

# SHAPING TOMORROW **TODAY!**

ANNUAL REPORT 12 - 13



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Praful N. Satra**

*Chairman & Managing Director*

**Vidyadhar D. Khadilkar**

*Independent Director*

**Rajan P. Shah**

*Director*

**Vinayak D. Khadilkar**

*Independent Director*

### CHIEF FINANCIAL OFFICER

**Bhaves 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

Bharat R. Zaveri

### ARCHITECTS & ENGINEERS

Vivek Bhole Architects Private Limited  
Planwell Architects Private Limited  
Rein Profile Consulting Engineers  
N.S. & Associates

### BANKERS

Axis Bank Limited  
Syndicate Bank  
Allahabad Bank  
Canara Bank

### REGISTERED OFFICE

Dev Plaza, 2<sup>nd</sup> 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](mailto:info@satraproperties.in)  
Website: [www.satraproperties.in](http://www.satraproperties.in)

### REGISTRAR AND SHARE TRANSFER AGENT

Adroit Corporate Services Private Limited  
17/20, 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](mailto:info@adroitcorporate.com)  
Website: [www.adroitcorporate.com](http://www.adroitcorporate.com)





# VISION

▶▶ To be brand that is held in the highest regard in the real estate industry across the country. To achieve excellence and growth by creating world-class infrastructure and enhanced lifestyle that will sustain for the future, thus ensuring a brand name that will set the benchmark of vision, trust and ethics in the field of Realty Business ▶▶

# MISSION

▶▶ Our mission is to turn dreams into concrete realty, building world-class real estate concepts that abide by the highest standard of professionalism, quality & customer service. Thus to create visible projects that has good Infrastructure & Quality construction as well as offering good value for money. To multiply the wealth of the company with continuous expansion & diversification of activities and thereby improving the wealth of Stake- holders, Employees & Society at large. ▶▶



## THE ROAD TO AN EVOLVING TOMORROW PASSES THROUGH THE ACCOMPLISHMENTS OF TODAY!

We, at Satra Properties, know our land inside out. We have seen it adapt to various times. Known it across phases. Understood its capacities. And found solutions for its development. We've been successfully doing it for 8 years in a row. And, through our stature, one will agree that we have been exceptional.

We owe it to our ideologies. They teach us in taking only one route—the 'no-shortcut' route. The road is sweating and tough. But the sweet fruits that await on the other end are indeed cherishing.

This has made us a major Real Estate development player and has enabled us carve an identity for ourselves, not only in Mumbai but across the nation. Today, our signature mark of excellence is borne by several Residential, Commercial, Corporate and Entertainment structures, each one a landmark in itself. And every passing day tests our mettle to push the limit and set a new benchmark. At Satra, we call it the rising graph of smiles.

# LIFESTYLES & BEYOND

As life gets crammed in the Maximum City, it moves further north. Only to find bliss in the index of the suburb of Borivali. An area that's certainly growing at a rapid pace than expected. An expansion that's made possible due to better connectivity through rails, roads, metros and monorails and availability of other infrastructure prospects. Thus, boosting residential developments in Borivali.

A notable futuristic development in this vicinity is Satra Park. A property that's dotted with all things good. Think of a reason to step out of this property and it will entice you with more reasons than one to stay back. Indeed a world in its own!







Satra Park comprises aesthetically designed 2B+G+17/18 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 & 3 BHK apartments and penthouses 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, Clubhouse, Podium Garden, Children's Play Park, Jain temple... and life could not be

## INSPIRING LIFESTYLES AT SATRA PARK, BORIVALI, MUMBAI

more actualized! Plus multi-level car parking. In all of this, safety never gets compromised – the earthquake resistant RCC structure adds total peace of mind to the quality of life.

# NATURE & BEYOND

Life favours. But only a selected few. Who know where to be, and when to be there. Take for instance, sharing a sweet piece of Ghatkopar, Mumbai's eastern corridor. In the recent past, Ghatkopar has moulded itself as a self-reliable destination to attract a whole new scale of prospects. All this amid a magical and natural bloom of greenery and serenity.

Presenting Satra Hills, Ghatkopar's latest benchmark offering. A place where you can lead a life of blissful grandeur with the serenity of Mother Nature on one side and multiple modern amenities on the other. A destination that's welcoming you to lead an ideal island life!







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 epitomizes 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

## INSPIRING NATURE AT **SATRA HILLS**, GHATKOPAR, MUMBAI

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.



# FREEWAY & BEYOND

The best things come to those who wait. In a city like Mumbai, it is undoubtedly a hassle-free movement and better connectivity to prime locations around you.

We understand your family's various needs and believe in giving them a special address... In the city yet away from its bustle. An address that reduces commute time so that you can spend more memorable moments together and enhance your bonds of love, share and care. An address where your children would love to grow and learn better than anywhere else.

We've intentionally done all this, because we believe, in a city like Mumbai, better connectivity and serenity are the biggest luxury elements one can ask for.







Welcome to Satra's Eastern Heights, a property that's aptly located, in proximity to the Eastern Freeway.

Right from the moment you step into the Grand Entrance Lobby till your move further, luxury envelopes you with its fresh approach. Every apartment at these aesthetically designed 2B+G+21 storey towers is a living example of what we are trying to convey – the luxurious and free lifestyle of tomorrow, today!

Do a butterfly stroke like Michael Phelps in the azure Swimming Pool, burn last night's excess fats at the hi-tech Gymnasium, walk briskly on the lush green Jogging Track or indulge in fun moments with family at the Clubhouse, which is proposed for approvals. Do all this as your children play carefree at the safe Children's Play Area.

## INSPIRING FREEWAY AT SATRA'S EASTERN HEIGHTS, UPPER CHEMBUR, MUMBAI

At Satra's Eastern Heights, you are bound to enjoy life with as much ease within the property's premises as much you would enjoy around. Because here, luxury is well-connected to the city's finest, and surprisingly includes peace too!

# GENERATION & BEYOND

We proudly call ourselves creators of an unparalleled lifestyle for you and your upcoming generation. However, this is not an easy task. A lot of careful planning and attention goes into designing what we call 'the perfect lifestyle'.

For this, we believe in creating an aura that's filled with laughter, all-round family development and deep-rooted family bonds in right proportions. Thus, creating a lifestyle that comprises everything to make living sophisticated and classy in every sense. A lifestyle, in whole glory, your future generation will love to grow, and thank you for making the right decision.

A lifestyle that's being planned for you at our latest development in one of the prime suburbs of Mumbai in East Santacruz.







Let your forthcoming generation bask in the glory of your choice at Satra Wings. The property aims at offering them wings for a brighter future. A carefully developed landscape that comprises 2B+G+6/7 storey towers, the address exudes supreme class for ultimate living bliss.

Discover a whole host of amenities sprawled at your feet. From a tranquil Swimming Pool to the ultra-modern Gymnasium to the therapeutic Jogging Track. There's also as much space for Kid's Play Areas as for Car Parking that is spread across 3 levels.

What's unique about this Satra property is that it's the only one to have a Terraced Garden with

## INSPIRING GENERATION AT SATRA WINGS, KALINA , MUMBAI

unrestricted view of the airport. Let your kids aim at being the pilots of tomorrow to soar the nation to greater heights; let their journey begin from here.

# HERITAGE & BEYOND

Welcome to Jodhpur, the princely city of India's land of kings. A place that witnesses cheer in the air and life in every heartbeat. It has stood testimony to several iconic structures including majestic forts and palaces, museums and monuments. Every year it attracts history-lovers and tourists in equal measure. Also known as a shopping paradise, it is a must visit place in every traveller's list.

And with Satra Galleria the influx will only rise. A magnificent blend of the historic taste and contemporary finesse, it is yet another landmark attraction of modern-day Jodhpur. A structure that would have been held in high regard by every king of 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 tradition.

Imported escalators and elevators infuse a spirit of reassuring efficiency.

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

## INSPIRING HERITAGE AT SATRA GALLERIA, JODHPUR, RAJASTHAN

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

# CENTRE & BEYOND

We believe all major transformations have their root in the centre. Here is one such. The development of the nation beyond the metro cities. And what better way to begin it from the centre of the nation, at Bhopal in Madhya Pradesh.

Launching Shrishti, a multi-faceted project to explore the potential of the city. Literally at the heart of the nation, it comprises well-laid commercial spaces and complementing residential options. So when you think of traveling between office and home, you have a smile on your face.







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.

Characterized 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

## INSPIRING THE CENTRE AT SHRISHTI, BHOPAL, MADHYA PRADESH

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

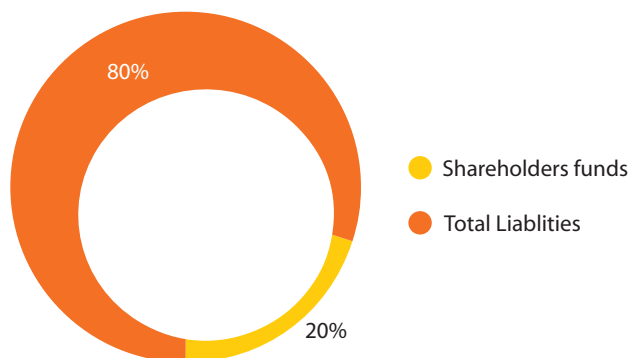
# FINANCIAL HIGHLIGHTS

5 Years Financial Highlights						INR in Lacs
S. No.	Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
1	Total Revenue	9,724	22,260	13,951	22,361	12,203
2	Earning before depreciation, interest and taxes	3,761	3,793	3,824	4,448	3,908
3	Depreciation	23	49	88	90	100
4	Earning after taxes	505	390	447	857	168
5	Market capitalisation	6,277	7,568	21,509	21,968	27,141
6	Equity share capital	3,227	3,227	3,227	3,107	3,107
	<b>[Face value per equity share (₹)]</b>	<b>2</b>				
7	Reserve & Surplus	6,355	6,107	5,973	4,702	4,095
8	Equity shareholder's fund	9,583	9,334	9,200	7,810	7,202
9	Equity dividend (%)	5% *	5%	5%	5%	-
10	Term Borrowings	18,347	22,662	10,030	25,948	26,901
11	Dividend payout	161 *	161	161	155	-
12	Total assets	42,479	45,808	59,238	67,754	56,896
	<b>Key Indicators</b>					
1	Earning per share (₹)	0.27	0.20	0.24	0.51	0.06
2	Book value per share (₹)	5.94	5.78	5.70	5.03	4.64
3	Net profit margin	6.42%	1.85%	3.61%	4.15%	1.58%
4	Debt equity ratio	1.91	2.43	3.75	5.98	4.67
5	Return on net worth	5.27%	4.18%	4.86%	10.98%	2.33%
6	Return on capital employed	7.91%	5.79%	6.65%	7.86%	10.16%

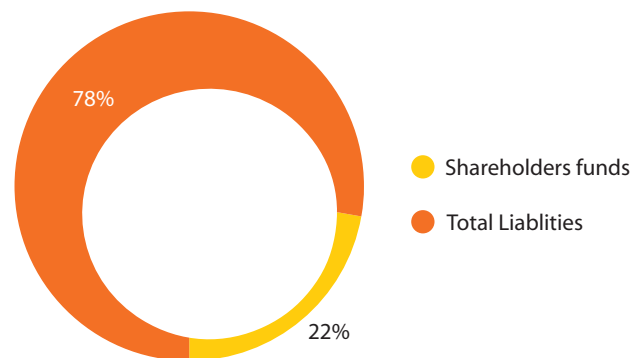
\* Subject to approval of the members in 30<sup>th</sup> Annual General Meeting of the Company



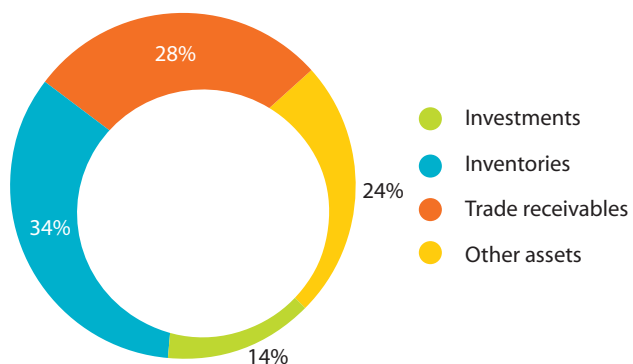
**Shareholders funds and Total liabilities  
Standalone - 2013**



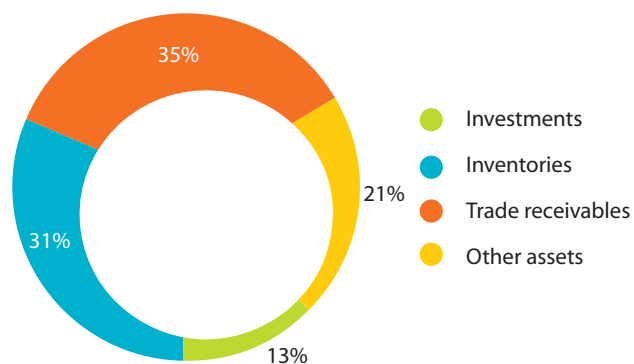
**Shareholders funds and Total liabilities  
Standalone - 2012**



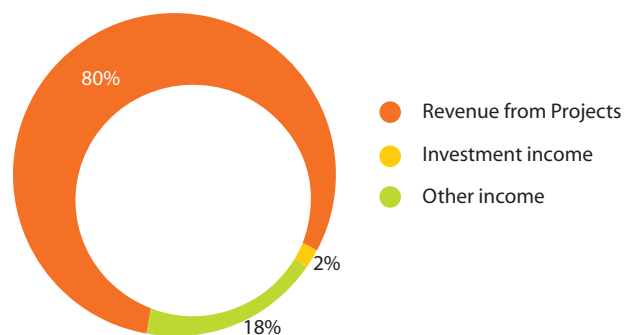
**Total Assets  
Standalone - 2013**



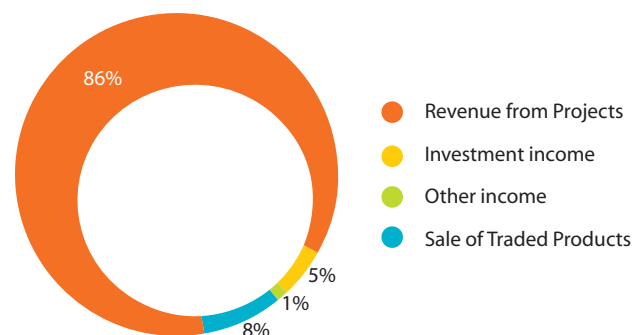
**Total Assets  
Standalone - 2012**



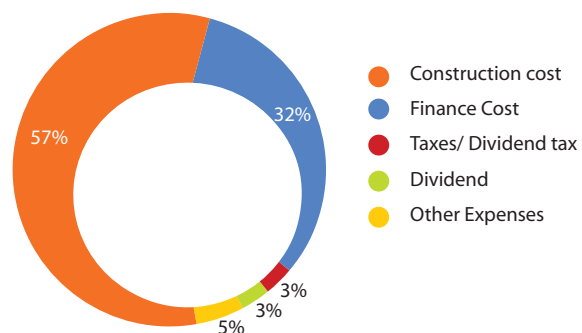
**Revenue Breakup  
Standalone - 2013**



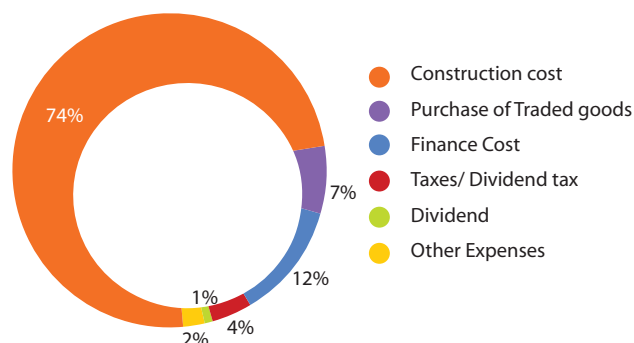
**Revenue Breakup  
Standalone - 2012**



**Expenditure & Outflows  
Standalone - 2013**



**Expenditure & Outflows  
Standalone - 2012**



CHALLENGES ARE WHAT  
MAKE LIFE INTERESTING AND  
OVERCOMING THEM IS WHAT  
MAKES LIFE MEANINGFUL.

JOSHUA J. MARINE

## CHAIRMAN'S COMMUNIQUÉ



### DEAR SHAREHOLDERS,

The year 2012-13 was a challenging one for the Indian economy and also for the Real estate industry. Apart from the unfavorable global environment, the Indian economy was much affected internally on account of high current account deficit and escalating inflationary trend. The RBI on the other hand has continued with its tighter monetary policy and upward movement of interest resulting in subdued demand in the real estate market. At the same time, Real estate has also borne the burden of increase in the cost to complete its on-going projects giving no scope for developers to reduce the price and has resulted in pilling of inventories which has posed a serious concern to the industry. However, with the government relaxing the FDI and ECB Norms, there is a ray of hope for infusion of capital into the Industry for its revival.

As you can analyze from the Financial statements, your Company's major portion of profits are being wiped out due to the burden of servicing interest in time. Hence your Company is striving hard to deliver its on-going projects at the earliest, which can result in early repayment of debts and thereby reducing the finance cost. During the year, inspite of the decrease of 62% in the revenue recognized from ₹ 211 Crores to ₹ 79 Crores, your Company has posted net profit after tax at ₹ 5.05 Crores as compared to ₹ 3.90 Crores for the previous fiscal year. This was due to the result of slight increase in the operating margins, on account of substantial work completion of on-going projects and fresh sales.

The management continues to focus its strategy for investment in re-development and SRA projects. Further to the development of an existing SRA project of 1 million Sq ft by its subsidiary, your Company has embarked another SRA project having development of 0.65 million sq ft of planned project in joint development in eastern suburbs through its step down SPV. Further, gauging the demand for houses in Mumbai, the management has planned to launch two residential projects with affordable flats in due course. This would result in unlocking the investment and generating value to your Company on a consolidated basis. On a consolidation basis, your Company has planned / projected developments of around 7.5 million sq ft of projects over a period of 5 years.

Moreover, I am grateful to all our shareholders, debentureholders, 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 and enduring efforts.

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





## NOTICE

Notice is hereby given that the Thirtieth Annual General Meeting of the Members of **Satra Properties (India) Limited** will be held on **Saturday, 28 September 2013** at **4.00 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 2013 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 2012-13.
3. To declare Dividend on Equity Shares for the Financial Year 2012-13.
4. To appoint a Director in place of Mr. Vinayak D. Khadilkar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint B S R & Associates, Chartered Accountants (Firm Reg. No.: 116231W) and 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.

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

**Manan Y. Udani**  
*Company Secretary*

Mumbai, 12 August 2013

### Registered Office:

Dev Plaza, 2<sup>nd</sup> 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. 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 30<sup>th</sup> Annual General Meeting. Proxies submitted on behalf of the Corporate Members, 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.*

3. In terms of the provisions of Section 256 of the Companies Act, 1956, Mr. Vinayak 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.
4. The Register of Members and Transfer Books of the Company will be closed from Friday, 20 September 2013 to Saturday, 28 September 2013 (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 Friday, 4 October 2013 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 Thursday, 19 September 2013.
  - 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 Thursday, 19 September 2013.

In respect of 8% Cumulative Redeemable Preference Shares, dividend will be paid to the members on the Company's Register of Members as of the close of the business hours on Thursday, 19 September 2013.

5. Members holding shares in electronic form are requested to intimate immediately any change in their address/ bank details/ update E-mail ID to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address/ bank details/ update E-mail ID immediately to our Registrar and Share Transfer Agents, M/s. Adroit Corporate Services Private Limited.
6. 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).

