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# Contents

# Corporate Information

## Board of Directors

Mr. Kamal Khetan  
Chairman and Managing Director

Mr. Jignesh Sanghavi  
Executive Director

Mr. Kishore Vussonji  
Independent Director

Mr. Mahadevan Kalahasthi  
Independent Director

Mr. Dinkar Kothari  
Independent Director

Mr. Hari V. Krishna  
Nominee Director

Mr. Ramakant Nayak  
Independent Director

Company Secretary  
Ms. Rachana Hingarajia

Auditors  
M/s Lodha & Co.  
Chartered Accountants

Solicitors and Legal Advisors  
Kanga & Company

Address of Registered Office  
5th Floor, Sunteck Centre,  
37-40, Subhash Road,  
Vile Parle (E)  
Mumbai - 400057

Bankers  
Kotak Mahindra Bank

Registrar and Transfer Agents  
Link Intime India Private Limited  
(Formerly known as Intime Spectrum  
Registry Limited)  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup,  
Mumbai - 400078

# Chairman's Message

Dear Shareholders,

It is my privilege to address you and update you about your company's performance for FY 2010-2011. In the FY 2010-11 your Company has continued to grow as a leading Real Estate Player and is constantly pursuing its esteemed projects inspite of facing economic turbulances at macro level as well as the Sector specific hurdles. Your Company has succeeded in overcoming the market challenges and we have tried to make the most of the opportunities available in the market. Like last few years, this year too we could grow the company in terms of acquiring more projects in Mumbai as we enjoyed sound fundamentals in terms of cash flow availability on account of Committed Sales and near negligible levels of Debt. Sales bookings from the launch of 2 more residential projects in this year, Signia Pearl and Signia Isles added to the cash flow of the company as they have got a resounding response from the customers. In FY 2010-11, we have received Rs. 4733.02 mns as customer advances from sales bookings in the projects under execution we made best efforts to capitalize the tough times by utilising these cash flows to expedite execution and acquire projects at Goregaon, Airoli (Navi Mumbai), Andheri and Kalina through SPVs and Jvs. These projects were chosen keeping in mind our philosophy of turning them around in less than a year and completing the projects in 3-4 years time-frame. Your Company has recommended the Dividend for the year 2010-



2011 and that demonstrates the policy to share the profits of the Company with its wide spread Shareholders who have reposed their faith in the company. Even though the year 2010-11 was full of economic upheaval, uncertainties and lower market sentiments, the Company has managed to persuade its goals with its vigor and fundamental strength.

We believe that we are in a good position to further strengthen our position as a premier player in the Mumbai real estate market. This year we are looking forward to completing few projects and also launching new projects to enhance cash flow visibility. We would continue to look out for opportunities for strategic acquisitions as we have a very healthy balance sheet and cash flow visibility to make the most of the challenging environment in the economy by acquiring projects at low costs.

At the end, I would like to take this opportunity to thank all the members of Sunteck Family. Your energy and commitment gives me full faith in pursuing even higher goals in future. I thank the shareholders for continuing to repose faith in the Sunteck . Finally, to all our customers, we extend our gratitude for their belief in our products. And, let me re-iterate our commitment for quality delivery to them.

**Kamal Khetan**

Chairman and Managing Director







Making an appointment with luxury.  
Every single time.



Design that reflects panache.

And a balance sheet too.

# Annual Report

2010-11

## Directors' Report

To the Members,

The Directors take the privilege of presenting the 28th Annual Report to the members of the Sunteck Family

### FINANCIAL RESULTS

(Rs. In Lacs)

Particulars	Standalone For the year ended on		Consolidated For the year ended on	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Total Income	1584.02	1824.14	3069.56	3077.08
Total Expenditure	692.04	743.57	2061.70	1761.85
Depreciation	29.53	10.93	147.28	115.27
Interest	1.15	0.72	366.31	49.86
Profit Before Tax	862.44	1069.64	860.57	1199.97
Provision for Tax & Deferred Tax	242.68	345.73	524.21	582.13
Profit After Tax	619.76	723.91	336.35	617.84

During the year under review, the total revenue earned is Rs 1584.02 Lacs compared to previous year's revenue of Rs. 1824.14 Lacs on standalone basis. The profit before tax stands at Rs.862.44 Lacs as compared to Rs. 1069.64 Lacs during the previous year. The consolidated revenue for the current year amounted to Rs.3069.55 Lacs against Rs. 3077.08 Lacs compared to the previous year.

### DIVIDEND

Your Directors are pleased to recommend for approval of members a Final Dividend of 9% (Rs 0.18 per equity share) for the financial year 2010-11.

