521,402	
Benefit paid	(57,115)		
Actuarial (gain)/loss on obligations	(977,201)	(312,417)	
Liability at the end of the year	1,230,044	1,563,093	
II. Amount Recognised in the Balance Sheet			
Liability at the end of the year	1,230,044	1,563,093	
Fair value of plan assets at the end of the year	-	-	
Difference	1,230,044	1,563,093	
Amount Recognised in the Balance Sheet	1,230,044	1,563,093	
III. Expenses Recognised in the Income Statement			
Current service cost	572,312	521,402	
Interest cost	128,955	100,304	
Expected return on plan assets	-	-	
Net actuarial (gain)/loss to be recognised	(977,201)	(312,417)	
Expense recognised in profit and loss account	(275,934)	309,289	
IV. Balance Sheet Reconciliation			
Opening net liability	1,563,093	1,253,804	
Expense as above	(275,934)	309,289	
Employers contribution paid	(57,115)	-	
Amount recognised in the balance sheet	1,230,044	1,563,093	
V. Actuarial Assumptions			
Discount rate	8.25%	8.25%	
Salary escalation	6.00%	6.00%	
	2012	2011	2010
VI. Experience adjustments			
Present value of defined benefit obligation	617,028	1,563,093	1,253,804
Fair value of the plan assets	-	-	-
Deficit in the plan	617,028	1,563,093	1,253,804
Experience adjustments on:			
Plan liabilities (gain)/loss	(919,987)	(299,642)	(97,673)
Plan assets	-	-	-

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 group liability on account of gratuity is not funded and hence the disclosures relating to the planned assets are not applicable.

The group does not have any liability on account of long-term/short term compensated absences.

ii) Defined contribution plan

Contribution to provident and other funds aggregating to ₹ 1,048,955 [2011: ₹ 2,395,070] is recognised as an expense and included in "Employee benefits expense".

iii) Compensated absences

Compensated absences for employee benefits of ₹ 455,594 [2011: ₹ 395,077] has been recognised as a gain/expense during the year.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2012**

(Currency: Indian Rupees)

35. RELATED PARTY DISCLOSURES

A. Parties where control exists:

- I.** Praful N. Satra – Chairman and Managing Director (also key managerial personnel)

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

I. Associates/Joint Ventures

C. Bhansali Developers Private Limited
Deepmala Infrastructure Private Limited
BKC Developers Private Limited (upto 3 April 2010)
Prime Property Development Corporation Limited (upto 12 August 2010)
Prime Down Town Estate Private Limited (upto 12 August 2010)
Robust Landscape Private Limited (w.e.f. 2 March 2012)

II. Entities over which key managerial personnel or their relatives exercise significant influence:

Prime Multi Tiles Trading Private Limited
Shravan Developers Private Limited
Satra Infrastructure Development Private Limited
Satra Land Development Private Limited
Satra Novelties Private Limited (upto 20 April 2010)
Satra Property Development Private Limited
Savla Realtors and Developers Private Limited
Satra Reality and Builders Limited
Satra Re - Development Company Limited
Satra Retail Private Limited
Prime Developers
Rushabh Developers
Prime Bond Industries
Henry Hill International
Trinity Plast (upto 1 April 2010)
Amulya Shelters Private Limited
Arihant Enterprises
Legend Tradevest Private Limited

III. Key Managerial Personnel

Praful N. Satra
Rajan P. Shah
Minaxi P. Satra
Chandrakant M. Kothari
Tukaram K. Patil
Nitin M. Kothari
Pardeep Rochwani



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2012

(Currency: Indian Rupees)

35. RELATED PARTY DISCLOSURES (Continued)

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

Sr. No.	Nature of Transaction	Associates/ Joint Venture		Entities over which key managerial personnel or their relatives exercises significant influence		Key Managerial Personnel and their Relatives		Total	
		2012	2011	2012	2011	2012	2011	2012	2011
1.	Loans taken/converted	-	-	129,700,000	307,650,000	61,800,000	213,100,000	191,500,000	520,750,000
2.	Loans given/converted	400,458,122	384,061,902	-	-	-	-	400,458,122	384,061,902
3.	Interest income	138,900,351	122,580,070	-	-	-	-	138,900,351	122,580,070
4.	Sale of Immovable Property	-	-	59,286,500	500,442,000	-	-	59,286,500	500,442,000
5.	Interest expense	-	-	2,057,988	35,935,190	1,718,873	12,401,682	3,776,861	48,336,872
6.	Receiving of services	-	-	106,645,190	378,16,757	12,298,450	15,684,660	118,943,640	53,501,417
7.	Sale of pledged shares*	-	-	-	-	6,969,629	37,408,148	6,969,629	37,408,148
8.	Directors' remuneration	-	-	-	-	1,631,129	6,616,685	1,631,129	6,616,685
9.	Advance received against property	180,000,000	-	2,000,000	34,000,000	-	-	182,000,000	34,000,000