In accordance with the following schedule, the dividend for the years, if unclaimed within a period of seven years, will be transferred to the IEPF:

Financial year ended	Date of declaration of dividend	Last date for transferring unclaimed/unpaid dividend amount to the IEPF	Type of dividend declared
31.03.2007	24.10.2006	23.12.2013	1 <sup>st</sup> Interim Dividend
31.03.2007	25.01.2007	26.03.2014	2 <sup>nd</sup> Interim Dividend
31.03.2007	19.04.2007	18.06.2014	3 <sup>rd</sup> Interim Dividend
31.03.2008	23.07.2007	21.09.2014	1 <sup>st</sup> Interim Dividend
31.03.2008	29.09.2008	28.11.2015	Final Dividend
31.03.2010	29.09.2010	28.11.2017	Final Dividend
31.03.2011	29.09.2011	28.11.2018	Final Dividend
31.03.2012	28.09.2012	27.11.2019	Final Dividend

Members may please note that once unclaimed dividend is transferred to the IEPF, no claim shall lie in respect thereof with the Company.

7. 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).
8. 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.
9. 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.

10. 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, 12 August 2013

**Registered Office:**

Dev Plaza, 2<sup>nd</sup> 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

<b>Particulars</b>	<b>Mr. Vinayak D. Khadilkar</b>
Date of Birth	21.11.1955
First Date of Appointment as Director	26.05.2007
Qualifications	Bachelor of Commerce and Chartered Accountant
Expertise in specific Functional Areas	Wide experience in Finance, Accounts, Audit and Taxation
Directorships/ Memberships/ Chairmanships of Committees of other Public Companies (includes only Audit Committee and Shareholders'/ Investors' Grievance Committee)	NIL
Number of shares/ debentures/ convertible instruments / any other securities 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 2012-13 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](mailto: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 30<sup>th</sup> Annual Report and the Audited Financial Accounts for the Year ended 31 March 2013.

## 1) FINANCIAL HIGHLIGHTS:

(Currency – Indian ₹ in Lacs)

Particulars	Standalone for the year	
	2012-13	2011-12
<b>Earnings before Tax</b>	<b>751.13</b>	1,093.99
Less: Taxation	<b>245.98</b>	703.68
<b>Earnings after Tax</b>	<b>505.15</b>	390.31
Add: Balance in Statement of Profit and Loss brought forward from previous year	<b>3,337.01</b>	3,593.03
<b>Profit available for appropriation</b>	<b>3,842.16</b>	3,983.34
<b>Less: Appropriations</b>		
Proposed Dividend on Preference Shares	<b>59.20</b>	59.20
Tax on proposed dividend on preference shares	<b>9.60</b>	9.60
Proposed Dividend on Equity Shares	<b>161.36</b>	161.36
Tax on proposed dividend on Equity Shares	<b>26.18</b>	26.18
Transfer to debenture redemption reserve	<b>500.00</b>	390.00
<b>Surplus in the Statement of Profit and Loss</b>	<b>3,085.82</b>	3,370.00

## 2) OPERATIONS :

On standalone basis, during the year under review, your Company has registered a decrease in turnover at ₹ 7,873 lacs as compared to the previous year's turnover of ₹ 21,134 lacs. The said downward in turnover was mainly attributed on account of decrease in the new bookings as also accompanied with the only marginal increase in percentage of completion of the ongoing projects and also due to the non exposure in the TDR business. However, the Profit after Tax has increased by 29% to ₹ 505 lacs as against ₹ 390 lacs in the previous year on account of increase in the margin of new bookings took place during the year under review.

The Consolidated turnover of the Company for the year ended 31 March 2013 aggregated to ₹ 8,437 lacs as against ₹ 22,622 lacs for the previous year. However, the Consolidated Profit after Tax for the year under review was ₹ 278 lacs as compared to the Consolidated Loss of ₹ 384 lacs in the previous year. The management is putting all its endeavors for undertaking new projects for development in joint venture through its subsidiaries and also in case of investment in its foreign subsidiary to explore the possibility of joint venture in project 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 ongoing and upcoming 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. Your Company has successfully completed the project construction of 1 million sq ft. Also, your Company has successfully sold out 390 units comprising of 3.79 lacs sq.ft. of carpet area in the single project.

#### b. Satra Park, Borivali, Mumbai:

The project situated at Borivali, Mumbai, is the state-of-the-art residential complex, comprising of a Jain Temple and with artistically designed interiors and exteriors. It's a place where every corner is beautifully designed to enjoy the luxuries and offers a perfect blend of serene environment and comfortable living.

During 2008-09, your Company had changed the scope of work of said project from shopping mall to combination of Shops cum 3 residential towers keeping in view the burgeoning population in the said location. As for the Shop Segment, the Company has already received part Occupation Certificate and for the Residential complex, the Company has completed the structural work and finishing work is in process. Your Company is targeting to complete the balance project work and deliver the same in next 6 to 9 months time.

#### c. Satra Wings, Kalina, Mumbai:

The proposed residential project at Kalina, Mumbai is planned to start in phases and will consist of varying sizes of apartments ranging from 1 BHK to 2.5 BHK. The Company is in the process of obtaining the necessary approvals to start the development for the said project. The said project is strategically located near Air India Colony, Kalina-Kurla Road and is expected to





have aesthetically designed towers and terraced garden with panoramic airport view. It shall also encompass all amenities such as Swimming Pool, Jogging Track, Children's Play Area, Hi-tech Gymnasium and Efficient car parking spread on 3 levels.

**Projects undertaken by Subsidiary/Associate Companies**

**d. Satra Hills, Ghatkopar, Mumbai:**

The proposed project is under Slum Rehabilitation Scheme awarded to your Company by the Slum Rehabilitation Authority. Nestled in nature's abundance and strategically located in the close proximity to the fast emerging industrial hub – Ghatkopar. The project is elevated on the hilly contours that offers kaleidoscopic view of entire Navi Mumbai. 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 transit camps and has shifted most of the tenements to pave the way for construction of Rehabilitation buildings.

**e. Satra's Eastern Heights, Upper Chembur, Mumbai:**

The proposed residential project is a joint development project undertaken by one of the subsidiary company under a Special Purpose Vehicle (SPV). With necessary statutory permissions and approvals in place, the construction work for Rehabilitation building is under progress. The highlighting features of the project is, a 17 km long stretch Eastern Freeway connecting South Mumbai and Eastern Suburbs passing through the plot, having exit and entry just 200 metres away from the project. This would attempt to eliminate traffic congestion for commuters plying to and for South Mumbai.

Apart from the above, there are few projects, which are at the initial stage of negotiation.

**3) 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 2012-13. 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 2012-13. 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.

**4) SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES:**

During the year under review, your Company has redeemed 2,699 Secured Redeemable Non-Convertible Debentures of ₹ 1,00,000/- each fully paid up aggregating to ₹ 2,699 lacs out of the project proceeds. Further, the Company has during the year ended 31 March 2013, created a Debenture Redemption Reserve ('DRR') of ₹ 500 lacs (2012: ₹ 390 lacs) out of the profits, thereby aggregating the DRR to ₹ 890 lacs.

**5) PREFERENTIAL ISSUE OF WARRANTS CONVERTIBLE INTO EQUITY SHARES:**

Your Company has issued and allotted 1,70,00,000 warrants of ₹ 5.20/- each with an option to convert each warrant into one equity share of the nominal value of ₹ 2/- each at a price of ₹ 5.20/- per share, including premium of ₹ 3.20/- per share aggregating to ₹ 884 lacs to promoter group on preferential basis on 1 August 2013. Out of the said amount, your Company has received 25% of the warrant price and the balance issue price is payable upon exercise of the right to apply for Equity Shares within a period of 18 months from the date of issue and allotment of warrants. The object of this preferential issue is to augment long term resources to fund the growth plans of the Company and to part finance Company's capital expenditure, working capital requirements, repayment of debts / redemption of preference shares, investments in other projects either directly or through subsidiaries or through investee companies or in consortium or in joint venture and for general corporate purposes.

**6) 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 28 May 2013, 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.

**7) DIRECTORS:**

Mr. Vinayak 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 Exchange, of the person seeking re-appointment as Director is set out in the Annexure to the Notice forming part of the Annual Report.

**8) FIXED DEPOSITS :**

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

**9) INSURANCE:**

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

**10) DIRECTORS RESPONSIBILITY STATEMENT:**

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

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed and there have been no material departures except in case of Borivali project wherein the Management perception has been explained elsewhere in Report.
- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year.
- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the Directors have prepared the annual accounts for the year ended 31 March 2013 on a going concern basis.

**11) 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.

**12) 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 2013, 77.57% of the Equity Shares of your Company were held in demat form.

**13) 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) As regards the auditors remark on inclusion of cost of ₹ 157,974,510/- to Construction work-in-progress on account of significant change in the structural plan of project Satra Park at Borivali, the management is of the view that the change in the structural plan of the project from commercial shopping mall to shops cum residential complex, resulted in improving the overall profitability of the project and the said cost will be charged to the statement of profit and loss over the period of project along with other project cost. Out of the said amount of ₹ 157,974,510/-, your Company has already charged ₹ 99,443,141/- to the statement of profit and loss on recognition of revenue from the project upto 31 March 2013 and balance amount of ₹ 58,531,369/- shall be charged to the statement of profit and loss on further recognition of revenue from the said project.
- b) The Auditors have made a remark wherein the rate of interest on which loan has been granted to one of its Associate Company is prejudicial to the interests of the Company. The Management have to state that the said Associate Company has yet to commence the project and hence it has not provided for any interest cost in its books of accounts. However, being one of the shareholders, your Company will get a better realisation of profits in terms of the capital gains on its investment. Hence, in the opinion of the management, it is not prejudicial to the interest of your Company for not charging interest at this juncture.
- 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 ₹ 12,947,303/- on account of Dividend Distribution Tax and ₹ 60,437,979/- on account of Income Tax. The Management has to state that the Company has deposited ₹ 1,134 lacs during the year ended 31 March 2013 and a further amount of ₹ 51.36 lacs during the period ended 30 June 2013. Your Company is taking necessary steps to clear its outstanding statutory liabilities very soon.
- e) The Auditors have made a remark regarding defaults in certain cases wherein the Company has defaulted in repayment of dues to its bankers and debenture holders at various dates during the year. The Management have to state that the same has already been made good by the Company as at the year end. Also, with respect to the remark regarding the default existing at balance sheet date to a lender bank, the Company has satisfied the said loan subsequent to the balance sheet date. Also, inspite of the recession in the Real Estate Industry and liquidity constraints continuing since 2008-09, your Company has repaid project loan to all its bankers and financial institutions amounting to more than ₹ 250 crores in the past 3 years.
- f) The Auditors have made a remark pertaining to the consolidated financial statements for the non-provision of interest accrued on Value Added Tax (VAT) liability of ₹ 41,614,167/- by one of the subsidiary Company. The said subsidiary Company has provided for VAT liability in its books of accounts which is to be recovered from the buyers of the premises. However, the applicability of VAT on under construction of property is challenged by Maharashtra Chamber of Housing Industry (MCHI) in the Hon'ble Supreme Court and the final verdict on the applicability of VAT is still awaited.

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

#### 14) AUDITORS:

The Company's Auditors, B S R & Associates, Chartered Accountants, and Bhuta Shah & Co., Chartered Accountants, retire at the conclusion of the forthcoming 30<sup>th</sup> 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 28 May 2013 for re-appointment of B S R & Associates and Bhuta Shah & Co., as the

Statutory Auditors of the Company for the Financial Year 2013-14 to hold office till the conclusion of next Annual General Meeting of the Company, the Board of Directors have, at their meeting held on 28 May 2013 recommended re-appointment of B S R & Associates and Bhuta Shah & Co., as the Statutory Auditors of the Company for the Financial Year 2013-14 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.

#### 15) 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.

#### 16) 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.

#### 17) 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 and Debenture holders 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, 12 August 2013

### MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

#### INDUSTRY STRUCTURE AND DEVELOPMENT WORLD GDP

The global economies are still recovering from the aftershock of crises of 2008-2009. During the year 2012, the global growth has fallen to around 3 percent. The underperformance was mainly due to the continuing growth disappointments in the emerging economies and the Euro region entering into the 2<sup>nd</sup> year of recession with Cyprus posing a new threat to the future of the Euro zone.

Also as the Chinese and Japanese economies showing a slower sign of growth in early 2013, the uncertainty surrounding global growth prospectus poses a risk. Downside risks still dominate the outlook with the growth rate of advanced economies projected to be around 1.2% in 2013 & 2.1% in 2014 and those of the emerging economies projected to be 5% & 5.4% for 2013 & 2014 respectively, the overall growth to remain subdued at 3% in 2013.

#### INDIAN GDP

Although India's growth remained high across the globe, its growth has slowed down to around 5% in the early 2013, the lowest in the decade. Capital inflows remained resilient and the widening of the current account deficit has the impact of erosion in the value of rupee to quote above ₹ 61 against a US dollar. The domestic saving rate had touched a high of 36.9% in the year 2008 but since then has steadily fallen. With inflation continuing to be in double digits putting a threat to the India's domestic savings which declined to 30.8% of GDP in 2012 from 33.8% and 36.9% in the year 2010 & 2011, it is further projected to remain below 30%. This in turn has affected into lower investments and the outcome is that the manufacturing sector has shown new bottoms.

RBI's tightening monetary policy and its firmness to stick to higher interest rates along with the other monetary measures to curb liquidity, has little effect to combat the inflation.

With the onset of general elections and assembly elections in 4 states in 2014, the economic development would be undermined. Also most of the important legislative amendments like land acquisition bill, goods and service tax law are still pending, resulting in hampering the growth of the Indian economy.

India's growth is projected at 5½ % for the year 2012-13 rising to 6% for the year 2013-14. This can be achieved by implementing and easing of various measures to lure the capital inflows and with slightly stronger global growth can deliver a rebound in the near future. The government is confident to lower the current account deficit (CAD) from 4.8% in the year 2012-13 to 3.7% of the GDP by curtailing of imports especially of gold, silver, oil and other non-essential items.

#### INDUSTRY OVERVIEW

The GDP share of real estate sector has come down drastically from 10.6% in the year 2010-11 to 6.5% in the year 2011-12, seems to be much lower on account of sluggish market, rising cost and overall slowdown in the global economy. However for the year 2012-13, the share of Indian realty sector is estimated to be stable at around 6.3%.

In the past one decade, the housing prices has soared much higher than the reach of average Indian and in order to counter the raising fears of real estate bubble burst, the Central Bank has issued a caution note to the banks for funding of real estate project. This has resulted into an upward movement of interest rates and at the same time discouraging the buyers to take home loans. Further the recessionary trend in the economy and the escalating

inflationary trend have left the buyers to adopt a wait-n-watch strategy for outright purchase of premises, until a substantial construction is completed and all the approvals are in place. Till such time, the customer prefers to limit their exposure to renting of property for accommodation. In case of commercial offices, except in some premium locations, the demand is moderate. Whereas the developers are of course finding ways and means to lure the investors to offload the piled up inventories, the occupiers prefer to continue on rental basis. Many of the developers are changing the plans for development of residential instead of commercial projects and some others are inclining towards development of its land bank into integrated townships, which is a newly developed concept and planned in such a way to develop the residential and commercial premises equipped with all the modern amenities and infrastructure on a single layout, thereby enriching the lives of the patrons. Even private equity funds are looking this as an investment opportunity as the demand for housing will be the determining factor in the years to come.

#### OPPORTUNITIES

Your Company is having its focus on development of residential spaces under redevelopment scheme and also under SRA schemes in joint ventures through subsidiary companies or under a special purpose vehicle. Your Company is Mumbai centric and there are ample opportunities for redevelopment and slum rehabilitation schemes framed by the state government and local municipal authorities. Though the demand for commercial is expected to remain down, given the high demand for affordable houses, your management is exploring the opportunity by launching two residential projects soon to cater to the needs of the affordable and middle income group.

#### RISKS AND THREATS:

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

##### Market trend:

Your Company is exposed to the downside trend in real estate market and also price fluctuations due to a slowdown in India's economic growth and many other external factors beyond the control of your Company.

To mitigate this risk, your Company has been focusing on redevelopment in residential segments and slum rehabilitation projects, wherein there are minimal capital commitments and in addition to that, 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:

Changes in government policies 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. Your Company has been ensuring the required legal and regulatory compliance in place to mitigate such risks.

##### Project execution:

The execution of any projects depends on various factors like availability of materials at competitive prices, supply of labour, getting timely approvals and possibility of litigation. These factors are beyond the control of the management and pose a risk of delay in completion of a project. To mitigate this risk, your Company





is consciously building a compliance system to ensure timely completion of projects at each level and improving the quality of construction thereby reducing the time taken for completion of projects.

#### **Increase in the construction cost:**

The risk of increase in prices and timely availability of essential materials like cement, steel, sand etc. at competitive prices & 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 & 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. 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:**

Funds requirement for construction is one of the basic raw materials for the timely completion of project. Substantial funds are required to acquire land, development rights and for construction. Timely availability of funds for acquisition and construction of the project is one of the challenges in the present environment. Your Company is committed to bringing down its debts over past years and is looking forward to generate positive cash flows from its ongoing projects in the coming years.

#### **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.

### **SEGMENT WISE OR PRODUCT WISE PERFORMANCE**

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

### **FUTURE PLANS AND 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 & 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 OPERATION PERFORMANCE:**

#### **1. Income:**

Revenue is recognised when significant cost has been incurred on the project as compared to total estimated cost of project. During the year, your Company's total income decreased by 56.32 % from ₹ 22,260 lacs in the year 2011-12 to ₹ 9,724 lacs in the year 2012-13. On consolidated basis, the total income decreased by 54.58 % from ₹ 24,116 lacs in the year 2011-12 to ₹ 10,954 lacs in the year 2012-13. The said decreases were on account of lower incremental percentage of work completion and decreases in booking of fresh sales.

#### **2. Expenses:**

Cost of material consumed for the 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. The construction cost of the Company was reduced by 56.70% from ₹ 16,440 lacs in the year 2011-12 to ₹ 5,279 lacs in the year 2012-13. On consolidated basis, the construction cost reduced by 67.26% from ₹ 17,284 lacs in the year 2011-12 to ₹ 5,659 lacs in the year 2012-13. The said reduction was on account of slow progress in construction activities of ongoing projects. Financial cost not attributable to specific projects are charged to statement of profit and loss after capitalizing some portion to inventories as per the Accounting Standards. During the year, there was reduction in borrowed funds however, the finance cost increased by 12.71% from ₹ 2,650 lacs to ₹ 2,987 lacs. This was on account of higher cost of borrowings and on account of lower capitalization of interest at ₹ 403 lacs for the year 2012-13 as compared to ₹ 1,304 lacs for the year 2011-12. On consolidation basis, the finance cost

had slightly increased by ₹ 27 lacs from ₹ 3,448 lacs in the year 2011-12 to ₹ 3,475 lacs in the year 2012-13. Your Company's employee's cost was at ₹ 136 lacs for the year as against ₹ 156 lacs in the previous year. On consolidated basis, the employee cost was at ₹ 222 lacs for the year as against ₹ 196 lacs in the previous year. Other expenses of the Company were at ₹ 548 lacs for the current year as against ₹ 271 lacs in the previous year and on consolidated basis, the other expenses were at ₹ 706 lacs for the year as against ₹ 482 lacs in the previous year primarily on account of writing of old receivables, which are doubtful.