### DIRECTORS

Mr. Kishore Vussonji and Mr. Ramakant Nayak, Directors of the Company retire by rotation and being eligible; seeks re-appointment at the ensuing Annual General Meeting. In view of interests of the Company, your Board recommends their re-appointment.

Mrs. Manisha Khetan, had resigned as a Director on 12th February, 2011. The Board places on record its appreciation for the valuable contribution of Mrs Manisha Khetan in the growth of the Company during her tenure as a Director of the Company.

### FIXED DEPOSITS

Your Company has not accepted any deposits in terms of the provisions of Section 58A of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules, 1975, as amended, during the year under review.

### LISTING

The Equity Shares of the Company are listed at the Bombay Stock Exchange and National Stock Exchange Limited.

### SUBSIDIARY COMPANIES:

As on 31st March, 2011 the Company have following Subsidiaries within the meaning of Section 4 of Companies Act, 1956:-

- (a) Amenity Software Private Limited
- (b) Magenta Computer Software Private Limited
- (c) Satguru Infocorp Services Private Limited
- (d) Starlight Systems Private Limited
- (e) Skystar Buildcon Private Limited\*
- (f) Sunteck Property Holdings Private Limited\*

\*During the year under review, the Company has acquired 100% stake in Skystar Buildcon Private Limited and Sunteck Property Holdings Private Limited thereby making these companies its wholly owned subsidiaries.

Piramal Sunteck Realty Private Limited ceased to be the subsidiary w.e.f. 16th March, 2011

## Directors' Report

(Contd.)

### STATEMENT UNDER SECTION 212(1)(e) OF THE COMPANIES ACT, 1956 FOR SUBSIDIARY COMPANIES:

A statement pursuant to Section 212(1)(e) read with Sub-Section (3) of the Section 212 of the Companies Act, 1956 for the financial year 2010-11 for the subsidiary companies is attached to the Balance Sheet of your Company.

### SUBSIDIARY COMPANIES ACCOUNTS:

The Ministry of Corporate Affairs vide General Circular No. 2 / 2011 dated February 8, 2011 has issued directions under Section 212(8) of the Companies Act, 1956 granting general exemption from applicability of the provisions of Section 212 of the Companies Act, 1956 in relation to the subsidiary companies, subject to fulfillment of the conditions specified therein.

Your Company has availed the benefit of general exemption provided by the aforesaid circular and accordingly, the documents mentioned in Section 212(1)(a) to (d) of the Companies Act, 1956 relating to Company's subsidiaries are not attached to the Balance Sheet of your Company. Also, in terms of the said circular, your Directors shall make the requisite disclosures and further undertake that the annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders of the Company and its subsidiary companies seeking such information at any point of time. Further, the annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders at the registered office of the Company and of the respective subsidiary company concerned.

### IMPLEMENTATION OF CIRCULAR ISSUED BY MINISTRY OF CORPORATE AFFAIRS ON "GREEN INITIATIVES IN CORPORATE GOVERNANCE"

The Company has taken adequate steps to implement the 'Green Initiative' as per Circular No. 17/2011 dated April 21, 2011 and Circular No. 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs to enable electronic delivery of notices/documents and Annual Reports to the shareholders.

### CORPORATE SOCIAL RESPONSIBILITY

With an intention of making a small contribution to the environment, during the year the Company had undertaken from MMRDA the development of boulevard along the road at Bandra Kurla Complex. The beautification was done by planting of 50 full grown trees, landscaping the stretch and undertaking the maintenance of the same.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956 ("Act") your Directors confirm that:

1. In the preparation of the Annual Accounts for the year 2010-11 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
2. The Directors have selected such accounting policies and applied them consistently and made judgements 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 under review and of the Profit of the Company for that period;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Directors have prepared the Annual Accounts on a going concern basis.

### STATUTORY DISCLOSURES

- A) The Ministry of Corporate Affairs has vide notification dated 31st March 2011 enhanced the limits for the purpose of disclosure of particulars of employees in Directors report as requisite under Section 217 (2A) read with Companies (Particulars of Employees) Rules, 1975 from the existing limit of Rs. 24 lacs per year/ Rs. 2 lacs per month to Rs. 60 lacs per year/ Rs. 5 lacs per month.

Pursuant to the said notification none of the employees come under the purview of these provisions.

- B) Particulars required to be furnished by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988:
  - i) As the Company is not a manufacturing company the Directors has nothing to report under the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 .

## Directors' Report

(Contd.)

### ii) Foreign Exchange Earnings and Outgo

a) Foreign Exchange Earned:	NIL
b) Foreign Exchange Outflow:	Rs 39.31 Lacs

### CORPORATE GOVERNANCE

The Report on Corporate Governance is attached herewith as Annexure I and forms part of this Report.