Outstanding balance receivable/deposits

1.	Loans alongwith the net interest	875,615,883	760,147,445	-	-	-	-	875,615,883	760,147,445
2.	Deposits	-	-	-	-	3,300,000	2,150,000	3,300,000	2,150,000
3.	Advance paid for property	4,000,000	4,000,000	-	-	-	-	4,000,000	4,000,000
4.	Advance given	-	-	15,852,123	117,935,312	-	-	15,852,123	117,935,312
5.	Sundry Debtors	-	-	7,549,425	404,184,320	-	-	7,549,425	404,184,320

Outstanding balance payable

1.	Loans alongwith the net interest	-	-	342,531,357	396,584,168	1,004,315	38,532,976	343,535,672	435,117,144
2.	Sundry creditors	-	-	25,854,497	9,215,588	5,25,781	21,393,990	26,380,278	30,609,578
3.	Remuneration payable	-	-	-	-	2,71,200	4,851,098	2,71,200	4,851,098
4.	Advance received against property	180,000,000	-	-	15,000,000	-	-	180,000,000	15,000,000

Details of material related party transactions:

Sr. No.	Particulars	2012	2011
1.	Loans taken/converted		
	Satra Property Development Private Limited	129,700,000	101,300,000
	Praful N. Satra	41,200,000	39,700,000
	Minaxi P. Satra	20,600,000	173,400,000
	Shravan Developers Private Limited	-	206,350,000
2.	Loans given/converted		
	Deepmala Infrastructure Private Limited	400,458,122	384,061,902
3.	Interest income		
	C. Bhansali Developers Private Limited	13,233,480	11,943,574
	Deepmala Infrastructure Private Limited	125,666,871	110,636,496
4.	Interest expense		
	Satra Property Development Private Limited	20,57,988	5,412,203
	Praful N. Satra	1,042,622	3,350,615
	Minaxi P. Satra	6,76,251	9,051,067
	Shravan Developers Private Limited	-	30,480,168

SATRA PROPERTIES (INDIA) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2012

(Currency: Indian Rupees)

Sr. No.	Particulars	2012	2011
5.	Sale of Immovable Property		
	Satra Property Development Private Limited	59,286,500	50,442,000
	Shravan Developers Private Limited	-	450,000,000
6.	Receiving of services		
	Praful N. Satra	17,228,860	15,684,660
	Satra Property Development Private Limited	101,714,780	37,816,757
7.	Sale of pledged shares*		
	Praful N. Satra	-	29,095,226
	Minaxi P. Satra	6,969,629	8,312,922
8.	Directors' remuneration		
	Praful N. Satra	2,77,419	4,396,685
	Rajan P. Shah	1,38,710	1,200,000
	Chandrakant M. Kothari	600,000	600,000
	Tukaram Patil	615,000	420,000
9.	Advance received against property		
	Satra Infrastructure Development Private Limited	-	34,000,000
	Robust Landscapes Private Limited.	180,000,000	-
	Outstanding balances receivable/deposits		
1.	Loans alongwith the net interest		
	C. Bhansali Developers Private Limited	122,189,131	110,278,999
	Deepmala Infrastructure Private Limited	753,426,752	649,868,446
2.	Deposits		
	Praful N. Satra	3,300,000	2,150,000
3.	Advance paid for property/TDR		
	C. Bhansali Developers Private Limited	4,000,000	4,000,000
4.	Advance given		
	Satra Property Development Private Limited	15,852,123	117,935,312
5.	Sundry Debtors		
	Shravan Developers Private Limited	-	370,000,000
	Satra Property Development Private Limited	7,549,425	34,184,320
	Outstanding balances payable		
1.	Loans alongwith the net interest		
	Shravan Developers Private Limited	335,992,042	371,222,042
2.	Sundry creditors		
	Praful N. Satra	5,25,781	2,13,93,990
	Satra Property Development Private Limited	25,854,497	92,15,588
3.	Remuneration payable		
	Praful N. Satra	-	4,767,498
	Tukaram Patil	175,600	31,800
	Chandrakant M. Kothari	95,600	45,800
4.	Advance received against property		
	Savla Realtors and Developers Private Limited	-	15,000,000
	Robust Landscapes Private Limited	180,000,000	-

* represents amounts payable to the promoter on account of invocation of shares of the Company held by the lenders, towards loan dues of the Company.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2012

(Currency: Indian Rupees)

36. 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.