### 3. Profit and margin growth:

The profit from operations before tax decreased by 31.34% from ₹ 1,094 lacs to ₹ 751 lacs in current year. This was mainly on account of lower incremental percentage of work completion and lower fresh bookings. However, the overall profit after tax increased by 29.42% from ₹ 390 lacs in the year 2011-12 to ₹ 505 lacs in the year 2012-13, which was mainly attributed to reduction in total tax exposure from ₹ 704 lacs to ₹ 246 lacs. Consolidated profit after tax increased by ₹ 663 lacs from loss of ₹ 384 lacs to profit of ₹ 279 lacs in current year. The management is also taking effective steps to improve overall performance of the Company by concentrating on executing the on-going and new projects at fast pace.

### 4. Shareholders' funds:

Shareholders' funds represent equity share capital, preference share capital and reserves and surplus. During the year 2012-13, the shareholders' funds increased by 2.47% from ₹ 10,074 lacs for the year 2011-12 to ₹ 10,323 lacs for the year 2012-13, it comprises of ₹ 3,227 lacs equity share capital, ₹ 740 lacs 8% cumulative redeemable preference share capital and reserves and surplus of ₹ 6,355 lacs for the current year. During the year the Company has created Debenture redemption reserve (DRR) of ₹ 500 lacs out of profits, thereby aggregating the DRR to ₹ 890 lacs.

### 5. Current liabilities and non-current liabilities:

Current liabilities include short-term borrowings, trade payables, short-term provision and other current liabilities. Non-current liabilities include long-term borrowings and long-term provisions.

During the year, current liabilities decreased by 10% from ₹ 35,719 lacs to ₹ 32,145 lacs. This was on account of repayment to lenders, payments made to trade creditors and depositing half of its outstanding statutory dues.

### 6. Current assets and non-current assets:

Current assets comprises of inventories, trade receivables, cash and bank balances, short-term loans and advances and other current assets. Non-current assets include fixed assets, investments, deferred tax assets, long-term loans and advances and other non-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 trade receivables have decreased by 27.27% from ₹ 16,072 lacs to ₹ 11,689 lacs which was mainly attributable to collection from debtors. Short-term loans and advances represent loans given to subsidiaries, associates, other companies and advances given against acquiring new properties. The short-term loans and advances increased by 8.25% from ₹ 6,166 lacs to ₹ 6,675 lacs in the current year, which was mainly attributable to increased level of operations and loans given to subsidiary companies.

## HUMAN RESOURCES DEVELOPMENT

Your Company's employees are the most valuable assets. There is continuous focus on getting the top talent for the business. The Company encourages hardwork, innovation and the pursuit of excellence. The Company has set up a scalable recruitment and human resources management process. There is a strong emphasis on continuous training, safety, welfare, enhancement of technical and leadership capabilities of its human resources that will enable the employees to perform effectively in the fast changing and challenging business context. Employee relations continued to be harmonious across all locations through a process of continuous dialogue and openness to find mutually acceptable solutions to issues. The organization cherishes its association and relationship with every single and valuable member of an inspired Team at "SATRA".

Your Company's employee strength on consolidated basis as on 31 March 2013 stands at 74. The management intends 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 2013, 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 28 years in domestic and international business which includes 13 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 DLH 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 2013.

Mr. Praful Satra holds 73,798,106 Equity Shares and 45,00,000 8% Cumulative Redeemable Preference Shares of the Company in his name as on 31 March 2013. However, he does not hold any debentures / convertible instruments/ any other securities of the Company in his name as on 31 March 2013.

b) **Mr. Rajan P. Shah**, Director of the Company, has over 21 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 Chairman of Allotment Committee and 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 DLH Reality and Builders Limited, Satra Re-Development Company Limited, Satra Land Development Private Limited, Satra Infrastructure Development Private Limited, Satra Property Development Private Limited and Shravan Developers Private Limited as on 31 March 2013.

Mr. Rajan Shah does not hold any Shares/ debentures/ convertible instruments/ any other securities of the Company in his name as on 31 March 2013.

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 33 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, Borrowing Committee and Allotment 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/debentures/ convertible instruments/ any other securities of the Company in his name as on 31 March 2013.

- 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 30 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, Investment Committee and Allotment Committee.

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

Mr. Vinayak Khadilkar does not hold any Shares/debentures/ convertible instruments/ any other securities of the Company in his name as on 31 March 2013.

• **Board Meetings:**

During the Financial Year ended 31 March 2013, four Board Meetings were held on 30 May 2012; 13 August 2012; 9 November 2012 and 13 February 2013 and the gap between two Meetings did not exceed four months.

The Board of Directors has passed a Circular Resolution dated 5 October 2012. The same has been confirmed by the Board of Directors in its next meeting.

**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 2013, 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 its 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 2013, four Audit Committee Meetings were held on 25 May 2012; 13 August 2012; 7 November 2012 and 13 February 2013 and the gap between two Meetings did not exceed four months. Mr. Vinayak D. Khadilkar, Chairman of the Audit Committee was present at 29<sup>th</sup> Annual General Meeting held on 28 September 2012.

4. **Remuneration Committee, Remuneration of Directors and criteria for making payment to Non-Executive Directors:**

The Company does not have any Remuneration Committee and it does not pay remuneration to any Director, except sitting fees to Non-Executive Independent Directors i.e. Mr. Vidyadhar D. Khadilkar and Mr. Vinayak D. Khadilkar. The sitting fees do not exceed 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 while 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 2013, four Shareholders' Grievance Committee Meetings were held on 25 May 2012; 13 August 2012; 7 November 2012 and 13 February 2013.

- **Shareholders Complaints during the Financial Year 2012-13:**

Particulars	Received	Cleared	Pending
Nature of Complaints	4	4	NIL

6. **Allotment Committee**

The Board of Directors of your Company has constituted Allotment Committee on 15 June 2013 to work out the modalities and other procedural matters with regard to the issue and allotment of 1,70,00,000 warrants of ₹ 5.20/- each with an option to convert each warrant into one equity share of the nominal value of ₹ 2/- each at a price of ₹ 5.20/- per share, including premium of ₹ 3.20/- per share to promoter group on preferential basis.

The constitution of the Allotment Committee is as follows:

Sr. No.	Name of Members	Designation	Position in Committee
1.	Mr. Rajan P. Shah	Director	Chairman
2.	Mr. Vidyadhar D. Khadilkar	Independent Director	Member
3.	Mr. Vinayak D. Khadilkar	Independent Director	Member

No meeting of the Allotment Committee was held during the Financial Year ended 31 March 2013.

Name of Directors	Category of Directorship	Remuneration Paid (in ₹)			No. of Board Meetings during the financial year 2012-13		No. of Audit Committee Meetings during the financial year 2012-13		No. of Shareholders' Grievance Committee Meetings during the financial year 2012-13		Whether attended last AGM (held on 28 September 2012)	No. of Other Directorship - # (as on 31.03.2013)	Other Committee positions in Public Ltd. Co's. - \$ (as on 31.03.2013)	
		Salary	Sitting Fees*	Commission	Held	Attended	Held	Attended	Held	Attended			Member	Chairman
Mr. Praful N. Satra (Chairman & Managing Director)	Promoter Non-Independent Executive	NIL	N.A.	N.A.	4	4	N.A.	N.A.	N.A.	N.A.	Yes	8	NIL	NIL
Mr. Rajan P. Shah	Non-Promoter Non-Independent Non-Executive	NIL	N.A.	N.A.	4	3	4	4	4	4	Yes	7	NIL	NIL
Mr. Vinayak D. Khadilkar	Non-Promoter Independent Non-Executive	N.A.	60,000/-	N.A.	4	4	4	4	4	4	Yes	NIL	NIL	NIL
Mr. Vidyadhar D. Khadilkar	Non-Promoter Independent Non-Executive	N.A.	72,500/-	N.A.	4	4	4	4	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.



## 7. 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
2011-12	29 <sup>th</sup>	<b>Navinbhai Thakkar Hall</b> Ground Floor, Shraddhanand Road, Vile Parle (East), Mumbai – 400 057	Friday, 28 September 2012	4.30 p.m.
2010-11	28 <sup>th</sup>	<b>Prime Party Hall</b> Shafi Mansion, Irla Society Road, Vile Parle (West), Mumbai – 400 056	Thursday, 29 September 2011	4.30 p.m.
2009-10	27 <sup>th</sup>		Wednesday, 29 September 2010	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.

## 8. 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.

## 9. 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 Exchange 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 Exchange. Compliance of the non-mandatory requirements of this clause has been detailed hereof.

## 10. Means of Communication

Quarterly, Half Yearly and Annual results are regularly submitted to the Stock Exchange where the securities of the Company are listed and are also published in the English and vernacular newspaper viz. The 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](http://www.satraproperties.in) under separate section "Investor Relationship". No specific presentation has been made to institutional investors or to the analysts.

## 11. 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.
- Remuneration Committee:** Please refer point 4 of this Report.
- Shareholder Rights:** The Company's quarterly and half-yearly results are furnished to the Stock Exchange 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 2013, 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, 12 August 2013



## SHAREHOLDERS' INFORMATION

### 1. General Shareholders Information

#### (a) 30<sup>th</sup> Annual General Meeting

Day, Date, Time : Saturday, 28 September 2013 at 4.00 p.m.

Venue : Navinbhai Thakkar Hall, Ground Floor,  
Shraddhanand Road, Vile Parle (East),  
Mumbai – 400 057

(b) Financial Year : 1 April 2012 to 31 March 2013

(c) Date of Book Closure : The Company's Register of Members and Share Transfer Books will remain closed from Friday, 20 September 2013 to Saturday, 28 September 2013 (both days inclusive)

(d) Dividend Payout Date : On or after Friday, 4 October 2013

(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 2013-14 has been paid within the prescribed time limit.

(g) Annual Custodial Fees : The Company has paid Annual Custodial Fees for the Financial Year 2013-14 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

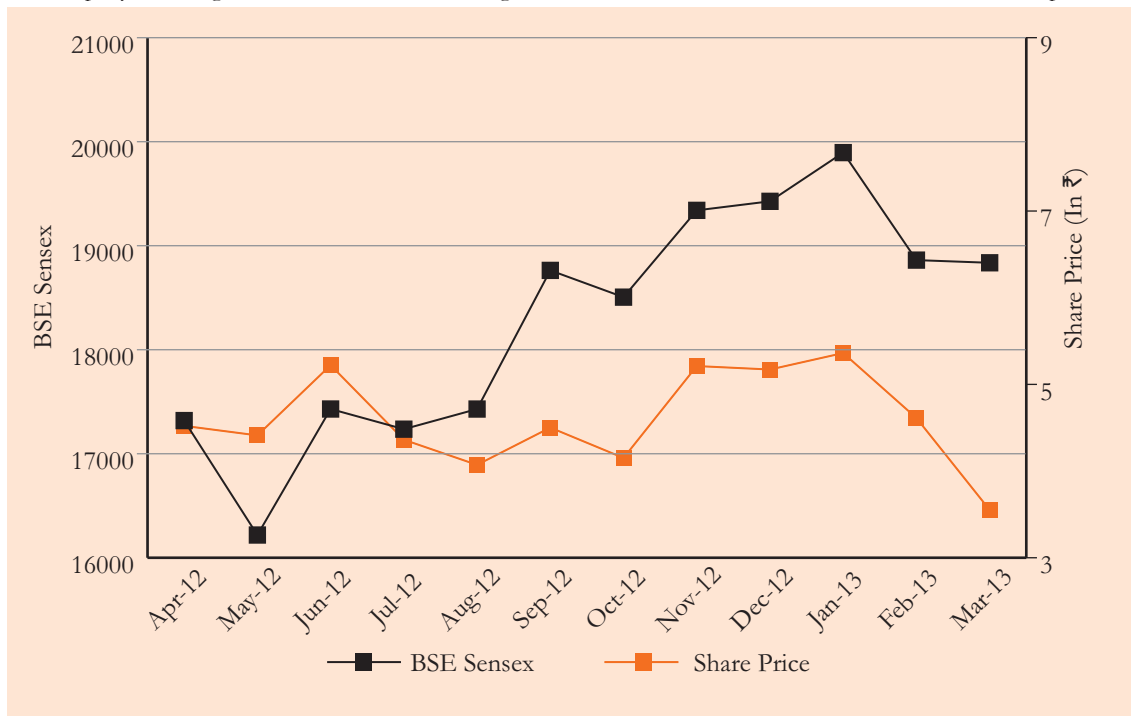
(k) Market Price Data : High, Low during each month in last financial year

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 2013, on the said exchange is given hereunder:

Months	High - ₹	Low - ₹	Volume - Nos.
April 2012	5.90	4.40	3,30,596
May 2012	5.19	3.45	3,15,463
June 2012	5.70	4.24	9,29,409
July 2012	6.18	4.32	70,769
August 2012	5.21	4.00	1,02,154
September 2012	5.43	4.11	1,34,585
October 2012	5.38	4.01	2,88,576
November 2012	6.99	4.25	4,42,598
December 2012	5.89	5.16	1,19,720
January 2013	6.94	5.50	2,90,963
February 2013	5.74	4.25	90,731
March 2013	5.47	3.37	1,43,665

## 2. Stock Performance

Your Company's Closing Share Price movement during the Financial Year 2012-13 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.

## 4. Share Transfer System

Pursuant to the provisions of the Listing Agreement entered into with the Stock Exchange, 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 2013

Number of Shares held (F.V. of ₹ 2/- each)	Shareholders		Shares	
	Number	% of Total	Number	% of Total
1 – 500	3,149	62.68	5,73,043	0.35
501 - 1,000	745	14.83	6,36,442	0.39
1,001 – 2,000	434	8.64	6,79,860	0.42
2,001 – 3,000	162	3.22	4,27,887	0.27
3,001 – 4,000	54	1.07	1,95,452	0.12
4,001 – 5,000	109	2.17	5,26,356	0.33
5,001 - 10,000	119	2.37	8,72,210	0.54
10,001 - above	252	5.02	15,74,46,750	97.58
<b>Total</b>	<b>5,024</b>	<b>100.00</b>	<b>16,13,58,000</b>	<b>100.00</b>





6. Distribution of shareholding by ownership as on 31 March 2013

Category	No. of Shares	% of Total
<b>A. Shareholding of Promoter and Promoter Group</b>		
<b>1. Indian</b>		
a. Individuals/Hindu Undivided Family	12,00,000	0.74
b. Directors	7,37,98,106	45.74
c. Directors – Relatives	3,75,37,356	23.26
<b>Sub-Total (A)(1)</b>	<b>11,25,35,462</b>	<b>69.74</b>
<b>2. Foreign</b>	-	-
<b>Sub-Total (A)(2)</b>	-	-
<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A) (2)</b>	<b>11,25,35,462</b>	<b>69.74</b>
<b>B. Public Shareholding</b>		
<b>1. Institutions</b>		
a. Financial Institutions/Banks	100	0.00
b. Central Government/State Government(s)	61,81,811	3.83
c. Foreign Institutional Investors	4,55,000	0.28
<b>Sub-Total (B)(1)</b>	<b>66,36,911</b>	<b>4.11</b>
<b>2. Non-Institutions</b>		
a. Bodies Corporate	1,02,10,070	6.32
b. Individuals		
bi. Individual shareholders holding nominal share capital up to ₹ 1 lac	66,92,925	4.15
bii. Individual shareholders holding nominal share capital in excess of ₹ 1 lac.	2,51,19,701	15.57
ci. Clearing Member	4,100	0.00
cii. Non-Resident Individuals	1,58,831	0.10
<b>Sub-Total (B)(2)</b>	<b>4,21,85,627</b>	<b>26.14</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>4,88,22,538</b>	<b>30.26</b>
<b>Grand Total (A)+(B)</b>	<b>16,13,58,000</b>	<b>100.00</b>

7. Dematerialisation of Shares And Liquidity

As at 31 March 2013, 77.57% of shareholding aggregating to 12,51,70,768 equity shares were held in dematerialised form with NSDL and CDSL, while 22.43% of shareholding aggregating to 3,61,87,232 equity shares were held in physical form.

8. Capital Built-Up

The Equity Capital Built – Up of the Company up to 31 March 2013 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
	<b>Total Equity Shares of F.V. of ₹ 2/- each</b>		<b>16,13,58,000</b>

The 8% Cumulative Redeemable Preference Capital Built – Up of the Company up to 31 March 2013 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
	<b>Total Preference Shares of F.V. ₹ 10/- each</b>		<b>74,00,000</b>

Note: Pursuant to the approval of the preference shareholders, 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 2013, 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**

17/20, 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](mailto:info@adroitcorporate.com)/Website: [www.adroitcorporate.com](http://www.adroitcorporate.com)



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## 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, 12 August 2013

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## 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 2013 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, 12 August 2013

**Bhavesh V. Sanghavi**  
*Chief Financial Officer*  
Mumbai, 12 August 2013



## **Independent Auditors' Report**

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To the Members of

**SATRA PROPERTIES (INDIA) LIMITED**

**Report on the financial statements**

We have audited the accompanying financial statements of Satra Properties (India) Limited ("the Company") which comprise the balance sheet as at 31 March 2013, the statement of profit and loss and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the financial statements**

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

**Auditors' responsibility**

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

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

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

**Basis for Qualified Opinion**

*As more fully explained in Note 39 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 2013, 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 ₹ 21,907,491 of construction cost incorrectly capitalised in an earlier year, resulting in an understatement of profit after tax for the year ended 31 March 2013 by ₹ 14,440,658. Consequently, the construction work-in-progress and the surplus in the statement of profit and loss continue to be overstated by ₹ 58,531,369 as at 31 March 2013.*

**Qualified Opinion**

*In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:*

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2013;*
- (ii) in the case of statement of profit and loss, of the profit of the Company for the year ended on that date; and*
- (iii) in the case of cash flow statement, of the cash flows of the Company for the year ended on that date.*

**Emphasis of matter**

Without qualifying our opinion, we draw attention to Note 42 to the financial statements. As more fully explained therein, as per Circular No. 4/2013 dated 11 February 2013 ("the Circular") issued by the Government of India, Ministry of Corporate Affairs, the Company has not separately deposited or invested an amount of at least ₹ 77,460,000 being 15% of the amount of its debentures maturing within 1 year in specified deposits or investments as per the Circular, as specified in note 42 to the financial statements. The ultimate outcome of any possible penal consequences on this matter cannot presently be determined and, accordingly, no provision that may result due to non-compliance with the requirements of the Circular has been made in the financial statements.

**Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



2. As required by Section 227(3) of the Act, we report that:
- a. we have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the balance sheet, 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 for the effects of the matter described in the Basis for Qualified Opinion paragraph*, the balance sheet, the statement of profit and loss and cash flow statement comply with the Accounting Standards referred to in the sub-section (3C) of Section 211 of the Act; and
  - e. on the basis of written representations received from the Directors as at 31 March 2013, and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **Bhuta Shah & Co.**

*Chartered Accountants*

Firm's Registration No.: 101474W

**CA. Mitesh Kothari**

*Partner*

Membership No.: 110822

Mumbai

28 May 2013

For **B S R & Associates**

*Chartered Accountants*

Firm's Registration No.: 116231W

**Bhavesh Dhupelia**

*Partner*

Membership No.: 042070

Mumbai

28 May 2013

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT – 31 MARCH 2013**

(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) The Company has not disposed of any fixed assets 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 ₹ 806,976,710 and the year-end balance of such loans was ₹ 775,929,409. 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, *except in the case of an associate company where the rate of interest on which the loan has been granted is prejudicial to the interests of the Company*, the rate of interest and other terms and conditions on which loans have been granted to the other two companies listed in the register maintained under Section 301 of the Act are not, prima facie, prejudicial to the interests 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 covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year was ₹ 335,992,042 and the year-end balance of such loans was ₹ Nil.
- (f) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from a company listed in the register maintained under Section 301 of the Act, are not, prima facie, prejudicial to the interests of the Company.
- (g) The loans taken from a company 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 and sale of commercial/residential premises. The activities of the Company currently do not involve sale of goods and sale of services. Accordingly, paragraph 4 (iv) of the Order with respect to sale of goods and sale of services is not applicable to the Company. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of ₹ 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 system.*
- (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, Profession Tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities, except for dues in respect of Provident Fund, Works Contract Tax, Cess, Service Tax, Value Added 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*. 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 ₹ 12,947,303 on account of Dividend Distribution Tax and ₹ 60,437,979 on account of Income Tax* no undisputed amounts payable in respect of Wealth Tax, Profession Tax, Provident Fund, Works Contract Tax, Cess, Service Tax, Value Added Tax, Income Tax and other material statutory dues, were in arrears as at 31 March 2013 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, Profession Tax, Provident Fund, Works Contract Tax and Cess, 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, Service Tax and Value Added 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	69,002,060	Asst. Yr. 2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	15,448,404	Asst. Yr. 2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	20,495,497	Asst. Yr. 2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	461,854	Asst. Yr. 2007-08	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	4,283,010	Asst. Yr. 2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	162,135	Asst. Yr. 2007-08	Assessing Officer
Income Tax Act, 1961	Income Tax	362,234	Asst. Yr. 2006-07	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	70,213	Asst. Yr. 2005-06	Assessing Officer
Maharashtra Value Added Tax Act, 2002	Value Added Tax	85,095,473	Fin. Yr. 2006-07 to 2012-13	Supreme court (filed by MCHI)
Finance Act, 1994	Service Tax	9,596,166	Fin. Yr. 2010-11 to 2012-13	Supreme court (filed by MCHI)

- (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 debenture holders 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 repayment of ₹ 14,063,100 to a bank for a period ranging from 78 days to 89 days.* The Company has made good these defaults to the lender bank subsequent to the balance sheet date.
- The Company had not taken any loans from financial institutions 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 previous year. There were no debentures issued during the current 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 **Bhuta Shah & Co.**  
Chartered Accountants  
Firm's Registration No.: 101474W

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

**CA. Mitesh Kothari**  
Partner  
Membership No.: 110822  
Mumbai  
28 May 2013

**Bhavesh Dhupelia**  
Partner  
Membership No.: 042070  
Mumbai  
28 May 2013

# SATRA PROPERTIES (INDIA) LIMITED

## BALANCE SHEET as at 31 March 2013

		(Currency: Indian Rupees)	
	Notes	2013	2012
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	3	396,716,000	396,716,000
Reserves and surplus	4	635,546,092	610,664,411
		1,032,262,092	1,007,380,411
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	5	-	612,138
Long-term provisions	6	1,189,206	907,879
		1,189,206	1,520,017
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	7	1,834,686,478	2,265,615,870
Trade payables	8	297,585,963	361,885,600
Other current liabilities	9	951,693,679	742,589,888
Short-term provisions	10	130,498,270	201,773,122
		3,214,464,390	3,571,864,480
		4,247,915,688	4,580,764,908
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
- Tangible assets	11	10,555,790	13,218,208
Non-current investments	12	597,810,450	597,810,450
Deferred tax assets	13	6,873,042	7,254,082
Long-term loans and advances	14	461,854	1,150,762
Other non-current assets	15	-	40,129
		615,701,136	619,473,631
<b>CURRENT ASSETS</b>			
Inventories	16	1,463,123,607	1,425,682,566
Trade receivables	17	1,168,940,981	1,607,162,923
Cash and bank balances	18	24,463,388	17,584,525
Short-term loans and advances	19	667,525,340	616,645,620
Other current assets	20	308,161,236	294,215,643
		3,632,214,552	3,961,291,277
		4,247,915,688	4,580,764,908
Significant accounting policies	2		
Notes to the financial statements	3-43		

The notes referred to above form 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 **Bhuta Shah & Co.**

Chartered Accountants

Firm's Registration No.: 101474W

For and on behalf of the Board of Directors

Satra Properties (India) Limited

**Bhavesh Dhupelia**

Partner

Membership No.: 042070

Mumbai, 28 May 2013

**CA. Mitesh Kothari**

Partner

Membership No.: 110822

Mumbai, 28 May 2013

**Manan Y. Udani**

Company Secretary

Mumbai, 28 May 2013

**Vidyadhar D. Khadilkar**

Director

**Praful N. Satra**

Chairman and  
Managing Director



# STATEMENT OF PROFIT AND LOSS for the year ended 31 March 2013

(Currency: Indian Rupees)			
	Notes	2013	2012
<b>INCOME</b>			
Revenue from operations	21	787,341,276	2,113,437,728
Other income	22	185,034,884	112,512,550
<b>Total revenue</b>		<b>972,376,160</b>	<b>2,225,950,278</b>
<b>EXPENSES</b>			
Cost of materials consumed	23	557,933,019	484,991,700
Purchase of traded products	24	-	159,950,226
(Increase)/decrease in inventories of construction work-in-progress and unsold units	25	(30,017,150)	1,159,008,038
Employee benefits	26	13,581,484	15,581,815
Finance costs	27	298,717,939	265,021,988
Depreciation and amortisation	11	2,266,918	4,863,659
Other expenses	28	54,780,859	27,133,941
<b>Total expenses</b>		<b>897,263,069</b>	<b>2,116,551,367</b>
<b>Profit before tax</b>		<b>75,113,091</b>	<b>109,398,911</b>
<b>Tax expenses:</b>			
- Current tax		32,173,700	54,155,200
- Prior year (credit)/charge of current tax		(7,957,133)	16,753,187
- Deferred tax charge/(credit)		381,040	(540,866)
<b>Profit after tax</b>		<b>50,515,484</b>	<b>39,031,390</b>
Earnings per equity share (₹)			
Basic and diluted (face value of ₹ 2 per share)	29	0.27	0.20
<b>Significant accounting policies</b>	2		
<b>Notes to the financial statements</b>	3-43		

The notes referred to above form 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 **Bhuta Shah & Co.**

Chartered Accountants

Firm's Registration No.: 101474W

For and on behalf of the **Board of Directors**

**Satra Properties (India) Limited**

**Bhavesh Dhupelia**

Partner

Membership No.: 042070

Mumbai, 28 May 2013

**CA. Mitesh Kothari**

Partner

Membership No.: 110822

Mumbai, 28 May 2013

**Manan Y. Udani**

Company Secretary

Mumbai, 28 May 2013

**Vidyadhar D. Khadilkar**

Director

**Praful N. Satra**

Chairman and  
Managing Director



**CASH FLOW STATEMENT for the year ended 31 March 2013**

		(Currency: Indian Rupees)	
		2013	2012
<b>A</b>	<b>Cash flows from operating activities:</b>		
	Profit before tax	75,113,091	109,398,911
	Adjusted for:		
	Depreciation/amortisation	2,266,918	4,863,659
	Dividend income	(3,750)	(14,603,900)
	Interest income	(15,525,150)	(90,785,684)
	Finance costs	298,717,939	265,021,988
		285,455,957	164,496,063
	<b>Operating profit before working capital changes</b>	<b>360,569,048</b>	<b>273,894,974</b>
	<b>Changes in working capital</b>		
	Decrease in inventories	3,406,807	1,158,177,556
	Decrease in trade receivables	438,221,942	203,392,426
	Decrease in short-term loans and advances	7,085,280	103,432,360
	(Decrease)/increase in trade payables	(64,299,637)	56,558,442
	Increase/(decrease) in long-term provisions	281,327	(410,343)
	(Decrease) in short-term provisions	(103,870)	(182,067)
	Increase/(decrease) in other current liabilities	222,158,455	(680,720,887)
		606,750,304	840,247,487
	<b>Cash generated from operations</b>	<b>967,319,352</b>	<b>1,114,142,461</b>
	Taxes paid (net of refund)	(98,276,644)	(6,804,700)
	<b>Net cash generated from operating activities</b>	<b>869,042,708</b>	<b>1,107,337,761</b>
<b>B</b>	<b>Cash flows from investing activities:</b>		
	Purchase of fixed assets	(176,924)	(670,279)
	Loans given	(501,886,000)	(91,880,144)
	Loans repaid	443,921,000	-
	Decrease/(increase) in investment in fixed deposits (including earmarked balances)	258,775	(2,699,839)
	Dividend received	3,750	43,811,700
	Interest received	1,579,557	41,415,597
	<b>Net cash (used in) investing activities</b>	<b>(56,299,842)</b>	<b>(10,022,965)</b>
<b>C</b>	<b>Cash flows from financing activities:</b>		
	Repayment of long-term borrowings	(612,138)	(1,472,498)
	Proceeds from short-term borrowings	1,142,019,079	1,556,924,597
	Repayment of short-term borrowings	(1,573,809,361)	(2,509,530,124)
	Dividend paid	(22,055,800)	(22,055,800)
	Finance costs paid	(351,187,136)	(110,293,139)
	<b>Net cash (used in) financing activities</b>	<b>(805,645,356)</b>	<b>(1,086,426,964)</b>
	<b>Net increase in cash and cash equivalents</b>	<b>7,097,510</b>	<b>10,887,832</b>
	Cash and cash equivalents, beginning of year	14,535,953	3,648,121
	Cash and cash equivalents, end of year	21,633,463	14,535,953
	<b>Components of cash and cash equivalents</b>		
	Cash on hand	1,072,906	673,562
	Cheques on hand	-	1,000,000
	Balances with banks		
	-On current accounts	15,770,557	12,862,391
	-On deposits accounts (with original maturity of 3 months or less)	4,790,000	-
		21,633,463	14,535,953

Note:

1. 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 **Bhuta Shah & Co.**

Chartered Accountants

Firm's Registration No.: 101474W

For and on behalf of the Board of Directors

**Satra Properties (India) Limited**

**Bhavesh Dhupelia**

Partner

Membership No.: 042070

Mumbai, 28 May 2013

**CA. Mitesh Kothari**

Partner

Membership No.: 110822

Mumbai, 28 May 2013

**Manan Y. Udani**

Company Secretary

Mumbai, 28 May 2013

**Vidyadhar D. Khadilkar**

Director

**Praful N. Satra**

Chairman and

Managing Director



## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2013

(Currency: Indian Rupees)

### 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

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

#### 2.1 Basis of preparation of financial statements

These financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, the relevant provisions of the Companies Act, 1956 and other accounting principles generally accepted in India, to the extent applicable.

#### 2.2 Current/Non-current classification

The assets and liabilities are classified into 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 reporting date. Terms of a liability that could at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

#### *Operating cycle*

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 (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

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

##### *Tangible assets*

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

(Currency: Indian Rupees)

Depreciation is provided on the written down value method. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. Depreciation is provided on a pro-rata basis i.e. from the date on which asset is ready for use.

Plant and equipment and furniture and fixtures, costing individually ₹ 5,000 or less, are depreciated fully in the year of purchase.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

## **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 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**

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realized within 12 months after the reporting date is also presented under 'current assets' as "current portion of long-term investments" in consonance with the current-non-current classification scheme of revised Schedule VI.

Long-term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

## **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.





## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2013

(Currency: Indian Rupees)

### (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.

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.

(Currency: Indian Rupees)

**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 for the year ended 31 March 2013

(Currency: Indian Rupees)

	2013	2012
<b>3. SHARE CAPITAL</b>		
<b>Authorised capital:</b>		
210,000,000 (2012: 210,000,000) equity shares of ₹ 2 each	420,000,000	420,000,000
8,000,000 (2012: 8,000,000) 8% cumulative redeemable preference shares of ₹ 10 each	80,000,000	80,000,000
	<b>500,000,000</b>	<b>500,000,000</b>
<b>Issued, subscribed and paid up:</b>		
161,358,000 (2012: 161,358,000) equity shares of ₹ 2 each, fully paid up	322,716,000	322,716,000
7,400,000 (2012: 7,400,000) 8% cumulative redeemable preference shares of ₹ 10 each, fully paid up	74,000,000	74,000,000
	<b>396,716,000</b>	<b>396,716,000</b>

### Sub-notes:

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

	31 March 2013		31 March 2012	
	Number of equity shares (Units)	Amount	Number of equity shares (Units)	Amount
<b>Equity shares</b>				
At the beginning and at the end of the year	161,358,000	322,716,000	161,358,000	322,716,000
	31 March 2013		31 March 2012	
	Number of preference shares (Units)	Amount	Number of preference shares (Units)	Amount
<b>Preference shares</b>				
At the beginning and at the 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 2013, the Company has proposed final dividend of Re. 0.10 per equity share (2012: final dividend of Re. 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:

	31 March 2013		31 March 2012	
Name of equity shareholder	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	37,537,356	23.26	35,948,293	22.28
Anil B. Mehta	9,154,450	5.67	9,154,450	5.67



## SATRA PROPERTIES (INDIA) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2013

(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 2013		31 March 2012	
	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 2013 No. of Shares	31 March 2012 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 (2012: 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 (2012: 37,192,250) equity shares of ₹ 2 each and 7,400,000 (2012: 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.

	2013	2012
<b>4. RESERVES AND SURPLUS</b>		
<b>Capital reserves</b>		
Reserve on amalgamation (at the commencement and end of the year)	21,796,437	21,796,437
<b>Securities premium reserve</b> (at the commencement and end of the year)	108,000,000	108,000,000
<b>Debenture redemption reserve</b>		
At the commencement of the year	39,000,000	-
Add: Transferred in the current year	50,000,000	39,000,000
At the end of the year	89,000,000	39,000,000
<b>General reserve</b> (at the commencement and end of the year)	108,166,888	108,166,888
<b>Surplus in the statement of profit and loss</b>		
At the commencement of the year	333,701,086	359,303,499
Add: Profit for the year	50,515,484	39,031,390
	384,216,570	398,334,889
<b>Less: Appropriations</b>		
Proposed dividend on preference shares	5,920,000	5,920,000
Tax on proposed dividend on preference shares	960,372	960,372
Proposed dividend on equity shares	16,135,800	16,135,800
Tax on proposed dividend on equity shares	2,617,631	2,617,631
Transfer to debenture redemption reserve	50,000,000	39,000,000
Total appropriations	75,633,803	64,633,803
<b>Net surplus in the statement of profit and loss</b>	308,582,767	333,701,086
	635,546,092	610,664,411



## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2013

		(Currency: Indian Rupees)	
		2013	2012
<b>5. LONG-TERM BORROWINGS</b>			
From banks (Secured)			
Vehicle loan [refer note 9(i)]	-		142,930
From others (Secured)			
Vehicle loans [refer note 9(ii)]	-		469,208
	-		612,138
<b>6. LONG-TERM PROVISIONS</b>			
<b>Provision for employee benefits</b>			
Provision for gratuity	1,189,206		907,879
	<b>1,189,206</b>		<b>907,879</b>
<b>7. SHORT-TERM BORROWINGS</b>			
<b>Secured borrowings</b>			
5,164 (2012: 7,863) redeemable non-convertible debentures of ₹ 100,000 each [refer note 7(i)]	<b>516,400,000</b>		786,300,000
From banks			
Term loan [refer note 7(ii)]	-		52,466,717
Bank overdraft [refer note 7(iii)]	<b>19,445,320</b>		102,298,031
From others [refer note 7(iv) and 7(vi)]	<b>582,293,000</b>		244,638,500
<b>Unsecured borrowings</b>			
From related parties [refer note 34]	-		335,992,042
From others [refer note 7(v)]	<b>716,548,158</b>		743,920,580
	<b>1,834,686,478</b>		<b>2,265,615,870</b>

### Notes:

#### A Details of security on loans

- 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 situated at Borivali. The interest on debentures is 23% p.a. payable quarterly. These debentures are redeemable in five installments of ₹ 18.60 crores each due in September 2012, December 2012 and three installments due on 15 September 2013.
- Term loan was secured against english mortgage of Jodhpur project and all present and future construction and development work thereon. Interest rate for the term loan was BPLR plus 7.75% per annum and was payable monthly. The loan was repayable in three quarterly installments ranging from ₹ 2 crores to ₹ 3 crores starting from December 2011 to June 2012.
- Bank overdraft of ₹ 1.94 crores is secured against subservient charge on all current assets and fixed deposits and 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.
- ₹ 48.23 crores is secured against registered mortgage on land at Kalina, Mumbai along with charge on Escrow account of receivables of other projects. Further, unsold units of two projects have been mortgaged. The loan carries an interest rate of 24% p.a. and is repayable in 12 equal monthly installments of ₹ 4.17 crores starting from August 2013.
- ₹ 65.15 lacs term loan carries an interest rate of 19% p.a. which is payable in lumpsum by 8 September 2013.
- Term loan of ₹ 10 crores carries an interest @ 24% p.a. payable quartely and is repayable in 10 equal monthly installments of ₹ 1 crore each starting from April 2014.
- All the above term loans, the bank overdraft and the debentures are secured by personal guarantees of directors/shareholders of the Company. Inter corporate loans and loan from related parties are repayable on demand.

- B.** Refer note no. 31 for default in payment of short-term borrowings and interest thereon, if any.

## SATRA PROPERTIES (INDIA) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2013

		(Currency: Indian Rupees)	
		2013	2012
<b>8. TRADE PAYABLES</b>			
Dues to Micro and small enterprises (refer note 35)		-	-
Others		297,585,963	361,885,600
		<b>297,585,963</b>	<b>361,885,600</b>
<b>9. OTHER CURRENT LIABILITIES</b>			
Current maturities of long-term borrowings			
From bank (Secured)			
- Vehicle loan [refer note 9 (i)]		134,255	346,813
From others (Secured)			
- Vehicle loans [refer note 9 (ii)]		480,890	1,129,223
Interest accrued but not due on borrowings			
- Term loan		94,628	9,145,893
- Debentures		3,904,833	5,945,721
Interest accrued and due on borrowings			
- Term loan		3,399,560	1,060,796
- Inter corporate loans		69,125,275	74,207,377
Unpaid dividend *		468,464	437,238
Other payables			
- advance received against property		182,948,046	159,709,831
- refundable advances		559,548,214	449,899,380
- statutory dues payable**		102,944,488	22,270,413
- employee benefits payable		1,316,081	1,512,007
- other liabilities		27,328,945	16,925,196
		<b>951,693,679</b>	<b>742,589,888</b>
* There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.			
** includes provision on account of tax deducted at source, value added tax, service tax, labour cess etc.			
<b>Details of security on loans</b>			
(i)	Vehicle loan 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 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.		
<b>10. SHORT-TERM PROVISIONS</b>			
<b>Provision for employee benefits</b>			
Provision for gratuity		193,237	15,657
Provision for compensated absences		-	281,450
		<b>193,237</b>	<b>297,107</b>
<b>Other provisions</b>			
Provision for taxation [net of advance tax and tax deducted at source ₹ 361,666,819 (2012: ₹ 246,141,313)]		86,791,621	162,999,583
Provision for fringe benefits tax [net of advance tax ₹ 156,444 (2012: ₹ 156,444)]		472,031	472,031
Provision for wealth tax		45,000	45,640
Proposed dividend on preference shares		5,920,000	5,920,000
Proposed dividend on equity shares		16,135,800	16,135,800
Tax on proposed dividend		20,940,581	15,902,961
		<b>130,305,033</b>	<b>201,476,015</b>
		<b>130,498,270</b>	<b>201,773,122</b>

# NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2013

## 11. FIXED ASSETS

(Currency: Indian Rupees)

	GROSS BLOCK		ACCUMULATED DEPRECIATION/AMORTISATION				NET BLOCK
	As at 1 April 2012	Additions/ Deletions/ Disposals	As at 31 March 2013	As at 1 April 2012	For the year	On Deletions/ Disposals	As at 31 March 2013
<b>Tangible assets</b>							
Leasehold improvements	25,331,539	-	25,331,539	25,331,539	-	-	25,331,539
Plant and machinery	6,483,603	-	6,483,603	4,288,003	305,408	-	4,593,411
Computer	4,656,016	66,550	4,722,566	3,891,604	327,401	-	4,219,005
Furniture and fittings	2,136,844	-	2,136,844	1,558,252	104,726	-	1,662,978
Office equipment	6,247,241	110,374	6,357,615	2,794,292	489,726	-	3,284,018
Temporary structures	407,275	-	407,275	407,275	-	-	407,275
Vehicles	16,314,058	-	16,314,058	10,087,403	1,612,081	-	11,699,484
<b>Total</b>	<b>61,576,576</b>	<b>176,924</b>	<b>61,753,500</b>	<b>48,358,368</b>	<b>2,839,342</b>	<b>-</b>	<b>51,197,710</b>
							<b>10,555,790</b>

### Note:

(i) Depreciation aggregating ₹ 572,424 (2012: ₹ 2,184,688) has been transferred to construction work-in-progress.