### MANAGEMENT ANALYSIS AND DISCUSSION REPORT

Management Analysis and Discussion Report is attached as Annexure II and forms a part of this Report.

### AUDITORS

M/s Lodha & Co., Chartered Accountants, Statutory Auditors of the Company, will retire at the conclusion of the forthcoming Annual General meeting. They have offered themselves for reappointment and if appointed, the appointment would be within the limits prescribed under section 224 (1)(B) of the Companies Act 1956.

### ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation and gratitude for the co-operation and assistance from its shareholders, bankers, regulatory bodies and other business constituents during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the contribution and commitment made by every member of the Sunteck Family.

By order of the Board

Mumbai : 12th August 2011

Kamal Khetan  
Chairman & Managing Director



## Directors' Report

(Contd.)

Group coming within the definition of 'Group' as defined in Monopolies and Restrictive Trade Practices Act, 1969(MRTP).

The persons and entities which constitutes the Group coming within the definition of group as defined under MRTP which exercises or is established to be in the position to exercise, control, directly or indirectly over the Company, includes the following

- Kamal Khetan
- Manisha Khetan
- Akrur Khetan
- Anupma Khetan
- Shanti Khetan
- Amenity Software Pvt Ltd
- Buteo Investment Pvt Ltd
- Eskay Infrastructure Development Pvt Ltd
- Germane Holdings Pvt Ltd
- Glint Infraprojects Pvt Ltd
- Keystone Stockfin Pvt Ltd
- Krupa Family Private Trust
- Magenta Computer Software Pvt Ltd
- Mithra Buildcon LLP
- Niyamit Mercantile & Trading LLP
- Paripurna Trust
- Pentacle Facility Management Pvt Ltd
- Satguru Capital & Finance Pvt Ltd
- Satguru Corporate Services Pvt Ltd
- Satguru Derivative & Commodity Pvt Ltd
- Satguru Infocorp Services Pvt Ltd
- Shraddha Trust
- Skystar Buildcon Pvt Ltd
- Starlight Systems Pvt Ltd
- Starteck Infraprojects Pvt Ltd
- Sunteck Foundation
- Sunteck Property Holdings Pvt Ltd
- Sunteck Welfare Foundation

### JOINT VENTURE ENTITIES

- Assable Buildcon LLP
- Nariman Infrastructure Private Limited
- Pathway Buildcon LLP
- Piramal Sunteck Realty Private Limited
- Topzone Mercantile LLP
- Uniworth Realty LLP
- V3 Designs LLP

## Annexure- I To Directors' Report

## Report On Corporate Governance

In accordance with the Clause 49 of the Listing Agreement, the report containing the details of the Governance systems and process at Sunteck Realty Limited is as under:

**CORPORATE GOVERNANCE PHILOSOPHY**

Corporate Governance may be understood as a system of structuring, operating and managing a company with a view to achieve its long term strategic goals while at the same time complying with legal and regulatory requirements. It is the implicit rule that determines a management's ability to take sound decisions in the best interest of all its stakeholders, viz. shareholders, customers, employees, creditors, the state, etc. It takes a holistic view of the company and its impact on economic, legal, ecological and social environment. In order to promote good governance the Company has followed the best practices, processes and policies based on conscience, transparency, fairness and professionalism.

The Director's present below the Companies policies and practices on Corporate Governance as mandated under the clause 49 of the Listing Agreement.

**BOARD OF DIRECTORS****Composition:**

The Company's policy is to maintain the optimum combination of Executive and Non Executive Directors. The Board consists of seven Directors, out of which 4 are Non Executive Independent Directors.

The Board of Directors met four times during the Financial Year on 15th May 2010, 12th August 2010, 10th November 2010 and 12th February, 2011.

**Details of Board Members**

The names of Members of the Board of Directors, their attendance at the Company's Board Meetings and last Annual General Meeting, number of Directorships / Committee Memberships in other companies during the year under review is given below:

Name of Director	Category	No. of Board Meetings attended during the period	Attendance at the last AGM held on 27th September 2010	Number of Directorship in other public limited companies as on 31st March, 2011	No. of Committee positions held in other public limited companies as on 31st March, 2011	
					Chairman	Member
Mr. Kamal Khetan	Executive Promoter	4	Yes	*7	Nil	Nil
**Mrs. Manisha Khetan	Non- Executive Promoter	1	Yes	NA	NA	NA
Mr. Hari V Krishna	Non- Executive Non Independent Director	3	Yes	Nil	Nil	Nil
Mr. Dinkarry Kothari	Non- Executive Independent Director	3	Yes	1	Nil	Nil
Mr. Kishore Vussonji	Non- Executive Independent Director	2	Yes	6	Nil	Nil
Mr. Mahadevan Kalahasthi	Non- Executive Independent Director	4	Yes	1	1	1
Mr. Ramakant Nayak	Non- Executive Independent Director	4	Yes	6	2	6
#Mr. Jignesh Sanghavi	Executive Director	2	Yes	Nil	Nil	Nil