	2012	2011
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	-	-

37. OTHER MATTERS

Information with regards to other matters specified in revised Schedule VI of the act, is either nil or not applicable to the Company for the year.

38. CIF VALUE OF IMPORTS

	2012	2011
Construction material	-	7,108,240
Capital goods	-	-
	-	7,108,240

39. EXPENDITURE AND EARNINGS IN FOREIGN CURRENCY – ₹ NIL (2011: ₹ NIL)

40. During the year ended 31 March 2009, the Group has changed the structural plan of the Borivali Project from a commercial complex to a commercial cum residential complex to improve the overall profitability of the project. As a result, in order to facilitate the construction as per the revised plan, certain existing structures at the site have been demolished. The estimated construction cost incurred by the Group on the demolished portion amount to ₹ 157,974,510 and the same continues to be included in construction work-in-progress. Out of the total estimated construction cost incurred by the company on the demolished portion, ₹ 80,438,860 continues to be included in construction work-in-progress as at 31 March 2012 on account of part recognized revenue from the project and accordingly, management has revised its estimated cost to complete the revised commercial cum residential project and believe that the overall margins of the revised project will be adequate to recover the construction cost of demolished area incurred during the year.

41. In the case of Maharashtra Chamber of Housing Industry ('MCHI') and Ors. v/s The State of Maharashtra & Ors, the Hon'ble High Court, Mumbai has upheld the constitutional validity for charging Value added Tax ('VAT') on sale of flats, shops, etc. under construction and we being a member of MCHI, have been given to understand that MCHI is in the process of filing a Special Leave petition in the Hon'ble Supreme Court against this judgement. Further the outcome of the reference to the Larger Bench of the Supreme Court in the case of Larsen & Toubro Limited Versus State of Karnataka is also awaited. Under the circumstances, it would be premature to hold whether the contracts entered into for sale of units under construction by the Group in the state of Maharashtra constitutes "work contracts" and the quantification of the tax liability thereon, if any and its impact on the Statement of profit and loss would be determined at the time of assessment. Pending quantification, the Group has not recognized the VAT collectable from customers, the VAT payable to the government authorities, and the VAT to be charged to the Statement of profit and loss, if any. In opinion of the management, the impact of such non-recognition will not be material.

42. TRANSFER PRICING

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

As per our report of even date attached.

For **B S R & Associates**
Chartered Accountants
Firm's Registration No. 116231W

For **M/s. Bhuta Shah & Co.**
Chartered Accountants
Firm's Registration No. 101474W

For and on behalf of the Board of Directors

Bhavesh Dhupelia
Partner
Membership No. 042070
Mumbai, 30 May 2012

S. J. Parmar
Partner
Membership No: 103424
Mumbai, 30 May 2012

Manan Y. Udani
Company Secretary
Mumbai, 30 May 2012

Vidyadhar D. Khadilkar
Director
Praful N. Satra
Chairman and Managing Director

Financial information of Subsidiary Companies under Section 212(8) of the Companies Act, 1956 for the financial year ended 31 March 2012

(Currency: Indian Rupees)

Sr. No.	Name of the Subsidiary Company	Paid-up Capital	Reserve	Total Assets	Total Liabilities	Investments	Turnover / Total Income	Profit/(Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Dividend
1.	Satra Property Developers Private Limited	146,039,000	743,422,601	2,028,044,269	2,028,044,269	623,020	275,899,136	72,751,188	30,543,140	42,208,048	14,603,900
2.	Satra Buildcon Private Limited	100,000	(74,512)	36,518	36,518	-	-	(11,840)	-	(11,840)	-
3.	Satra Estate Development Private Limited	100,000	(93,679)	17,351	17,351	-	-	(11,579)	-	(11,579)	-
4.	Satra Infrastructure and Land Developers Private Limited	100,000	(75,265)	6,535,765	6,535,765	-	-	(15,149)	-	(15,149)	-
5.	Satra Lifestyles Private Limited	100,000	(71,599)	39,431	39,431	-	-	(11,910)	-	(11,910)	-
6.	Satra International Realtors Limited	11,711,600	(139,309,629)	435,941,139	435,941,139	-	-	(72,433,392)	-	(72,433,392)	-

For and on behalf of the Board of Directors

Manan Y. Udani
Company Secretary

Vidyardhar D. Khadilkar
Director

Praful N. Satra
Chairman and Managing Director

Mumbai, 13 August 2012

Statement pursuant to Section 212(1)(e) of the Companies Act, 1956, relating to the Company's interest in Subsidiary Companies

(Currency: Indian Rupees)