	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
<b>Tangible assets</b>								
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
<b>Total</b>	<b>60,906,297</b>	<b>670,279</b>	<b>61,576,576</b>	<b>41,310,021</b>	<b>7,048,347</b>	<b>-</b>	<b>48,358,368</b>	<b>13,218,208</b>

### Note:

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



## SATRA PROPERTIES (INDIA) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2013

	(Currency: Indian Rupees)	
	2013	2012
<b>12. NON-CURRENT INVESTMENTS (AT COST)</b>		
Trade investments: unquoted		
Investment in equity instruments		
(face value of ₹ 10/- and fully paid-up, unless otherwise stated)		
<i>In subsidiaries</i>		
10,000 (2012: 10,000) equity shares of Satra Buildcon Private Limited	100,000	100,000
10,000 (2012: 10,000) equity shares of Satra Estate Development Private Limited	100,000	100,000
10,000 (2012: 10,000) equity shares of Satra Infrastructure and Land Developers Private Limited	100,000	100,000
10,000 (2012: 10,000) equity shares of Satra Lifestyles Private Limited	100,000	100,000
14,603,900 (2012: 14,603,900) equity shares of Satra Property Developers Private Limited	585,616,450	585,616,450
100 (2012: 100) equity shares of Satra International Realtors Limited, UAE of AED 10,000 each	11,711,600	11,711,600
<i>In associates</i>		
2,000 (2012: 2,000) equity shares of C. Bhansali Developers Private Limited	20,000	20,000
<b>Other non-current investments</b>		
624 (2012: 624) equity shares of The Cosmos Co-operative Bank Limited of ₹ 100 each	62,400	62,400
Aggregate amount of unquoted investments	597,810,450	597,810,450
<b>13. DEFERRED TAX ASSETS</b>		
The components of deferred tax balances are as follows:-		
- Difference between book depreciation and depreciation as per Income Tax Act, 1961	6,413,829	6,947,306
- On provision allowable on a payment basis under the Income Tax Act, 1961	459,213	306,776
	6,873,042	7,254,082
<b>14. LONG-TERM LOANS AND ADVANCES</b>		
- Advance tax and tax deducted at source	461,854	1,150,762
	461,854	1,150,762
<b>15. OTHER NON-CURRENT ASSETS</b>		
Other bank balances		
- Deposits with banks having maturity of more than 12 months	-	40,129
	-	40,129
<b>16. INVENTORIES</b>		
Construction work-in-progress	1,361,756,157	1,198,915,643
Materials at site	21,431,525	14,007,634
Unsold units	79,935,925	212,759,289
	1,463,123,607	1,425,682,566
<b>17. TRADE RECEIVABLES</b>		
(unsecured and considered good)		
Debts outstanding for a period exceeding six months from the date they are due for payment	949,810,111	709,810,952
Other debts	219,130,870	897,351,971
	1,168,940,981	1,607,162,923



## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2013

	(Currency: Indian Rupees)	
	2013	2012
<b>18. CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	1,072,906	673,562
Cheques on hand	-	1,000,000
Balances with banks		
- On current accounts	15,770,557	12,862,392
- On deposits accounts (with original maturity of 3 months or less)	4,790,000	-
	<b>21,633,463</b>	<b>14,535,954</b>
<b>Other bank balances</b>		
- Earmarked balances with banks (under lien)	469,796	438,571
- Balances in deposits with original maturity of less than 12 months but more than 3 months	2,360,129	2,610,000
	<b>24,463,388</b>	<b>17,584,525</b>
<b>Details of bank balances/deposits</b>		
Bank deposits available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	4,790,000	-
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	2,360,129	2,610,000
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current assets' [refer note 15]	-	40,129
<b>19. SHORT-TERM LOANS AND ADVANCES</b>		
<i>(Unsecured and considered good)</i>		
Short-term loans and advances given to related parties [refer note 34]	479,521,849	428,056,849
Loans and advances given to other parties	147,492,958	161,525,858
<b>Others</b>		
- Advances to staff	246,970	278,500
- Advances to vendors	35,116,514	16,300,718
- Prepaid expenses	795,705	1,213,818
- Deposits*	4,351,344	3,687,018
- Amounts recoverable from banks and financial institutions	-	5,582,859
	<b>667,525,340</b>	<b>616,645,620</b>
* includes ₹ 2,150,000 (2012: ₹ 2,150,000) rent deposit given to the Managing Director		
<b>20. OTHER CURRENT ASSETS</b>		
Interest accrued on fixed deposits with banks	620,183	35,761
Interest accrued and due from related parties [refer note 34]	300,407,560	288,694,861
Interest accrued and due from other parties	7,133,493	5,485,021
	<b>308,161,236</b>	<b>294,215,643</b>

# SATRA PROPERTIES (INDIA) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2013

		(Currency: Indian Rupees)	
		2013	2012
<b>21. REVENUE FROM OPERATIONS</b>			
Revenue from sale of properties		776,085,403	1,908,250,400
Sale of transferable development rights		-	179,064,522
<b>Other operating revenues</b>			
Development charges		3,255,873	26,122,806
Income from forfeiture		8,000,000	-
		<b>787,341,276</b>	<b>2,113,437,728</b>
<b>22. OTHER INCOME</b>			
Interest income on			
- fixed deposits with banks		679,399	271,458
- loans given to related parties [refer note 34]		13,014,116	88,861,125
- loans given to other party		1,831,635	1,653,101
Dividend from subsidiary		-	14,603,900
Dividend from others		3,750	-
Miscellaneous income		1,084,500	-
Other non-operating income			
- liabilities written back to the extent no longer required [refer note 38]		146,062,000	7,122,966
- excess provision of project cost written back		9,359,484	-
- input credit income		13,000,000	-
		<b>185,034,884</b>	<b>112,512,550</b>
<b>23. COST OF MATERIALS CONSUMED</b>			
Inventory at the beginning of the year	(A)	14,007,634	10,992,464
<b>Incurred during the year</b>			
Development rights/land cost		301,700,000	25,630,000
Professional and legal fees		5,434,295	8,552,372
Civil, electrical and contracting		197,118,426	312,872,177
Depreciation and amortisation		572,424	2,184,688
Administrative and other expenses		7,802,341	8,351,400
Borrowing costs [refer note 27]		40,275,424	130,416,233
Compensation paid		12,454,000	-
	(B)	565,356,910	488,006,870
Less: Inventory at the end of the year	(C)	21,431,525	14,007,634
	(A) + (B) - (C)	<b>557,933,019</b>	<b>484,991,700</b>
<b>24. PURCHASE OF TRADED PRODUCTS</b>			
Purchase of transferable development rights		-	159,950,226
		-	159,950,226
<b>25. (INCREASE)/DECREASE IN INVENTORIES OF CONSTRUCTION WORK-IN-PROGRESS AND UNSOLD UNITS</b>			
<b>Opening stock</b>			
Construction work-in-progress		1,198,915,643	2,570,682,970
Unsold units		212,759,289	-
		<b>1,411,674,932</b>	<b>2,570,682,970</b>
<b>Less: Closing stock</b>			
Construction work-in-progress		1,361,756,157	1,198,915,643
Unsold units		79,935,925	212,759,289
		<b>1,441,692,082</b>	<b>1,411,674,932</b>
		<b>(30,017,150)</b>	<b>1,159,008,038</b>



## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2013

	(Currency: Indian Rupees)	
	2013	2012
<b>26. EMPLOYEE BENEFITS</b>		
Salaries, wages and bonus	12,615,505	14,430,601
Contribution to provident and other funds	377,798	1,048,955
Staff welfare expenses	129,274	102,259
Gratuity	458,907	-
	<b>13,581,484</b>	<b>15,581,815</b>
<b>27. FINANCE COSTS</b>		
<b>Interest on long-term borrowings</b>		
From banks		
- Vehicle loans	153,920	78,536
<b>Interest on short-term borrowings</b>		
Debentures	145,328,654	100,293,549
From banks	12,203,005	47,277,592
Others	130,272,725	202,052,307
Interest on delayed payment of trade payables	3,054,725	2,627,948
Interest on delayed payment of statutory dues	40,372,829	21,778,668
<b>Other borrowing costs</b>		
Brokerage on finance	34,345	110,149
Processing charges	6,292,160	18,069,472
Stamp duty	1,281,000	3,150,000
	<b>338,993,363</b>	<b>395,438,221</b>
Less: borrowing costs transferred to construction work-in-progress [refer note 23]	40,275,424	130,416,233
	<b>298,717,939</b>	<b>265,021,988</b>
<b>28. OTHER EXPENSES</b>		
Advertisement and sales promotion expenses	5,008,766	4,830,375
Power and Fuel	2,000,200	1,681,999
Rent	11,838,244	12,298,450
Telephone expenses	643,292	896,882
Bad debts	20,841,663	-
Repairs and maintenance		
- others	1,533,743	402,356
Insurance	508,632	177,798
Rates and taxes	523,842	415,088
Payment to auditors (including service tax)		
As auditors		
- Statutory audit	1,067,420	1,047,850
- Tax audit	224,720	220,600
- Limited review of quarterly results	1,348,320	1,323,600
In other capacity		
- Taxation matters	1,500,000	-
Reimbursement of expenses	36,561	52,724
Directors' sitting fees	132,500	250,000
Printing and stationery	762,222	980,198
Profession and legal fees	4,385,084	1,623,651
Miscellaneous expenses	2,425,650	932,370
	<b>54,780,859</b>	<b>27,133,941</b>



**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2013**

(Currency: Indian Rupees)

**29. EARNINGS PER SHARE**

Particulars	2013	2012
Net profit after tax	50,515,484	39,031,390
Preference dividend (including taxes thereon)	6,880,372	6,880,372
Net profit after tax attributable to equity shareholders (A)	43,635,112	32,151,018
Number of equity shares at the beginning of the year	161,358,000	161,358,000
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	161,358,000
Basic and diluted earnings (in rupees) per share of face value ₹ 2 (A)/(B)	0.27	0.20

**30. CONTINGENCIES**

	2013	2012
Income Tax liabilities under dispute	110,285,407	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)	Number of days delay
IDBI Bank Ltd.	1 February 2013	30 April 2013	7,500,000	89
IDBI Bank Ltd.	1 March 2013	17 May 2013	6,563,100	78

**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 on 'Segment reporting'.

**33. 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.

	2013	2012
<b>I Change in the defined benefit obligation</b>		
Liability at the beginning of the year	923,536	1,402,119
Interest cost	78,501	115,675
Current service cost	350,613	476,143
Benefit paid	-	(57,115)
Actuarial (gain)/loss on obligations	29,793	(1,013,286)
<b>Liability at the end of the year</b>	<b>1,382,443</b>	<b>923,536</b>
<b>II Amount recognised in the balance sheet</b>		
Liability at the end of the year	1,382,443	923,536
Fair value of plan assets at the end of the year	-	-
Difference	1,382,443	923,536
Amount recognised in the balance sheet	1,382,443	923,536
<b>III Expenses recognised in the statement of profit and loss</b>		
Current service cost	350,613	476,143
Interest cost	78,501	115,675
Expected return on plan assets	-	-
Net actuarial (gain)/loss to be recognised	29,793	(1,013,286)
Expense recognised in the statement of profit and loss	458,907	(421,468)
<b>IV Balance sheet reconciliation</b>		
Opening net liability	923,536	1,402,119
Expense as above	458,907	(421,468)
Benefits paid	-	(57,115)
Amount recognised in the balance sheet	1,382,443	923,536



## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2013

			(Currency: Indian Rupees)			
			2013	2012		
V	Actuarial assumptions					
	Discount rate		8.05%	8.25%		
	Salary escalation		6.00%	6.00%		
		2013	2012	2011	2010	
VI	Experience adjustments					
	Present value of defined benefit obligation					
	Fair value of the plan assets		1,382,443	923,536	1,402,119	1,044,199
	Deficit in the plan		-	-	-	-
	Experience adjustments on:		1,382,443	923,536	1,402,119	1,044,199
	Plan liabilities (gain)/loss		29,793	(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.

### ii) Defined contribution plan

Contribution to provident and other funds aggregating to ₹ 377,798 [2012: ₹ 1,048,955] is recognised as an expense and included in "Employee benefits expense".

### iii) Compensated absences

Compensated absences for employee benefits of ₹ 347,424 [2012: ₹ 281,450] has been recognised as a gain/expense during the year.

## 34. 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:

#### I. Associates/Joint Venturers

C. Bhansali Developers Private Limited

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

Shravan Developers Private Limited  
 Satra Property Development Private Limited  
 Satra DLH Reality and Builders Limited  
 Deepmala Infrastructure Private Limited  
 Prime Multi Tiles Trading Private Limited  
 Satra Infrastructure Development Private Limited  
 Satra Land Development Private Limited  
 Savla Realtors and Developers Private Limited  
 Satra Re-Development Company Limited  
 Satra Retail Private Limited  
 Prime Developers  
 Prime Bond Industries  
 Henry Hill International

#### III. Key Managerial Personnel

Praful N. Satra – Chairman and Managing Director  
 Rajan P. Shah – Director

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2013

34. RELATED PARTY DISCLOSURES (CONTINUED)

Sr. No.	Nature of transaction	Wholly Owned Subsidiaries		Associates/Joint Venture		Entities over which key managerial personnel or their relatives exercises significant influence		Key managerial personnel and their relatives		(Currency: Indian Rupees) Total	
		2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
1	Loans taken	-	-	-	-	1,500,000	-	-	8,800,000	1,500,000	8,800,000
2	Loans given	501,886,000	405,350,000	-	-	-	-	-	-	501,886,000	405,350,000
3	Interest income	13,014,116	75,627,645	-	13,233,480	-	-	-	-	13,014,116	88,861,125
4	Dividend income	-	14,603,900	-	-	-	-	-	-	-	14,603,900
5	Interest expense	-	-	-	-	-	-	-	602,967	-	602,967
6	Sale of immovable property	-	-	-	-	-	59,286,500	-	-	-	59,286,500
7	Receiving of services	-	-	-	-	37,128,351	59,141,591	11,838,244	12,298,450	48,966,595	71,440,041
8	Sale of pledged shares*	-	-	-	-	-	-	-	6,969,629	-	6,969,629
9	Purchase of property	-	-	-	-	301,700,000	-	-	-	301,700,000	-
10	Directors' remuneration	-	-	-	-	-	-	-	416,129	-	416,129
11	Advances given	-	6,500,000	-	-	-	-	-	-	-	6,500,000
	<b>Outstanding balance Receivable/Deposits</b>	<b>653,740,278</b>	<b>584,062,579</b>	<b>122,189,131</b>	<b>122,189,131</b>	-	-	-	-	<b>775,929,409</b>	<b>706,251,710</b>
1	Loans along with the net interest	-	-	-	-	-	-	2,150,000	2,150,000	2,150,000	2,150,000
2	Deposits	-	-	-	-	-	-	-	-	-	-
3	Advances paid	-	6,500,000	4,000,000	4,000,000	-	-	-	-	4,000,000	10,500,000
4	Sundry debtors	-	-	-	-	-	239,749,425	-	-	-	239,749,425
	<b>Outstanding balance payables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,545,654</b>	<b>335,992,042</b>	<b>1,332,800</b>	<b>77,440</b>	<b>18,878,454</b>	<b>335,992,042</b>
1	Loans along with the net interest	-	-	-	-	-	25,854,497	-	-	-	25,854,497
2	Sundry creditors	-	-	-	-	-	-	-	-	-	-



## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2013

(Currency: Indian Rupees)

### 34. RELATED PARTY DISCLOSURES (CONTINUED)

#### Details of material related party transactions

Sr. No.	Nature of Transaction	Total	
		2013	2012
<b>1</b>	<b>Loans taken</b>		
	Praful N. Satra	-	8,800,000
	Shravan Developers Private Limited	1,500,000	-
<b>2</b>	<b>Loans given</b>		
	Satra Property Developers Private Limited	501,886,000	405,350,000
<b>3</b>	<b>Interest income</b>		
	C. Bhansali Developers Private Limited	-	13,233,480
	Satra Property Developers Private Limited	13,014,116	11,072,661
	Satra International Realtors Limited	-	64,554,984
<b>4</b>	<b>Dividend income</b>		
	Satra Property Developers Private Limited	-	14,603,900
<b>5</b>	<b>Interest expense</b>		
	Praful N. Satra	-	602,967
<b>6</b>	<b>Sale of immovable property</b>		
	Satra Property Development Private Limited	-	59,286,500
<b>7</b>	<b>Sale of pledged shares *</b>		
	Minaxi P. Satra	-	6,969,629
<b>8</b>	<b>Receiving of services</b>		
	Office Rent - Praful N. Satra	11,838,244	12,298,450
	Satra Property Development Private Limited	37,128,351	59,141,591
<b>9</b>	<b>Purchase of property</b>		
	Shravan Developers Private Limited	301,700,000	-
<b>10</b>	<b>Directors' remuneration</b>		
	Praful N. Satra	-	277,419
	Rajan P. Shah	-	138,710
<b>11</b>	<b>Advance given</b>		
	Satra Infrastructure and Land Developers Private Limited	-	6,500,000
	<b>Outstanding Balances Receivable/Deposits</b>		
<b>1</b>	<b>Loans alongwith the net interest</b>		
	C. Bhansali Developers Private Limited	122,189,131	122,189,131
	Satra Property Developers Private Limited	161,557,843	91,880,144
	Satra International Realtors Limited	492,182,435	492,182,435
<b>2</b>	<b>Deposits</b>		
	Praful N. Satra	2,150,000	2,150,000
<b>3</b>	<b>Advances given</b>		
	C. Bhansali Developers Private Limited	4,000,000	4,000,000
	Satra Infrastructure and Land Developers Private Limited	-	6500,000
<b>4</b>	<b>Sundry debtors</b>		
	Shravan Developers Private Limited	-	232,200,000
	<b>Outstanding balances payables</b>		
<b>1</b>	<b>Loans alongwith the net interest</b>		
	Shravan Developers Private Limited	-	335,992,042
<b>2</b>	<b>Sundry creditors</b>		
	Satra Property Development Private Limited	17,545,654	25,854,497

\* includes amounts payable to the promoter 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 2013**

(Currency: Indian Rupees)

**35. 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.

	2013	2012
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	-	-

**36. OTHER MATTERS**

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

**37. DISCLOSURE AS PER CLAUSE 32 OF THE LISTING AGREEMENT**
**i. Particulars in respect of loans and advances to subsidiary companies:**

Name of the company	Balance as at		Maximum outstanding during the year	
	2013	2012	2013	2012
1 Satra International Realtors Limited	492,182,435	492,182,435	492,182,435	492,182,435
2 Satra Property Developers Private Limited	161,557,843	91,880,144	192,605,144	117,880,749
3 Satra Infrastructure and Land Developers Private Limited	-	6,500,000	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	
	2013	2012	2013	2012
1 C. Bhansali Developers Private Limited	126,189,131	126,189,131	126,189,131	126,189,131

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

Name of the company	Balance as at		Maximum Outstanding during the year	
	2013	2012	2013	2012
1 Cine Line Exports Private Limited	16,912,101	15,263,629	16,912,101	15,263,629

**38.** Based on confirmation obtained by the management, the Company has written back provision of interest on unsecured borrowings of ₹ 146,062,000 on account of re-negotiation of terms with two of its lenders during the year.