\* The Number of other public limited companies in which Mr. Kamal Khetan hold Directorships include Private Limited Companies which are Subsidiaries of the Public Limited Company

\*\* Mrs. Manisha Khetan resigned from the Board on 12th February, 2011

# Mr. Jignesh Sanghavi was appointed on 27th September, 2010

During the year information applicable as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board for its consideration.

## Annexure- I To Directors' Report

## Report On Corporate Governance

(Contd.)

**COMMITTEES****(A) AUDIT COMMITTEE:**

The Audit Committee is constituted in line with the provisions of clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956

The purpose of the Audit Committee is to ensure the objectivity, credibility and correctness of the Company's financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters.

During the financial year under review, four meetings of the Audit Committee were held i.e. on 15th May 2010, 12th August 2010, 10th November 2010 and 12th February 2011.

The composition and attendance of the members of the Audit Committee as on March 31, 2011 is as follows

Name of the Director	Category	Position	No. of Meetings	
			Held	Attended
Mr. Mahadevan Kalahasthi	Non-Executive and Independent Director	Chairman	4	4
Mr. Kishore Vussonji	Non Executive and Independent Director	Member	4	2
Mr. Dinkarry Kothari	Non-Executive and Independent Director	Member	4	3
Mr. Hari V Krishna	Non-Executive and Non Independent Director	Member	4	3
Mr. Kamal Khetan	Executive and Non Independent Director	Member	4	4

**Terms of reference:**

The composition, powers, role and terms of reference of the Committee are in consonance with the requirements mandated under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement:

- 1 To oversee the Company's financial reporting process and ensuring that the quarterly/annual financial statements are true, correct and credible.
- 2 To recommend to the Board appointment, re-appointment, replacement and removal of statutory auditor, fixation of their remuneration and approval for payment for any other services rendered by the statutory auditors.
- 3 To review financial reports with particular reference to matters included in Directors' Responsibility Statement in terms of Section 217 (2AA) of Companies Act, 1956, changes in accounting policies, practices, reasons for the same.
- 4 To review the major accounting entries, significant adjustment in financial statements, compliance with listing and other legal requirements, disclosures of related party transactions and qualifications by auditors in the draft audit report.
- 5 To hold periodical discussion with Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Statutory/Internal Auditors.
- 6 To review compliance with internal control system.
- 7 To make recommendation to the Board on any matter relating to financial management of the Company, including the Audit Report.

## Annexure- I To Directors' Report

## Report On Corporate Governance

(Contd.)

**(B) SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE**

The Shareholders/Investors Grievance Committee of the Company is constituted in accordance with the provisions of Clause 49 of the Listing Agreement.

This Committee is specifically responsible for the redressal of shareholders'/ investors' grievances related to non-receipt of Annual Report, non-receipt of declared dividend etc. The Committee also oversees the performance of the Registrar and Transfer Agents of the Company relating to investors services and recommend measures for improvement.

The terms of reference of the Investors Grievance Committee, inter alia, include the following:

1. Investor relations and redressal of shareholders' grievances in general and relating to non- receipt of dividends, interest, non receipt of Annual Report, etc., in particular.
2. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such a Committee.

The Committee met 6 times on 15th May 2010, 22nd June, 2010, 12th August, 2010, 6th October 2010, 10th November 2010, 12th February 2011 during the financial year 2010-2011.

The composition and attendance of the members of the Investors Grievance Committee is as follows:

Name of the Director	Category	Position	No. of Meetings	
			Held	Attended
Mr. Dinkarry Kothari	Non-Executive and Independent Director	Chairman	6	5
Mr. Mahadevan Kalahasthi	Non-Executive and Independent Director	Member	6	6
Mr. Kamal Khetan	Executive and Non Independent Director	Member	6	6
Mr. Kishore Vussonji	Non-Executive and Independent Director	Member	6	5

During the financial year under review, the Company received no complaint from the shareholders and at the close of the financial year there was no complaint remaining unattended to.

Name, Designation and Address of the Compliance Officer

**Ms. Rachana Hingarajia \***

Company Secretary  
Sunteck Realty Limited  
5th Floor, Sunteck Centre,  
37-40 Subhash Road,  
Vile Parle (East), Mumbai- 400057  
Tel.: 022 - 26267800  
Fax: 022 - 26267890

\* Appointed with effect from 12th August, 2011

## Annexure- I To Directors' Report

### Report On Corporate Governance

(Contd.)