Sr. No.	Name of the Subsidiaries	Satra Property Developers Private Limited	Satra Buildcon Private Limited	Satra Estate Development Private Limited	Satra Infrastructure and Land Developers Private Limited	Satra Lifestyles Private Limited	Satra International Realtors Limited (as per Indian GAAP)
1.	The Financial year of the Subsidiary Companies ended on	31 March 2012	31 March 2012	31 March 2012	31 March 2012	31 March 2012	31 March 2012
2.	Date from which it became Subsidiary Companies	2 July 2007	18 October 2007	23 October 2007	19 October 2007	19 October 2007	17 June 2008
3.	No. of Shares held by Satra Properties (India) Limited with its nominees in the Subsidiaries at the end of the financial year of the Subsidiary Companies.	14,603,900 Equity Shares of the F.V. of ₹ 10/- each fully paid	10,000 Equity Shares of the F.V. of ₹ 10/- each fully paid	10,000 Equity Shares of the F.V. of ₹ 10/- each fully paid	10,000 Equity Shares of the F.V. of ₹ 10/- each fully paid	10,000 Equity Shares of the F.V. of ₹ 10/- each fully paid	100 Equity Shares of the F.V. of 10,000/- AED each fully paid
4.	Total Issued Equity Share Capital of the Subsidiary Company	14,603,900 Equity Shares of the F.V. of ₹ 10/- each fully paid	10,000 Equity Shares of the F.V. of ₹ 10/- each fully paid	10,000 Equity Shares of the F.V. of ₹ 10/- each fully paid	10,000 Equity Shares of the F.V. of ₹ 10/- each fully paid	10,000 Equity Shares of the F.V. of ₹ 10/- each fully paid	100 Equity Shares of the F.V. of 10,000/- AED each fully paid
5.	Extent of the interest of Holding Company at the end of the financial year of the Subsidiary Companies	100%	100%	100%	100%	100%	100%
6.	The Net aggregate amount of Profit/(Loss) of the Subsidiary Companies so far as they concern the members of Satra Properties (India) Limited						
A	Not dealt with in Satra Properties (India) Limited's accounts:						
	i. For the F.Y. ended 31 March 2012	4,22,08,048	(11,840)	(11,579)	(15,149)	(11,910)	(7,24,33,392)
	ii. For the previous F.Y. 2010-11 of the Subsidiary Companies since it became Satra Properties (India) Limited's Subsidiaries.	32,49,23,634	(14,021)	(12,040)	(11,940)	(11,810)	(6,51,59,066)
B	Dealt with in Satra Properties (India) Limited's accounts:						
	i. For the current F.Y. ended 31 March 2012	NIL	NIL	NIL	NIL	NIL	NIL
	ii. For the previous F.Y. 2010-11 of the Subsidiary Companies since it became Satra Properties (India) Limited's Subsidiaries	NIL	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board of Directors

Manan Y. Udani
Company Secretary

Vidyardhar D. Khadilkar
Director

Praful N. Satra
Chairman and Managing Director

Mumbai, 13 August 2012



[illegible]



SATRA PROPERTIES (INDIA) LIMITED

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

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 at the 29th Annual General Meeting of the Company held on Friday, 28 September 2012 at 4.30 p.m. at Navinbhai Thakkar Hall, Ground Floor, Shraddhanand Road, Vile Parle (East), Mumbai - 400 057.

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

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 29th Annual General Meeting of the Company to be held on Friday, 28 September 2012 at 4.30 p.m. at Navinbhai Thakkar Hall, Ground Floor, Shraddhanand Road, Vile Parle (East), Mumbai - 400 057 and at any adjournment thereof.

Signed this _____ day of _____ 2012. Signature _____

Affix
Revenue
Stamp of
₹ 1/-

* 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 scheduled time of the meeting.

our PRESENCE



SATRA GALLERIA
Jodhpur, Rajasthan



SHRISTHI
Bhopal, Madhya Pradesh



SATRA PLAZA
Vashi, Navi Mumbai



SATRA HILLS
Ghatkopar, Mumbai



DREAMS THE MALL
Bhandup, Mumbai



SATRA PALACE
Cochin, Kerala



SATRA PARK
Borivali, Mumbai



SATRA GALLERIA
Calicut, Kerala



SATRA RESIDENCY
Khar, Mumbai

Disclaimer: - All the elevation, amenities, facilities etc. are subject to the approval of respective authorities and would be changed if necessary. All the elevation, amenities, facilities etc. are artistic conception and not actual depiction and Satra Group and its management 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 Group and its management does not warrant or assume any legal liability or responsibility for the accuracy, completeness or usefulness of any information disclosed.



SATRA
G R O U P

ISO 9001:2008 Company

If undelivered please return to:

SATRA PROPERTIES (INDIA) LIMITED

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E info@satraproperties.in | www.satraproperties.in