**39.** 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, ₹ 58,531,369 continues to be included in the construction work-in-progress as at 31 March 2013 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.



## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2013

(Currency: Indian Rupees)

40. Pursuant to the change in Object clause from leasing to real estate, the Company had applied to the Reserve Bank of India (RBI) for cancellation of Certificate of Registration (CoR) vide its letter dated 24 November 2005. On submission of various documents/information as sought by RBI from time to time, RBI has vide its letter dated 5 March 2013 containing an Order dated 13 February 2013 cancelled the CoR.

### 41. TRANSFER PRICING

The Company's management is of the opinion that its international transactions are at arm's length as per the independent accountants report for the year ended 31 March 2012. Further, the Indian Finance Bill, 2012 had sought to bring in certain class of domestic transactions in the ambit of the transfer pricing regulations with effect from 1 April 2012. The management has commenced discussions with their tax consultants to carry out a detailed domestic transfer pricing study for the year ended 31 March 2013 (which will include the determination of arm's length pricing and maintaining appropriate documentation) in accordance with these regulations. Management continues to believe that its international transactions post March 2012 and the specified domestic transactions covered by the new regulations continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on the amount of tax expense and that of provision of taxation.

42. As required under Circular no. 04/2013 dated 11 February 2013 issued by the Ministry of Corporate Affairs, the Company has to deposit or invest 15% of the debentures maturing during the year ending 31 March 2014, before 30 April 2013. However, the Company has not separately deposited or invested an amount of ₹ 77,460,000, as the Debenture Trustees has a charge on the Escrow account of the receivables of the secured assets. Subsequently, the Company has redeemed Debentures amounting to ₹ 34,300,000, out of escrow account. Further, the Company has during the year ended 31 March 2013, created a Debenture Redemption Reserve ('DRR') of ₹ 50,000,000 (2012 : ₹ 39,000,000) out of the Profits, thereby aggregating the DRR to ₹ 89,000,000.

### 43. PRIOR YEAR COMPARATIVES

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

As per our report of even date attached.

For **B S R & Associates**

*Chartered Accountants*

Firm's Registration No.: 116231W

For **Bhuta Shah & Co.**

*Chartered Accountants*

Firm's Registration No.: 101474W

For and on behalf of the Board of Directors

**Satra Properties (India) Limited**

**Bhavesh Dhupelia**

*Partner*

Membership No.: 042070

Mumbai, 28 May 2013

**CA. Mitesh Kothari**

*Partner*

Membership No.: 110822

Mumbai, 28 May 2013

**Manan Y. Udani**

*Company Secretary*

Mumbai, 28 May 2013

**Vidyadhar D. Khadilkar**

*Director*

**Praful N. Satra**

*Chairman and Managing Director*

## Independent Auditors' Report

To the Board of Directors of

### **SATRA PROPERTIES (INDIA) LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Satra Properties (India) Limited (the "Company") and its subsidiaries and associates as listed in Note 1 to the consolidated financial statements (collectively referred to as the "Group"), which comprise of the consolidated balance sheet as at 31 March 2013, the consolidated statement of profit and loss and consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

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

The consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard-21 on Consolidated Financial Statements, Accounting Standard -23 on Accounting for Investment in Associates in Consolidated Financial Statements and (AS 27) on Financial reporting of interests in Joint Ventures as prescribed by the Companies (Accounting Standard) Rules, 2006, issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards ("NACAS"), to the extent applicable.

#### **Auditor's Responsibility**

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

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

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

#### **Basis for Qualified Opinion**

1. *As more fully explained in Note 38 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 statement of profit and loss for the year ended 31 March 2009. During the year ended 31 March 2013, the Company 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 ₹ 21,907,491 of construction cost incorrectly capitalised in an earlier year, resulting in an understatement of profit after tax for the year ended 31 March 2013 by ₹ 14,440,658. Consequently, the construction work-in-progress and the surplus in the consolidated statement of profit and loss continue to be overstated by ₹ 58,531,369 as at 31 March 2013.*
2. *Based on the consideration of the reports of one of the joint auditors on the financial statements of one of its subsidiaries, 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. Though, the subsidiary company has recognized the VAT liability, it has not recognized the interest accrued on VAT amounting to ₹ 41,614,167, as a result of which, finance costs is understated and profit for the year in the consolidated statement of profit and loss is overstated by ₹ 41,614,167. Consequently, the reserves and surplus are overstated by ₹ 41,614,167 and current liabilities are understated by ₹ 41,614,167.*

#### **Qualified Opinion**

*In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of one of the joint auditors on the financial statements of the subsidiaries and associates as noted under the 'Other Matter' paragraph below, except for the effects of the matters described under the 'Basis for Qualified Opinion' paragraph above, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:*

- (i) *in the case of the consolidated balance sheet, of the state of affairs of the Group as at 31 March 2013;*
- (ii) *in the case of the consolidated statement of profit and loss, of the profit of the Group for the year ended on that date; and*
- (iii) *in the case of the consolidated cash flow statement, of the cash flows of the Group for the year ended on that date.*



### Emphasis of matter

Without qualifying our opinion, we draw attention to Note 42 to the consolidated financial statements. As more fully explained therein, as per Circular No. 4/2013 dated 11 February 2013 ("the Circular") issued by the Government of India, Ministry of Corporate Affairs, the Group has not separately deposited or invested an amount of at least ₹ 77,460,000 being 15% of the amount of its debentures maturing within 1 year in specified deposits or investments as per the Circular, as specified in note 42 to the consolidated financial statements. The ultimate outcome of any possible penal consequences on this matter cannot presently be determined and, accordingly, no provision that may result due to non-compliance with the requirements of the Circular has been made in the consolidated financial statements.

### Other matter

The financial statements of the subsidiaries of the Company for the year ended 31 March 2013 have been audited by one of the joint auditors, M/s. Bhuta Shah & Co. These audited financial statements have been approved by the respective Board of Directors of the companies, and our opinion, in so far as it relates to the amount included in respect of the subsidiaries, is based solely on such approved financial statements. The attached consolidated financial statements include assets of ₹ 2,787,298,766 as at 31 March 2013 and revenues of ₹ 136,060,597 and cash outflows amounting to ₹ 4,928,403 for the year ended on that date in respect of the aforementioned subsidiaries.

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 2013. 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 unaudited financial statements certified by the management.

For **Bhuta Shah & Co.**

*Chartered Accountants*

Firm's Registration No.: 101474W

**CA. Mitesh Kothari**

*Partner*

Membership No.: 110822

Mumbai

28 May 2013

For **B S R & Associates**

*Chartered Accountants*

Firm's Registration No.: 116231W

**Bhavesh Dhupelia**

*Partner*

Membership No.: 042070

Mumbai

28 May 2013



# SATRA PROPERTIES (INDIA) LIMITED

## CONSOLIDATED BALANCE SHEET as at 31 March 2013

		(Currency: Indian Rupees)	
	Notes	2013	2012
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	3	396,716,000	396,716,000
Reserves and surplus	4	726,888,477	724,635,803
		<b>1,123,604,477</b>	<b>1,121,351,803</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	5	5,510,626	1,884,963
Long-term provisions	6	1,263,301	1,209,023
		<b>6,773,927</b>	<b>3,093,986</b>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	7	2,375,789,790	2,831,785,721
Trade payables	8	340,446,844	413,064,584
Other current liabilities	9	1,561,417,581	1,077,036,224
Short-term provisions	10	325,464,424	366,507,351
		<b>4,603,118,639</b>	<b>4,688,393,880</b>
		<b>5,733,497,043</b>	<b>5,812,839,669</b>
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Fixed assets			
- Tangible assets	11	29,096,757	26,601,104
Non-current investments	12	935,420	685,420
Deferred tax assets	13	7,421,747	7,254,082
Long-term loans and advances	14	461,854	1,150,762
Other non-current assets	15	1,878,539	3,139,499
		<b>39,794,317</b>	<b>38,830,867</b>
<b>CURRENT ASSETS</b>			
Inventories	16	2,242,442,987	2,145,335,915
Trade receivables	17	1,251,254,996	1,652,570,202
Cash and bank balances	18	54,631,341	52,171,279
Short-term loans and advances	19	2,019,746,269	1,758,670,371
Other current assets	20	125,627,133	165,261,035
		<b>5,693,702,726</b>	<b>5,774,008,802</b>
		<b>5,733,497,043</b>	<b>5,812,839,669</b>
<b>Significant accounting policies</b>	2		
<b>Notes to the financial statements</b>	3-43		

The notes referred to above form 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 **Bhuta Shah & Co.**

*Chartered Accountants*

Firm's Registration No.: 101474W

For and on behalf of the Board of Directors of  
**Satra Properties (India) Limited**

**Bhavesh Dhupelia**

*Partner*

Membership No.: 042070

Mumbai, 28 May 2013

**CA. Mitesh Kothari**

*Partner*

Membership No.: 110822

Mumbai, 28 May 2013

**Manan Y. Udani**

*Company Secretary*

Mumbai, 28 May 2013

**Vidyadhar D. Khadilkar**

*Director*

**Praful N. Satra**

*Chairman and  
Managing Director*



# STATEMENT OF CONSOLIDATED PROFIT AND LOSS

## for the year ended 31 March 2013

		(Currency: Indian Rupees)	
	Notes	2013	2012
<b>INCOME</b>			
Revenue from operations	21	843,767,276	2,262,185,428
Other income	22	251,655,365	149,432,978
<b>Total revenue</b>		<b>1,095,422,641</b>	<b>2,411,618,406</b>
<b>EXPENSES</b>			
Cost of materials consumed	23	657,691,162	601,014,537
Purchase of traded products	24	-	169,364,226
(Increase)/decrease in inventories of construction work-in-progress and unsold units	25	(91,766,852)	1,127,380,491
Employee benefits	26	22,198,682	19,615,184
Finance costs	27	347,475,434	344,808,217
Depreciation and amortisation	11	5,363,017	38,680,266
Other expenses	28	70,625,745	48,243,061
<b>Total expenses</b>		<b>1,011,587,188</b>	<b>2,349,105,982</b>
<b>Profit before tax</b>		<b>83,835,453</b>	<b>62,512,424</b>
<b>Tax expenses:</b>			
- Current tax		43,573,700	84,433,700
- Prior year charge of current tax		12,542,941	17,017,827
- Deferred tax (credit)		(167,665)	(540,866)
<b>Profit/(loss) after tax</b>		<b>27,886,477</b>	<b>(38,398,237)</b>
Earnings per equity share (₹)	29		
Basic and diluted (face value of ₹ 2 per share)		0.13	(0.28)
<b>Significant accounting policies</b>	2		
<b>Notes to the financial statements</b>	3-43		

The notes referred to above form 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 **Bhuta Shah & Co.**

Chartered Accountants

Firm's Registration No.: 101474W

For and on behalf of the Board of Directors of  
**Satra Properties (India) Limited**

**Bhavesh Dhupelia**

Partner

Membership No.: 042070

Mumbai, 28 May 2013

**CA. Mitesh Kothari**

Partner

Membership No.: 110822

Mumbai, 28 May 2013

**Manan Y. Udani**

Company Secretary

Mumbai, 28 May 2013

**Vidyadhar D. Khadilkar**

Director

**Praful N. Satra**

Chairman and  
Managing Director

# SATRA PROPERTIES (INDIA) LIMITED

## CONSOLIDATED CASH FLOW STATEMENT

### for the year ended 31 March 2013

	(Currency: Indian Rupees)	
	2013	2012
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES :</b>		
Profit before tax	83,835,461	62,512,424
Adjusted for:		
Depreciation/amortisation	5,363,017	38,680,266
Dividend income	(3,750)	-
Interest income	(82,070,331)	(142,248,435)
Net foreign exchange fluctuation	2,585,564	7,673,595
Finance costs	347,475,427	344,808,217
	273,349,927	248,913,643
Operating profit before working capital changes	357,185,388	311,426,067
Changes in working capital		
(Increase)/decrease in inventories	(55,053,367)	1,127,810,886
Decrease in trade receivables	402,536,037	228,108,418
(Increase)/decrease in short-term loans and advances	(69,004,285)	213,056,342
(Decrease)/increase in trade payables	(66,922,289)	56,558,442
Increase/(decrease) in long-term provisions	54,278	(268,778)
Increase/(decrease) in short-term provisions	259,971	(182,067)
Increase/(decrease) in other current liabilities	492,020,920	(989,007,869)
	703,891,265	636,075,374
Cash generated from operations	1,061,076,653	947,501,441
Taxes paid (net of refund)	(126,111,095)	(33,927,768)
Net cash generated from operating activities	934,965,558	913,573,673
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets	(9,636,952)	(853,179)
Loans given	(80,261,430)	(400,458,122)
Loans repaid	1,290,000	310,427,154
(Increase) in investment in fixed deposits (including earmarked balances)	(250,825)	(9,113,598)
Dividend received	3,750	-
Foreign exchange fluctuation	(2,585,564)	(11,793,846)
Investment made	(250,000)	-
Interest received	9,905,466	115,262,608
Net cash (used in)/generated from investing activities	(81,785,555)	3,471,017
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES :</b>		
Proceeds from long-term borrowings	8,200,000	92,100,000
Repayment of long-term borrowings	(2,644,334)	(105,757,305)
Proceeds from short-term borrowings	1,838,131,730	2,147,086,809
Repayment of short-term borrowings	(2,294,988,559)	(2,880,143,757)
Dividend paid	(22,055,800)	(22,055,800)
Finance costs paid	(377,653,933)	(239,536,093)
Net cash (used in) financing activities	(851,010,896)	(1,008,306,146)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	2,169,107	(91,261,456)
Cash and cash equivalents, beginning of year	26,960,793	118,222,249
Cash and cash equivalents, end of year	29,129,900	26,960,793
Components of cash and cash equivalents		
Cash on hand	2,655,250	1,772,730
Cheques on hand	-	1,000,000
Balances with banks		
- On current accounts	21,684,650	24,188,063
- On deposits accounts (with original maturity of 3 months or less)	4,790,000	-
	29,129,900	26,960,793

#### Note:

1. 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, 28 May 2013

For **Bhuta Shah & Co.**

Chartered Accountants

Firm's Registration No.: 101474W

**CA. Mitesh Kothari**

Partner

Membership No.: 110822

Mumbai, 28 May 2013

For and on behalf of the Board of Directors of  
**Satra Properties (India) Limited**

**Manan Y. Udani**

Company Secretary

Mumbai, 28 May 2013

**Vidyadhar D. Khadilkar**

Director

**Praful N. Satra**

Chairman and

Managing Director



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 31 March 2013

(Currency: Indian Rupees)

### 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 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 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 stand alone 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
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%



# SATRA PROPERTIES (INDIA) LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended 31 March 2013

(Currency: Indian Rupees)

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

Name of the Company	Country of Incorporation	% holding
C. Bhansali Developers Private Limited	India	20%
Deepmala Infrastructure Private Limited	India	26%
Satra DLH Reality and Builders Limited	India	50%

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

### 2.1 Basis of preparation of consolidated financial statements

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

### 2.2 Current/Non-current classification

The assets and liabilities are classified into Current or Non-current.

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

- it is expected to be realised in, or is intended for sale or consumption in, the entity’s normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within twelve months after the balance sheet date; or
- it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast 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:

- it is expected to be settled in, the entity’s normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months after the balance sheet date; or
- the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months after the reporting date. Terms of a liability that could at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Operating cycle

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 (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended 31 March 2013

(Currency: Indian Rupees)

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

##### *Tangible assets*

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation is provided on the written down value method. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid Schedule XIV, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. Depreciation is provided on a pro-rata basis i.e. from the date on which asset is ready for use.

Plant and equipment and furniture and fixtures, costing individually ₹ 5,000 or less, are depreciated fully in the year of purchase.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

#### 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

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realized within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current/non-current classification scheme of revised Schedule VI.

Long-term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

#### 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 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.

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(Currency: Indian Rupees)

**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 recognised 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 recognised 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 recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognised immediately in the statement of profit and loss.

**2.10 Revenue recognition**

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

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

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

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

Interest income is recognised on time proportion basis.

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

**2.11 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 recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised 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 recognised 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 recognised 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 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 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 recognized in the financial statements.



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**for the year ended 31 March 2013**

(Currency: Indian Rupees)

	2013	2012
<b>3. SHARE CAPITAL</b>		
<b>Authorised capital:</b>		
210,000,000 (2012: 210,000,000) equity shares of ₹ 2 each	420,000,000	420,000,000
8,000,000 (2012: 8,000,000) 8% cumulative redeemable preference shares of ₹ 10 each	80,000,000	80,000,000
	<b>500,000,000</b>	<b>500,000,000</b>
<b>Issued, subscribed and paid-up:</b>		
161,358,000 (2012: 161,358,000) equity shares of ₹ 2 each, fully paid-up	322,716,000	322,716,000
7,400,000 (2012: 7,400,000) 8% cumulative redeemable preference shares of ₹ 10 each, fully paid-up	74,000,000	74,000,000
	<b>396,716,000</b>	<b>396,716,000</b>

Sub-notes :

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

	31 March 2013		31 March 2012	
Equity shares	Number of equity shares (Units)	Amount	Number of equity shares (Units)	Amount
At the beginning and end of the year	161,358,000	322,716,000	161,358,000	322,716,000
	31 March 2013		31 March 2012	
Preference shares	Number of preference shares (Units)	Amount	Number of preference 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 2013, the Company has proposed final dividend of ₹ 0.10 per equity share (2012: 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 2013		31 March 2012	
	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	37,537,356	23.26	35,948,293	22.28
Anil B. Mehta	9,154,450	5.67	9,154,450	5.67



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended 31 March 2013

(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 2013		31 March 2012	
	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 2013	31 March 2012
	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 (2012: 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 (2012: 37,192,250) equity shares of ₹ 2 each and 7,400,000 (2012: 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.