#### (C) REMUNERATION COMMITTEE:

One meeting of the Remuneration Committee was held on 12th August, 2010 during the year under review. The composition and attendance of the members of the Remuneration Committee is as follows:

Name of the Director	Category	Position	No. of Meetings	
			Held	Attended
Mr. Dinkarry Kothari	Non-Executive and Independent Director	Chairman	1	1
Mrs. Manisha Khetan*	Non-Executive and Non Independent Director	Member	1	1
Mr. Hari V Krishna	Non Executive and Non Independent Director	Member	1	0
Mr. Jignesh Sanghavi **	Executive and Non Independent Director	Member	1	0

\* Mrs. Manisha Khetan resigned from the Board with effect from. 12th February, 2011.

\*\* Mr Jignesh Sanghavi was appointed as Director with effect from 27th September, 2010.

#### Terms of reference:

The committee will determine the company's' policy on specific remuneration packages for Executive Directors and any compensation payment and carry out the role as per the corporate governance regulations framed by the authorities from time to time

Details of commission and fees paid to Executive and Non-executive Directors for the financial year 2010-11.

- During the year, Mr. Kamal Khetan, Managing Director was paid remuneration @ 5% of the net profits of the Company.
- Non –Executive Directors were paid sitting fees for attending each meeting of the Board of Directors thereof and out-of Pocket Expenses incurred, wherever applicable, for attending such meetings. The sitting Fee payable per Board meeting attended is Rs 5000/-. The Company has paid Rs 1,25,000/- as sitting Fees to Directors during the Financial year 2010-11

#### (D) CORPORATE GOVERNANCE COMMITTEE

##### Composition

Name of the Director	Category	Position	No. of Meetings	
			Held	Attended
Mr. Kamal Khetan	Executive and Non Independent Director	Chairman	7	7
Mr. Mahadevan Kalahasthi	Non-Executive and Independent Director	Member	7	7
Mr. Hari V Krishna	Non Executive and Non Independent Director	Member	7	7

During the year the Committee met 7 times on 15th May 2010, 7th July 2010, 12th August 2010, 6th October 2010, 15th October 2010, 20th October 2010 and 11th January 2011.

## Annexure- I To Directors' Report

## Report On Corporate Governance

(Contd.)

**Terms of Reference**

The terms of reference of the Corporate Governance Committee, inter alia, include the following:

1. Observance of practices of Corporate Governance at all levels and to suggest remedial measures wherever necessary.
2. Provision of correct inputs to the media so as to preserve and protect the Company's image and standing.
3. Dissemination of factually correct information to the investors, institutions and public at large.
4. Interaction with the existing and prospective FIIs and rating agencies, etc.
5. Recommendation for nomination of Directors on the Board.

**(E) MANAGEMENT COMMITTEE (COMMITTEE OF DIRECTORS)**

Name of the Director	Category	Position	No. of Meetings	
			Held	Attended
Mr. Kamal Khetan	Executive and Non Independent Director	Member	11	11
Mr. Manisha Khetan *	Non-Executive and Non Independent Director	Member	11	5
Mr. Jignesh Sanghavi **	Executive and Non Independent Director	Member	11	6

\* Mrs. Manisha Khetan resigned from the Board on 12th February, 2011.

\*\* Mr. Jignesh Sanghavi was appointed as Director with effect from 27th September, 2010.

**Scope of Management Committee**

1. Opening/Closure/Operations of various Bank Accounts like Client Accounts, Settlement Accounts, Own fund Accounts, Fixed Deposit Accounts, and PMS Schemes Accounts etc.
2. Availing 'Corporate Internet Facility' from various Banks/Depository Participants.
3. Opening/Closure/Operations of Demat accounts with various Depository Participants.
4. Execution and Registration of Leave & License, Purchase / Sale Agreements and other similar agreements.
5. Change in Authorized Signatories for Bank Accounts, Demat Accounts, etc.
6. Application/surrender of new Telephone Lines/Lease Lines.
7. To Borrow Money on debentures from Banks and other Financial Institutions subject to the Limit of Rs. 200 Crores.
8. a) To invest the surplus funds of the Company in mutual funds, debt funds, fixed deposits, etc. subject to the limit of Rs 140 Crores.  
b) To invest in the normal course of business and give loan to any organization subject to not more than 25% of Rs 140 Crore.
9. Application and Registration for Trade Marks, Patents, Copyrights etc. and appoint attorneys and advisors for this purpose as also sign and execute powers of attorney /vakalatnama in favour of such attorneys/advisors.
10. File/defend various litigation/Arbitration Matters in various Courts/Forums and appoint attorneys and legal advisors for this purpose as also sign and execute powers of attorney /vakalatnama in favour of such attorneys/advisors.
11. Authorise any person to attend AGM/EOGM of other Companies and give him appropriate instructions in relation to voting at such meetings.
12. Application to Central/State and other statutory and Regulatory/Government authorities for various matters of the Company as may be required under the respective Regulation/Act as applicable to the Company.
13. Authorise representatives and signatories for Bidding of various Tenders.
14. Authorisation for dealing with Stock Exchanges and signing various documents, deeds etc as may be required for Compliance of Listing agreement etc.
15. To appoint Nominees on behalf of the Company in Special Purpose Vehicle (SPVs) and Partnership Firms , Limited Liability Partnership (LLP) and other business and non-Business entities.

And to do all such matters, deeds and things and to sign all papers, agreements and documents as may be necessary in respect of the aforesaid matters.



## Annexure- I To Directors' Report

## Report On Corporate Governance

(Contd.)

**(F) COMPENSATION COMMITTEE**

The Committee at its meeting held 5th august, 2010, had approved 'in principle' adoption of Employee Stock Option Scheme in order to create wealth for its employees and increase the morale of employees. The composition and the terms of reference of the Committee are as under.

Name of the Director	Category	Position
Mr. Mahadevan. Kalahasthi	Non-Executive and Independent Director	Chairman
Mr. Kamal Khetan	Executive and Non Independent Director	Member
Mr. Dinkarry Kothari	Non-Executive and Independent Director	Member

**Terms of Reference of the Compensation committee are:**

- a) Adopt rules and regulations for implementing the ESOS from time to time.
- b) Identify the Employees eligible to participate under the Scheme.
- c) Grant Options/Shares to the identified Eligible Employee and determine the Grant date under the ESOS.
- d) Determine the number of Options/Shares to be granted to each Grantee and in aggregate under ESOS.
- e) Determine the number of Shares of the Company to be covered by each Option Granted.
- f) Determine the method for exercising the Vested Options, etc.
- g) Determine the exercise period within which the employee should exercise the option and that the option would lapse on failure to exercise the option within the exercise period.
- h) Determine the Exercise price of the Options/Shares granted.
- i) Determine the terms and conditions, of any Option/Shares granted hereunder.
- j) Determine the terms and conditions under which vested options can lapse in case of termination of employment for misconduct.
- k) The specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee.
- l) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- m) The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration by the Remuneration Committee:
  - (a) the number and the price of ESOS shall be adjusted in a manner such that total value of the ESOS remains the same after the corporate action
  - (b) for this purpose global best practices in this area including the procedures followed by the derivative markets in India and abroad shall be considered.
  - (c) the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the option holders.
- n) The grant, vest and exercise of option in case of employees who are on long leave; and
- o) The procedure for cashless exercise of options.
- p) Approve forms or agreements for use under the ESOS.
- q) Decide all other matters that must be determined in connection with an Option under the Scheme in accordance with SEBI Guidelines
- r) Construe and interpret the terms of the Scheme and the Options Granted pursuant to the Scheme
- s) Frame suitable policy, procedure and system to comply with the Securities and Exchange Board of India (Insider Trading) Regulations, 1992 and Securities and Exchange Board of India(Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995 to be followed by any employee, and
- t) Such other powers as may be delegated by the Board from time to time.

## Annexure- I To Directors' Report

## Report On Corporate Governance

(Contd.)

**GENERAL BODY MEETINGS**

The Company's last three Annual General Meetings were held as follows:

Date	Venue	Time	No of Special Resolution
27th September, 2010	MIG Cricket Club, MIG Colony, Bandra (East), Mumbai 400051	5.30 p.m.	2
11th September 2009	MIG Cricket Club, MIG Colony, Bandra (East), Mumbai 400051	12.00 p.m.	3
27th August 2008	MIG Cricket Club, MIG Colony, Bandra (East), Mumbai 400051	5.00 p.m.	1

**DISCLOSURES**

All transactions with related parties, wherever applicable including transactions of material nature between the Company and its promoters, directors, management, their subsidiaries or relatives etc. are disclosed in the Notes to the Accounts forming part of the Annual Report. There were no materially significant related party transactions during the year having conflict with the interests of the Company.

During the last three years there were no penalties or strictures imposed on the Company by SEBI, Stock Exchange or any statutory authority on any matter related to capital market.

The Company has reviewed the Non Mandatory requirements under Clause 49 of the Listing Agreement and these shall be adopted/ complied by the Company need based.