	2013	2012
<b>4. RESERVES AND SURPLUS</b>		
<b>Capital reserves</b>		
Reserve on amalgamation (at the commencement and end of the year)	21,796,437	21,796,437
<b>Securities premium reserve</b> (at the commencement and end of the year)	108,000,000	108,000,000
<b>Debenture redemption reserve</b>		
At the commencement of the year	39,000,000	-
Add: Transferred in the current year	50,000,000	39,000,000
At the end of the year	89,000,000	39,000,000
<b>General reserve</b> (at the commencement and end of the year)	141,458,822	141,458,822
<b>Surplus in the statement of profit and loss</b>		
At the commencement of the year	414,380,544	519,781,701
Add: Profit/(loss) for the year	27,886,477	(38,398,237)
	442,267,021	481,383,464
<b>Less: Appropriations</b>		
Proposed dividend on preference shares	5,920,000	5,920,000
Tax on proposed dividend on preference shares	960,372	960,372
Proposed dividend on equity shares	16,135,800	16,135,800
Tax on proposed dividend on equity shares	2,617,631	2,617,631
Transfer to debenture redemption reserve	50,000,000	39,000,000
Tax on Interim dividend on equity shares	-	2,369,117
Total appropriations	75,633,803	67,002,920
<b>Net surplus in the statement of profit and loss</b>	366,633,218	414,380,544
	726,888,477	724,635,803

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		(Currency: Indian Rupees)	
		2013	2012
<b>5. LONG-TERM BORROWINGS</b>			
From banks (Secured)			
Vehicle loans [refer Note 9(i)]	5,510,626	1,415,755	
From others (Secured)			
Vehicle loans [refer Note 9(ii)]	-	469,208	
	<b>5,510,626</b>	<b>1,884,963</b>	
<b>6. LONG-TERM PROVISIONS</b>			
<b>Provision for employee benefits</b>			
Provision for gratuity	1,263,301	1,209,023	
	<b>1,263,301</b>	<b>1,209,023</b>	
<b>7. SHORT-TERM BORROWINGS</b>			
Secured borrowings			
5,164 (2012:7,863) redeemable non-convertible debentures of ₹ 100,000 each [refer Note 7(i)]	516,400,000	786,300,000	
From banks			
- Term loan [refer Note 7(ii) & 7 (iii)]	20,865,293	121,474,631	
- Bank overdraft [refer Note 7(iv)]	19,445,320	102,298,031	
From others [refer Note 7(v) and 7(vi)]	582,293,000	244,638,500	
<b>Unsecured borrowings</b>			
From banks (Unsecured)			
- Term loan [refer Note 7(vii)]	55,000,000	-	
Loan from related parties [refer Note 35]	25,875,000	340,679,168	
From others [refer Note 7(viii)]	1,155,911,177	1,236,395,391	
	<b>2,375,789,790</b>	<b>2,831,785,721</b>	

**A. Details of security on loans**

- (i) 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 situated at Borivali. The interest on debentures is 23% p.a payable quarterly. These debentures are redeemable in five installments of ₹ 18.60 crores each due in September 2012, December 2012 and three installments due on 15 September 2013.
- (ii) Term loan of ₹ Nil (2012: ₹ 5.24 crores) was secured against english mortgage of Jodhpur project and all present and future construction and development work thereon. Interest rate for the term loan was BPLR plus 7.75% per annum and was payable monthly. The loan was repayable in three quarterly installments ranging from ₹ 2 crores to ₹ 3 crores starting from December 2011 to June 2012.
- (iii) ₹ 208.65 lacs is secured against mortgage of some units of property situated at, Bhandup, receivables thereon. The loan was repayable within a year.
- (iv) Bank overdraft is secured against subservient charge on all current assets and fixed deposits and 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.
- (v) ₹ 48.23 crores is secured against registered mortgage on land at Kalina, Mumbai alongwith charge on Escrow account of receivables of other projects. Further, unsold units of other projects have been mortgaged. The loan carries an interest rate of 24% p.a. and is repayable in 12 equal monthly installments of ₹ 4.17 crores starting from August 2013.
- (vi) Term loan of ₹ 10 crores carries an interest @ 24% p.a. payable quartely and is repayable in 10 equal monthly installments of ₹ 1 crore each starting from April 2014.
- (vii) The loan is repayable in 8 equated quarterly installments of ₹ 1 crore beginning from October, 2013 and last installment of ₹ 0.50 crores is due in October 2015.
- (viii) ₹ 65.15 lacs term loan carries an interest rate of 19% p.a. which is payable in lumpsum by 8 September 2013.
- (ix) All the above term loans, the bank overdraft and the debentures are secured by personal guarantees of directors/shareholders of the Company. Inter corporate loans and loan from related parties are repayable on demand.

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended 31 March 2013

		(Currency: Indian Rupees)	
		2013	2012
<b>8. TRADE PAYABLES</b>			
Dues to Micro and small enterprises (Refer Note 36)		-	-
Others		340,446,844	413,064,584
		<b>340,446,844</b>	<b>413,064,584</b>
<b>9. OTHER CURRENT LIABILITIES</b>			
Current maturities of long-term borrowings			
From banks (Secured)			
- Vehicle loans [refer Note 9 (i)]		2,826,441	992,629
From others (Secured)			
- Vehicle loan [refer Note 9 (ii)]		480,890	1,245,590
Interest accrued but not due on borrowings			
- Term loan		94,628	8,786,879
- Debentures		3,904,833	5,945,721
Interest accrued and due on borrowings			
- Term loan		3,745,785	1,419,810
- Inter corporate loans		72,201,161	79,473,114
- From related party		3,864,902	2,856,504
Unpaid dividend *		468,464	437,238
Other payables			
- advance received against property		667,584,514	434,508,460
- refundable advances		577,548,214	467,899,380
- statutory dues payable**		161,835,080	26,408,972
- employee benefits payable		2,251,222	2,157,933
- other liabilities		64,611,447	44,903,994
		<b>1,561,417,581</b>	<b>1,077,036,224</b>

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

\*\* includes provision on account of tax deducted at source, value added tax, service tax, labour cess etc.

#### Details of security on loans

- Vehicle loans are secured by hypothecation of the respective vehicles purchased. Payment of equated monthly installments ranging from ₹ 32,879 and ₹ 174,988 beginning from the month subsequent to taking the loan i.e. various dates between July 2008 to February 2011. The last installment for the various loans range from June 2013 to April 2017.
- Vehicle loans 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.

#### 10. SHORT-TERM PROVISION

##### Provision for employee benefits

Provision for gratuity	736,586	21,021
Provision for compensated absences	-	455,594
	<b>736,586</b>	<b>476,615</b>

##### Other provisions

Provision for taxation [net of advance tax and tax deducted at source ₹ 512,849,691 (2012: ₹ 371,396,294)]	265,795,192	313,596,817
Provision for fringe benefits tax [net of advance tax ₹ 156,444 (2012: ₹ 156,444)]	472,031	472,031
Provision for wealth tax	45,000	45,640
Proposed dividend on preference shares	5,920,000	5,920,000
Proposed dividend on equity shares	16,135,800	16,135,800
Tax on dividend	36,359,815	29,860,448
	<b>324,727,838</b>	<b>366,030,736</b>
	<b>325,464,424</b>	<b>366,507,351</b>

**SATRA PROPERTIES (INDIA) LIMITED**  
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as at 31 March 2013

(Currency: Indian Rupees)

**11. FIXED ASSETS**

	GROSS BLOCK			ACCUMULATED DEPRECIATION/AMORTISATION			NET BLOCK	
	As at 1 April 2012	Additions	Deletions/ Disposals	As at 31 March 2013	As at 1 April 2012	For the year On Deletions/ Disposals	As at 31 March 2013	As at 31 March 2013
<b>Tangible assets</b>								
Leaschold improvements	25,331,539	-	-	25,331,539	25,331,539	-	25,331,539	-
Plant and machinery	23,792,906	-	-	23,792,906	15,012,901	1,221,299	16,234,200	7,558,706
Computer	5,251,535	201,799	-	5,453,334	4,249,771	458,347	4,708,118	745,216
Furniture and fittings	3,685,911	-	-	3,685,911	2,655,563	186,493	2,842,056	843,855
Office equipment	6,812,085	136,874	-	6,948,959	2,967,380	544,391	3,511,771	3,437,188
Temporary structures	407,275	-	-	407,275	407,275	-	407,275	-
Building	2,633,240	-	-	2,633,240	215,277	120,898	336,175	2,297,065
Vehicles	22,759,599	9,298,279	-	32,057,878	13,233,280	4,609,871	17,843,151	14,214,727
<b>Total</b>	<b>90,674,090</b>	<b>9,636,952</b>	<b>-</b>	<b>100,311,042</b>	<b>64,072,986</b>	<b>7,141,299</b>	<b>71,214,285</b>	<b>29,096,757</b>

**Notes:**

(i) Depreciation aggregating ₹ 1,778,282 (2012: ₹ 3,543,311) has been transferred to construction work-in-progress.

	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	As at 31 March 2012
<b>Tangible assets</b>								
Leaschold improvements	25,331,539	-	-	25,331,539	22,533,395	2,798,144	25,331,539	-
Plant and machinery	23,792,906	-	-	23,792,906	13,058,705	1,954,196	15,012,901	8,780,005
Computer	4,792,473	459,062	-	5,251,535	3,643,023	606,748	4,249,771	1,001,764
Furniture and fittings	3,652,161	33,750	-	3,685,911	2,420,500	235,063	2,655,563	1,030,348
Office equipment	6,451,718	360,367	-	6,812,085	2,343,100	624,280	2,967,380	3,844,705
Temporary structures	407,275	-	-	407,275	407,275	-	407,275	-
Building	2,633,240	-	-	2,633,240	88,016	127,261	215,277	2,417,963
Vehicles	22,759,599	-	-	22,759,599	9,905,303	3,327,977	13,233,280	9,526,319
<b>Total</b>	<b>89,820,911</b>	<b>853,179</b>	<b>-</b>	<b>90,674,090</b>	<b>54,399,317</b>	<b>9,673,669</b>	<b>64,072,986</b>	<b>26,601,104</b>
<b>Intangible assets</b>								
Goodwill written off	162,749,538	-	-	162,749,538	130,199,630	32,549,908	162,749,538	-
<b>Total</b>	<b>252,570,449</b>	<b>853,179</b>	<b>-</b>	<b>253,423,628</b>	<b>184,598,947</b>	<b>42,223,577</b>	<b>226,822,524</b>	<b>26,601,104</b>

**Notes:**

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





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended 31 March 2013

	(Currency: Indian Rupees)	
	2013	2012
<b>12. NON-CURRENT INVESTMENTS (AT COST)</b>		
Trade investments: unquoted		
Investment in equity instruments		
(face value of ₹ 10/- and fully paid-up, unless otherwise stated)		
<i>In associates</i>		
2,000 (2012: 2,000) equity shares of C. Bhansali Developers Private Limited	-	-
2,600 (2012: 2,600) equity shares of Deepmala Infrastructure Private Limited	26,000	26,000
25,000 (2012: NIL) equity shares of Satra DLH Reality and Builders Limited	250,000	-
<b>Other investments</b>		
<b>Quoted</b>		
718 (2012: 718 ) equity shares of SEL Manufacturing Company Limited	64,620	64,620
<b>Unquoted</b>		
948 (2012: 948) equity shares of The Cosmos Co-operative Bank Limited of ₹ 100 each	94,800	94,800
20,000 (2012: 20,000) equity shares of The Greater Bombay Co-operative Bank Limited of ₹ 25 each	500,000	500,000
	<b>935,420</b>	<b>685,420</b>
Aggregate amount of unquoted investment	<b>870,800</b>	<b>620,800</b>
Aggregate amount of quoted investment	<b>64,620</b>	<b>64,620</b>
Aggregate market value of quoted investment	<b>2,140</b>	<b>6,670</b>
<b>13. DEFERRED TAX ASSETS</b>		
The components of deferred tax balances are as follows:-		
- Difference between book depreciation and depreciation as per Income Tax Act, 1961	6,762,204	6,947,306
- On provision allowable on a payment basis under the Income Tax Act, 1961	659,543	306,776
	<b>7,421,747</b>	<b>7,254,082</b>
<b>14. LONG-TERM LOANS AND ADVANCES</b>		
- Advance tax and tax deducted at source	461,854	1,150,762
	<b>461,854</b>	<b>1,150,762</b>
<b>15. OTHER NON-CURRENT ASSETS</b>		
Other bank balances		
- Deposits with banks having maturity of more than 12 months	-	40,129
- Other receivables*	1,878,539	3,099,370
	<b>1,878,539</b>	<b>3,139,499</b>
* Includes consideration receivable towards sale of investments.		
<b>16. INVENTORIES</b>		
Construction work-in-progress	2,112,808,221	1,853,733,064
Materials at site	23,770,131	18,429,911
Unsold units	105,864,635	273,172,940
	<b>2,242,442,987</b>	<b>2,145,335,915</b>
<b>17. TRADE RECEIVABLES</b>		
(Unsecured and considered good)		
Debts outstanding for a period exceeding six months from the date they are due for payment	973,485,529	727,139,231
Other debts	277,769,467	925,430,971
	<b>1,251,254,996</b>	<b>1,652,570,202</b>

**SATRA PROPERTIES (INDIA) LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**for the year ended 31 March 2013**

	(Currency: Indian Rupees)	
	2013	2012
<b>18. CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	2,637,098	1,772,730
Cheques on hand	-	1,000,000
Balances with banks		
- On current accounts	21,702,802	24,188,063
- On deposits accounts (with original maturity of 3 months or less)	4,790,000	-
	29,129,900	26,960,793
Other bank balances		
- Earmarked balances with banks (under lien)	557,712	1,826,486
- Balances in deposits with original maturity of less than 12 months but more than 3 months	24,943,729	23,384,000
	54,631,341	52,171,279
Deposits with banks having maturity of more than 12 months (refer Note 15)	-	40,129
<b>Details of bank balances/deposits</b>		
Bank deposits available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	4,790,000	23,384,000
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	24,943,729	-
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current assets' [refer Note 15]	-	40,129
<b>19. SHORT-TERM LOANS AND ADVANCES</b>		
<i>(Unsecured and considered good)</i>		
Loans and advances given to related parties [Refer Note 35]	913,786,487	721,714,873
Loans and advances given to other parties	965,666,654	888,254,949
<b>Others</b>		
- Advances to staff	282,470	331,000
- Advances to vendors	130,456,141	133,859,704
- Prepaid expenses	1,001,295	1,289,312
- Deposits*	8,553,222	7,637,674
- Amounts recoverable from banks and financial institutions	-	5,582,859
	2,019,746,269	1,758,670,371
* includes ₹ 2,150,000 (2012: ₹ 2,150,000) rent deposit given to the Managing Director		
<b>20. OTHER CURRENT ASSETS</b>		
Interest accrued on fixed deposits with banks	3,832,832	1,875,004
Interest accrued and due from related parties [Refer Note 35]	114,660,808	157,901,010
Interest accrued and due from other parties	7,133,493	5,485,021
	125,627,133	165,261,035



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended 31 March 2013

	(Currency: Indian Rupees)	
	20 13	2012
<b>21. REVENUE FROM OPERATIONS</b>		
Revenue from sale of properties	829,901,403	2,051,268,100
Sale of transferable development rights	-	179,064,522
<b>Other operating revenues</b>		
Development charges	5,865,873	31,852,806
Income from forfeiture	8,000,000	-
	<b>843,767,276</b>	<b>2,262,185,428</b>
<b>22. OTHER INCOME</b>		
Interest income on		
- fixed deposits with banks	2,554,720	1,622,276
- loans given to related parties [refer Note 35]	77,622,202	138,900,351
- loans given to other party	1,893,409	1,725,808
Dividend from investments	79,050	61,040
Miscellaneous income	1,084,500	537
Other non-operating income		
- liabilities written back to the extent no longer required [refer Note 41]	146,062,000	7,122,966
- excess provision of project cost written back	9,359,484	-
- input credit income	13,000,000	-
	<b>251,655,365</b>	<b>149,432,978</b>
<b>23. COST OF MATERIALS CONSUMED</b>		
Inventory at the beginning of the year	(A) 18,429,911	15,316,994
<b>Incurred during the year</b>		
Development rights/land cost	301,700,000	25,630,000
Professional and legal fees	7,323,633	12,336,424
Civil, electrical and contracting	268,586,828	405,382,665
Depreciation and amortisation [refer Note 11]	1,778,282	3,543,312
Administrative and other expenses	16,810,936	18,635,041
Borrowing costs [refer Note 27]	50,854,203	138,600,012
Compensation paid	15,977,500	-
	(B) 663,031,382	604,127,454
Less: Inventory at the end of the year	(C) 23,770,131	18,429,911
	<b>(A + B - C) 657,691,162</b>	<b>601,014,537</b>
<b>24. PURCHASE OF TRADED PRODUCTS</b>		
Purchase of transferable development rights	-	169,364,226
	-	169,364,226
<b>25. (INCREASE) / DECREASE IN INVENTORIES OF CONSTRUCTION WORK-IN-PROGRESS AND UNSOLD UNITS</b>		
<b>Opening stock</b>		
Construction work-in-progress	1,853,733,064	3,109,477,554
Unsold units	273,172,940	144,808,941
	<b>2,126,906,004</b>	<b>3,254,286,495</b>
<b>Less: Closing stock</b>		
Construction work-in-progress	2,112,808,221	1,853,733,064
Unsold units	105,864,635	273,172,940
	<b>2,218,672,856</b>	<b>2,126,906,004</b>
	<b>(91,766,852)</b>	<b>1,127,380,491</b>

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**for the year ended 31 March 2013**

	(Currency: Indian Rupees)	
	20 13	2012
<b>26. EMPLOYEE BENEFITS</b>		
Salaries, wages and bonus	15,600,915	16,959,904
Directors remuneration	5,300,000	1,215,000
Contribution to provident and other funds	377,798	1,048,955
Staff welfare expenses	150,126	115,391
Gratuity	769,843	275,934
	<b>22,198,682</b>	<b>19,615,184</b>
<b>27. FINANCE COSTS</b>		
<b>Interest on long-term borrowings</b>		
From banks		
- Vehicle loans	153,920	301,774
<b>Interest on short-term borrowings</b>		
Debentures	145,328,654	100,293,549
From banks	18,159,300	57,156,904
Others	156,925,033	257,884,561
Interest on delayed payment of trade payables	3,054,725	-
Interest on delayed payment of statutory dues	66,175,290	44,195,437
<b>Other borrowing costs</b>		
Brokerage on finance	34,345	110,149
Processing Charges	6,775,190	18,908,855
Stamp Duty	1,723,180	4,557,000
	<b>398,329,637</b>	<b>483,408,229</b>
Less: borrowing costs transferred to construction work-in-progress [refer note 23]	50,854,203	138,600,012
	<b>347,475,434</b>	<b>344,808,217</b>
<b>28. OTHER EXPENSES</b>		
Advertisement and sales promotion expenses	6,896,336	8,246,164
Rent	17,865,233	17,228,860
Power and Fuel	2,000,200	1,681,999
Telephone expenses	647,792	928,433
Bad Debts	20,841,663	-
Repairs and maintenance		
- Others	1,561,833	429,931
Insurance	615,313	293,248
Rates and taxes	805,795	530,896
Auditors' remuneration (including service tax)		
As auditors		
- Statutory audit	1,673,205	1,632,272
- Tax audit	337,080	330,900
- Limited review of quarterly results	1,348,320	1,323,600
In other capacity		
- Taxation matters	1,500,000	-
Reimbursement of expenses	36,561	52,724
Directors' sitting fees	132,500	250,000
Donation	164,002	438,000
Loss on foreign exchange	2,585,564	7,673,595
Printing and stationery	766,757	1,022,056
Profession and legal fees	5,987,335	2,470,696
Miscellaneous expenses	4,860,256	3,709,687
	<b>70,625,745</b>	<b>48,243,061</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended 31 March 2013

(Currency: Indian Rupees)

#### 29. EARNINGS PER SHARE

Particulars	2013	2012
Net profit/(loss) after tax	27,886,477	(38,398,237)
Preference dividend (including taxes thereon)	6,880,372	6,880,372
Net profit/(loss) after tax attributable to equity shareholders (A)	21,006,105	(45,278,609)
Number of equity shares at the beginning of the year	161,358,000	161,358,000
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	161,358,000
Basic and diluted earnings (in rupees) per share of face value ₹ 2 (A)/(B)	0.13	(0.28)

#### 30. CONTINGENCIES

Particulars	2013	2012
Income tax liabilities under dispute		
Performance Bank Guarantee given by Allahabad Bank in favor of Slum Rehabilitation Authority for the Ghatkopar Project on behalf of the Group.	110,285,407	17,917,120
	38,500,000	38,500,000

#### 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)	Number of days delay
IDBI Bank Ltd.	1 February 2013	30 April 2013	7,500,000	89
IDBI Bank Ltd.	1 March 2013	17 May 2013	6,563,100	78

#### 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 on 'Segment Reporting'.

#### 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 2013 is as follows:

	2013	2012
<b>Lease Payments</b>		
Not later than one year	27,000	1,350,000
Later than one year but not later than 5 years	-	-
Later than 5 years	-	-
Payment of lease rentals during the year	7,997,490	19,980,860

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



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**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.