**SUBSIDIARIES**

The Company does not have any material unlisted Indian subsidiary whose turnover or networth (paid-up and free Reserves) exceeds 20% of the consolidated turnover or networth respectively, of the listed holding Company and its subsidiaries in the immediately preceding accounting year as defined under Clause 49 of the Listing Agreements.

The Company monitors the performance of its subsidiaries, interalia by following means:

- The Minutes of the Board Meetings of the Subsidiary Companies are noted at the Board Meetings of the Company.
- The Investments made by the Subsidiary Companies are reviewed by the audit Committee from time to time.
- Details of Significant Transactions and arrangements entered into by Subsidiary Companies are regularly placed at the Board Meetings of the Company.

**MEANS OF COMMUNICATION**

The quarterly unaudited financial results and the Annual Audited Financial results are normally published in the widely circulating national and local newspapers viz. Economic Times, Maharashtra Times, Financial Express, Free Press Journal and Navshakti.

**GENERAL SHAREHOLDER INFORMATION**

i. 28th Annual General Meeting : 28th September 2011

ii. Financial Calendar :  
(Tentative)

Accounting year	: April to March
Results for Quarter ended June, 30, 2011	: August 2011
Results for Quarter ended September, 30, 2011	: November 2011
Results for Quarter ended December, 31, 2011	: February 2012
Results for Quarter ended March, 31, 2012	: May 2012
Audited Results for the year ended, March, 31, 2012	: August 2012

iii Date of Book Closure :

26th September, 2011 to 28th September, 2011, both days inclusive.

## Annexure- I To Directors' Report

### Report On Corporate Governance

(Contd.)

**iv Dividend Payment Date:**

The Board has recommended a dividend of 9% i.e. (Rs. 0.18 per Share), if declared by the Shareholders in the Annual General Meeting, will be paid within 30 days of Declaration of Dividend i.e. 27th October 2011.

**v Listing On Stock Exchanges :**

The Company's Equity Shares are listed on:

The Bombay Stock Exchange Limited

The National Stock Exchange Limited

The Company confirms that it has paid annual listing fees due to the Stock exchanges for the year ended 2011-2012.

**vi Stock Code:**

Bombay Stock Exchange : 512179

National Stock Exchange : SUNTECK

ISIN Number for NSDL & CDSL : INE805D01026

**vii Market Price Data:**

The high/low market price of the Company's shares in each month during the last financial period under review 2010-2011 was:

Particulars	BSE		NSE	
	High	Low	High	Low
April 2010	693	555	676	562
May 2010	667	600	662.2	600
June 2010	645	605	645	606
July 2010	650	610.1	652	610.1
August 2010	678	617	673.3	611.3
September 2010	714	610	676	610
October 2010	699	559.85	699	652
November 2010	697.9	611.1	698.1	611.8
December 2010	623.75	425	630	416.2
January 2011	568.5	468	570	469.5
February 2011	478.85	302.05	489.4	300.1
March 2011	369.9	275	369.95	272.4

**viii Registrar & Share Transfer Agent:**

Link Intime India Pvt. Ltd.,

(Formerly known as Intime Spectrum Registry Limited)

C-13, Pannalal Silk Mills Compound,

L.B.S Marg, Bhandup, Mumbai-400 078

Tel : (22) 25963838 Fax: (22) 25946969

**ix. Share Transfer System :**

The share transfers which are received in physical form are processed by Registrar and Share Transfer Agent viz. Link Intime India Pvt. Ltd. and approved by the Share Transfer Committee and share certificates dispatched within the time limit prescribed under the Listing Agreement.

## Annexure- I To Directors' Report

## Report On Corporate Governance

(Contd.)

## x Distribution of shareholding:

## Distribution of Shareholding as on 31st March, 2011

Nominal Value of Shares in Rupees	Shareholders		Shareholding	
	No of Shareholders	Percentage of Total Shareholders	Total No of Shares	Percentage of Total Capital
1-5000	486	76.66	68708	0.11
5001-10000	14	2.21	56703	0.09
10001-20000	25	3.94	193036	0.31
20001-30000	11	1.74	144505	0.23
30001-40000	12	1.89	204393	0.32
40001-50000	6	0.94	136338	0.22
50001-100000	21	3.31	775006	1.23
10000 and above	59	9.31	61387518	97.49
Total	634	100.00	62966207	100.00

## Shareholding Pattern as on 31st March, 2011

Sr. No	Category	No of Shares Holders	No of Shares Held	Percentage of total Holding
1	Promoter Group	13	42201417	67.02
2	Mutual Funds & Financial Institutions	1	20000	0.03
3	FII	18	3775984	6.00
4	Central / State Government	Nil	Nil	Nil
5	Venture Capital funds	Nil	Nil	Nil
6	Clearing Members	29	304017	0.48
7	Trust	1	5983307	9.50
8	NRI (Repat/ Non Repat)*	5	159	0.00
9	Bodies Corporate	99	6634516	10.54
10	Other Public	468	4046807	6.43
	Total	634	62966207	100.00

\* Shareholding less than 0.01%

## xi Dematerialization Of Shares

The Company's shares are held in Dematerialized form to the extent 98.43 % with National Securities Depository Limited and Central Depository Services (India) Limited.