	2013	2012
<b>I. Change in the defined benefit obligation</b>		
Liability at the beginning of the year	1,230,044	1,563,093
Interest cost	103,627	128,955
Current service cost	631,855	572,312
Benefit paid	(21,808)	(57,115)
Actuarial (gain)/loss on obligations	56,169	(977,201)
<b>Liability at the end of the year</b>	<b>1,999,887</b>	<b>1,230,044</b>
<b>II. Amount recognised in the balance sheet</b>		
Liability at the end of the year	1,999,887	1,230,044
Fair value of plan assets at the end of the year		
Difference	1,999,887	1,230,044
Amount recognised in the balance sheet	1,999,887	1,230,044
<b>III. Expenses recognised in the statement of profit and loss</b>		
Current service cost	631,855	572,312
Interest cost	103,627	128,955
Expected return on plan assets	-	-
Net actuarial loss/(gain) to be recognised	56,169	(977,201)
Expense recognised in the statement of profit and loss	769,843	275,934
<b>IV. Balance sheet reconciliation</b>		
Opening net liability	12,30,044	1,563,093
Expense as above	769,843	(275,934)
Benefits paid	-	(57,115)
Amount recognised in the balance sheet	1,999,887	1,230,044
<b>V. Actuarial Assumptions</b>		
Discount rate	8.05%	8.25%
Salary escalation	6.00%	6.00%

	2013	2012	2011	2010
<b>VI. Experience adjustments</b>				
Present value of defined benefit obligation	1,999,887	6,17,028	1,563,093	1,253,804
Fair value of the plan assets	-	-	-	-
Deficit in the plan	1,999,887	6,17,028	1,563,093	1,253,804
Experience adjustments on:				
Plan liabilities (gain)/loss	56,169	9,19,987	(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's liability on account of gratuity is not funded and hence the disclosures relating to the planned assets are not applicable.

**ii) Defined contribution plan**

Contribution to provident and other funds aggregating to ₹ 377,798 [2012: ₹ 1,048,955] is recognised as an expense and included in "Employee benefits" expense.

**iii) Compensated absences**

Compensated absences for employee benefits of ₹ 548,686 [2012: ₹ 455,594] has been recognised as an expense during the year.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2013

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(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:

##### I. Associates/Joint Ventures

- C. Bhansali Developers Private Limited
- Deepmala Infrastructure Private Limited
- Satra DLH Reality and Builders Limited

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

- Shravan Developers Private Limited
- Satra Property Development Private Limited
- Prime Multi Tiles Trading Private Limited
- Satra Infrastructure Development Private Limited
- Satra Land Development Private Limited
- Savla Realtors and Developers Private Limited
- Satra Re-Development Company Limited
- Satra Retail Private Limited
- Prime Developers
- Prime Bond Industries
- Henry Hill International

##### III. Key Managerial Personnel

- Praful N. Satra - Chairman and Managing Director
- Rajan P. Shah - Director
- Minaxi P. Satra - Director
- Chandrakant M. Kothari - Director
- Tukaram K. Patil - Director
- Nitin M. Kothari - Director
- Pardeep Rochwani - Director

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**35. RELATED PARTY DISCLOSURES (CONTD.)**

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	
		2013	2012	2013	2012	2013	2012	2013	2012
1	Loans taken	-	-	139,600,000	129,700,000	54,000,000	61,800,000	193,600,000	191,500,000
2	Loans given	80,261,430	400,458,122	-	-	-	-	80,261,430	400,458,122
3	Interest income	77,622,202	138,900,351	-	-	-	-	77,622,202	138,900,351
4	Sale of immovable property	-	-	59,286,500	-	-	-	59,286,500	-
5	Interest expense	-	-	3,370,079	2,057,988	968,949	1,718,873	4,338,728	3,776,861
6	Receiving of services	-	-	51,968,670	101,714,780	17,865,233	17,228,860	69,833,903	118,943,640
7	Sale of pledged shares*	-	-	-	-	-	6,969,629	-	6,969,629
8	Purchase of property	-	-	301,700,000	-	-	-	301,700,000	-
9	Directors' remuneration	-	-	-	-	5,300,000	1,631,129	5,300,000	1,631,129
10	Advance received against property	-	-	-	2,000,000	-	-	-	2,000,000
	<b>Outstanding balance receivable/ deposits</b>								
1	Loans alongwith the net interest	1,024,447,295	875,615,883	-	-	-	-	1,024,447,295	875,615,883
2	Deposits	-	-	-	-	3,300,000	3,300,000	3,300,000	3,300,000
3	Advance paid for property	4,000,000	4,000,000	-	-	-	-	4,000,000	4,000,000
4	Advance given for contract	-	-	-	15,852,123	-	-	-	15,852,123
5	Sundry Debtors	-	-	-	239,749,425	-	-	-	239,749,425
	<b>Outstanding balance payable</b>								
1	Loans alongwith the net interest	-	-	21,808,066	342,531,357	7,931,836	1,004,315	29,739,902	343,535,672
2	Sundry creditors	-	-	24,053,101	25,854,497	2,011,345	525,781	26,064,446	26,380,278
3	Remuneration payable	-	-	-	-	380,600	271,200	380,600	271,200

(Currency: Indian Rupees)



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### for the year ended 31 March 2013

(Currency: Indian Rupees)

#### Details of material related party transactions:

Sr. No.	Nature of transaction	2013	2012
1.	<b>Loans taken</b>		
	Satra Property Development Private Limited	138,100,000	129,700,000
	Praful N. Satra	11,500,000	41,200,000
	Minaxi P. Satra	42,500,000	20,600,000
2.	<b>Loans given</b>		
	Deepmala Infrastructure Private Limited	-	400,458,122
	Satra DLH Reality and Builders Limited	80,261,430	-
3.	<b>Interest income</b>		
	C. Bhansali Developers Private Limited	-	13,233,480
	Deepmala Infrastructure Private Limited	67,808,408	125,666,871
	Satra DLH Reality and Builders Limited	9,813,794	-
4.	<b>Interest expense</b>		
	Satra Property Development Private Limited	3,370,079	2,057,988
	Praful N. Satra	44,384	1,042,622
	Minaxi P. Satra	924,265	676,251
5.	<b>Sale of immovable property</b>		
	Satra Property Development Private Limited	-	59,286,500
6.	<b>Purchase of immovable property</b>		
	Shravan Developers Private Limited	301,700,000	-
7.	<b>Receiving of services</b>		
	Praful N. Satra	17,865,233	17,228,860
	Satra Property Development Private Limited	51,968,670	101,714,780
8.	<b>Sale of pledged shares*</b>		
	Minaxi P. Satra	-	6,969,629
9.	<b>Directors' remuneration</b>		
	Praful N. Satra	3,500,000	277,419
	Chandrakant M. Kothari	600,000	600,000
	Tukram K. Patil	1,200,000	615,000
	<b>Outstanding balances receivable/deposits</b>		
1.	<b>Loans alongwith the net interest</b>		
	C. Bhansali Developers Private Limited	122,189,131	122,189,131
	Deepmala Infrastructure Private Limited	814,454,319	753,426,752
2.	<b>Deposits</b>		
	Praful N. Satra	3,300,000	3,300,000
3.	<b>Advance paid for property/TDR</b>		
	C. Bhansali Developers Private Limited	4,000,000	4,000,000
4.	<b>Advance given</b>		
	Satra Property Development Private Limited	-	15,852,123
5.	<b>Sundry Debtors</b>		
	Shravan Developers Private Limited	-	23,200,000
	<b>Outstanding balances payable</b>		
1.	<b>Loans alongwith the net interest</b>		
	Praful N. Satra	6,500,000	395,690
	Shravan Developers Private Limited	-	335,992,042
	Satra Property Development Private Limited	21,808,066	6,539,315
2.	<b>Sundry creditors</b>		
	Praful N. Satra	2,011,345	525,781
	Satra Property Development Private Limited	24,053,101	25,854,497
3.	<b>Remuneration payable</b>		
	Praful N. Satra	250,000	-
	Chandrakant M. Kothari	44,800	95,600
	Tukaram K. Patil	85,800	175,600

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

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**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.

	2013	2012
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 Schedule VI of the act, is either nil or not applicable to the Group for the year.

- 38.** 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 Group on the demolished portion, ₹ 58,531,369 continues to be included in construction work-in-progress as at 31 March 2013 on account of part recognition of revenue from the project till date. During the year, the Group 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.

- 39.** Pursuant to the change in Object clause from leasing to real estate, the Company had applied to the Reserve Bank of India (RBI) for cancellation of Certificate of Registration (CoR) vide its letter dated 24 November 2005. On submission of various documents/information as sought by RBI from time to time, RBI has vide its letter dated 5 March 2013 containing an Order dated 13 February 2013 cancelled the CoR.

**40. TRANSFER PRICING**

The Group's management is of the opinion that its international transactions are at arm's length as per the independent accountants report for the year ended 31 March 2012. Further, the Indian Finance Bill, 2012 had sought to bring in certain class of domestic transactions in the ambit of the transfer pricing regulations with effect from 1 April 2012. The management has commenced discussions with their tax consultants to carry out a detailed domestic transfer pricing study for the year ended 31 March 2013 (which will include the determination of arm's length pricing and maintaining appropriate documentation) in accordance with these regulations. Management continues to believe that its international transactions post 31 March 2012 and the specified domestic transactions covered by the new regulations 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 of taxation.

- 41.** Based on confirmation obtained by the management, the Group has written back provision of interest on unsecured borrowings of ₹ 146,062,000 on account of re-negotiation of terms with two of its lenders during the year.
- 42.** As required under Circular No. 04/2013 dated 11 February 2013 issued by the Ministry of Corporate Affairs, the Group had to deposit or invest 15% of the debentures maturing during the year ending 31 March 2014, before 30 April 2013. However, the Group has not separately deposited or invested an amount of ₹ 77,460,000 as the Debenture Trustees have a charge on the Escrow account of the receivables of the secured assets. Subsequently the Group has redeemed Debentures amounting to ₹ 34,300,000, out of escrow account. Further, the Group has during the year ended 31 March 2013, created a Debenture Redemption Reserve ('DRR') of ₹ 50,000,000 (2012 : ₹ 39,000,000) out of the Profits, thereby aggregating the DRR to ₹ 89,000,000.





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### for the year ended 31 March 2013

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(Currency: Indian Rupees)

#### 43. PRIOR YEAR COMPARATIVES

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

As per our report of even date attached.

For **B S R & Associates**

*Chartered Accountants*

Firm's Registration No.: 116231W

For **Bhuta Shah & Co.**

*Chartered Accountants*

Firm's Registration No.: 101474W

For and on behalf of the Board of Directors of

**Satra Properties (India) Limited**

**Bhavesh Dhupelia**

*Partner*

Membership No.: 042070

Mumbai, 28 May 2013

**CA. Mitesh Kothari**

*Partner*

Membership No.: 110822

Mumbai, 28 May 2013

**Manan Y. Udani**

*Company Secretary*

Mumbai, 28 May 2013

**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 2013

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	(Currency: Indian ₹)	
										Profit/ (Loss) after Tax	Dividend
1	Satra Property Developers Private Limited	146,039,000	723,657,907	2,334,266,128	2,334,266,128	873,020	136,060,597	11,586,674	31,351,369	(19,764,695)	-
2	Satra Buildcon Private Limited	100,000	(86,573)	35,693	35,693	-	-	(12,061)	-	(12,061)	-
3	Satra Estate Development Private Limited	100,000	(105,740)	10,216,526	10,216,526	-	-	(12,061)	-	(12,061)	-
4	Satra Infrastructure and Land Developers Private Limited	100,000	(87,449)	6,534,817	6,534,817	-	-	(12,184)	-	(12,184)	-
5	Satra Lifestyles Private Limited	100,000	(83,435)	38,831	38,831	-	-	(11,836)	-	(11,836)	-
6	Satra International Realtors Limited	11,711,600	(142,125,790)	436,206,771	436,206,771	-	-	(2,816,162)	-	(2,816,162)	-

For and on behalf of the Board of Directors  
Satra Properties (India) Limited

Manan Y. Udani  
Company Secretary  
Mumbai, 12 August 2013

Vidyardhar D. Khadilkar  
Director

Praful N. Satra  
Chairman and Managing Director

**STATEMENT PURSUANT TO SECTION 212(4)(c) OF THE COMPANIES ACT, 1956, RELATING TO THE COMPANY'S INTEREST IN SUBSIDIARY COMPANIES**

(Currency: Indian ₹)

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 2013	31 March 2013	31 March 2013	31 March 2013	31 March 2013	31 March 2013
2.	Date from which it became Wholly owned 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 the Satra Properties (India) Limited						
A	Not dealt with in Satra Properties (India) Limited's accounts:						
	i. For the F. Y. ended 31 March 2013	(1,97,64,695)	(12,061)	(12,061)	(12,184)	(11,836)	(28,16,162)
	ii. For the previous F.Y. 2011-12 of the Subsidiary Companies since it became Satra Properties (India) Limited's Subsidiaries	4,22,08,049	(11,840)	(11,579)	(15,149)	(11,910)	(7,24,33,392)
B	Dealt with in Satra Properties (India) Limited's accounts:						
	i. For the current F.Y. ended 31 March 2013	NIL	NIL	NIL	NIL	NIL	NIL
	ii. For the previous F.Y. 2011-12 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  
Satra Properties (India) Limited**

**Manan Y. Udani**  
Company Secretary

Mumbai, 12 August 2013

**Vidyadhar D. Khadilkar**  
Director

**Praful N. Satra**  
Chairman and Managing Director



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## NOTES



NOTES



## SATRA PROPERTIES (INDIA) LIMITED

Registered Office: Dev Plaza, 2<sup>nd</sup> 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 30<sup>th</sup> Annual General Meeting of the Company on Saturday, 28 September 2013 at 4.00 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, 2<sup>nd</sup> 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 30<sup>th</sup> Annual General Meeting of the Company to be held on Saturday, 28 September 2013 at 4.00 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 \_\_\_\_\_ 2013.

Signature \_\_\_\_\_

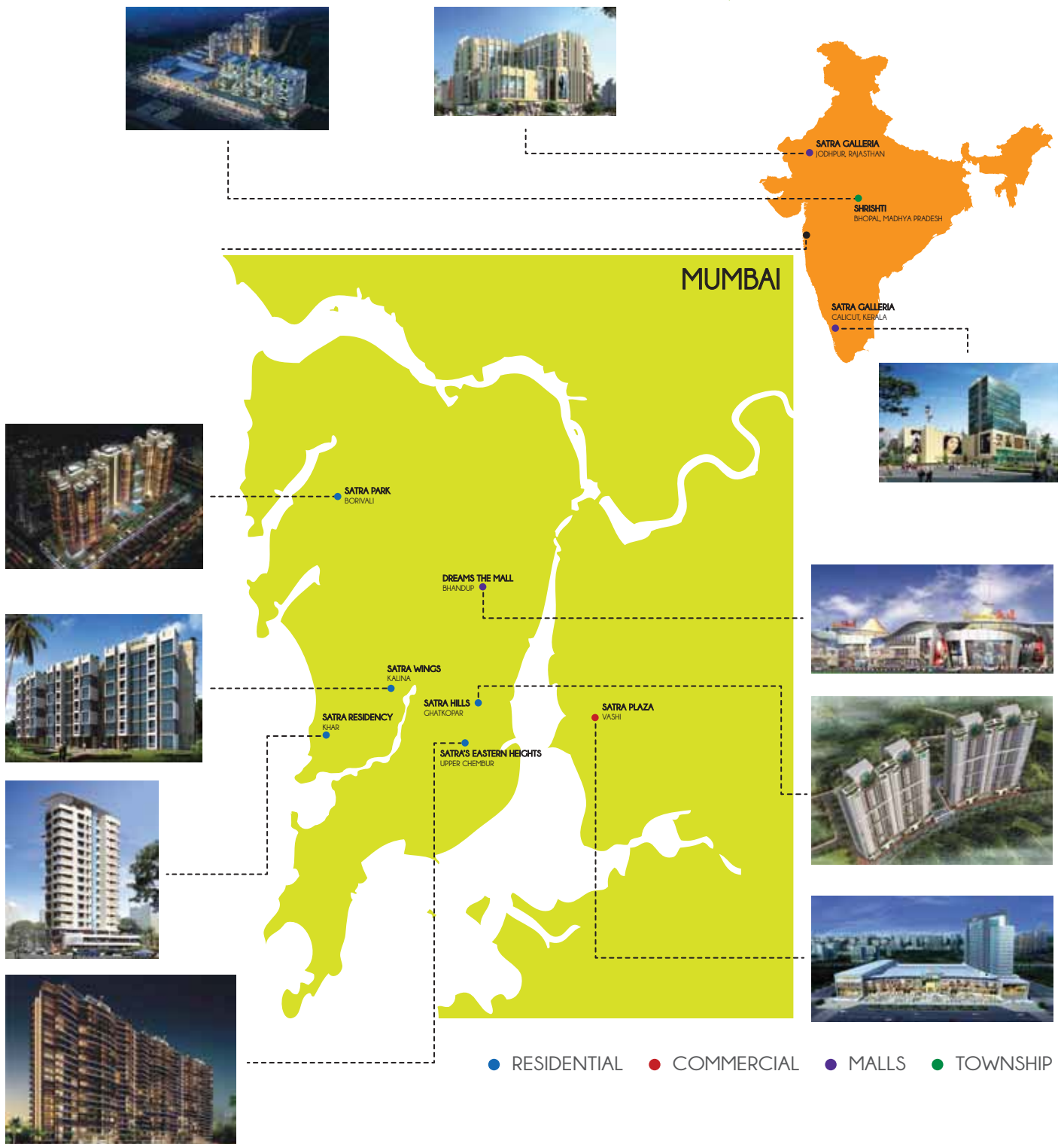
Affix  
Revenue  
Stamp of  
₹ 1/-

\* 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 meeting.



# OUR PRESENCE



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.

BOOK-POST



**SATRA**  
G R O U P

ISO 9001:2008 Company

*If undelivered please return to:*

**SATRA PROPERTIES (INDIA) LIMITED**

Dev Plaza, 2nd Floor, Opp. Andheri Fire Station,  
S. V. Road, Andheri (West), Mumbai - 400 058. (INDIA)  
T +91 022 2671 9999 | F +91 022 2620 3999  
E [info@satraproperties.in](mailto:info@satraproperties.in) | [www.satraproperties.in](http://www.satraproperties.in)