## xii Address For Correspondence:

## (1) Shareholders :

Link Intime India Pvt Ltd.,  
(Formerly known as Intime Spectrum Registry Limited)  
C-13, Pannalal Silk Mills Compound,  
L.B.S Marg, Bhandup, Mumbai-400 078  
Tel : (22) 25963838  
Fax: (22) 25946969

## (2) Others:

Sunteck Realty Limited  
5th Floor Sunteck Centre, 37-40, Subhash Road,  
Vile Parle (East), Mumbai- 400057  
www.sunteckindia.com

## Annexure- I To Directors' Report

### Report On Corporate Governance

(Contd.)

(3) Email id for Investors: [rnt.helpdesk@intimespectrum.com](mailto:rnt.helpdesk@intimespectrum.com).  
[cosec@sunteckindia.com](mailto:cosec@sunteckindia.com)

**xiii Code of Conduct:**

The Board has formulated a code of conduct for the Board members and senior management of the Company and the same is reflected on the website of the Company.

**xiv ADRs and GDRs**

There are no outstanding GDRs/ADRs/Warrants or any Convertible Instruments, as at the year end.

**xv Plant Location:**

The Company does not have any plant.

**xvi CEO/CFO Declaration:**

Pursuant to clause 49I(D) of the Listing agreement entered into with the Stock Exchange, I hereby declare that all the Board members and Senior management personnel of the Company have affirmed compliances with the Code of Conduct for the Current Year.

For Sunteck Realty Limited

Mumbai :12th August 2011

Kamal Khetan  
 Chairman & Managing Director

## Certificate by CEO &amp; CFO

We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2011 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

There are to the best of our knowledge and belief, no transaction entered into by the Company during the year ended 31st March, 2011 which are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiency in the design or operation of the internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee:

1. Significant changes in internal control over financial reporting during the year;
2. Significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Mumbai :12th August 2011

Kamal Khetan  
Chairman & Managing Director



## Auditors' Certificate on Clause 49 Compliance

### Corporate Governance

To,  
The Members of,  
Sunteck Realty Limited

We have examined the compliance of the conditions of Corporate Governance by Sunteck Realty Limited ("the Company"), for the year ended on 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations given by the Management of the Company, we certify that the Company has generally complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For LODHA & COMPANY  
Chartered Accountants

R.P. Baradiya  
Partner  
Membership No. 44101  
Firm Registration No- 301051E

Place: Mumbai  
Date: 12th August, 2011

# Management Discussion & Analysis

## A. Economic overview:

DEAR MEMBERS,

Your Directors are pleased to present their 28th report on the business and operations of your Company together with the Audited Statement of Accounts for the year ended March 31, 2011.

### 1. Global Scenario:

- Despite new risks, the global economic recovery is gaining strength and Overall, global growth is projected to ease from 3.8 percent in 2010 to 3.2 percent in 2011, before picking up to 3.6 percent in each of 2012 and 2013. Broadening of the global recovery has led to higher capacity utilization and strengthening demand for credit, which has also been supported by improving bank and borrower balance-sheets. While growth in emerging economies remain strong, that in the US and European region is slowly gaining momentum. The recovery in Europe continues to face substantial headwinds from uncertainty surrounding sovereign debt in several Euro Area members, and a wide-reaching but necessary process of fiscal consolidation.
- The natural disaster in Japan, sharp increase in oil prices consequent to the turmoil in the Middle East and North Africa is fuelling uncertainty to the pace of global recovery. Globally, elevated food and commodity prices accompanied by the spike in oil prices have engendered inflation concerns.
- There is a continuing shift in the balance of economic activity away from advanced economies and toward developing ones. Despite significant government stimulus spending aimed at dampening the recession, growth in advanced economies remains sluggish as they are mired in persistent unemployment and weak demand. The present situation emphasizes the importance of mapping out clear exit strategies to get economies back on a steady footing. Yet charting out such a process remains elusive in many countries for fear of a “double dip” as well as for political considerations. On the other hand, developing economies have for the most part fared comparatively well during the crisis: countries such as Brazil, China, and India are expected to grow at rates of between 5.5 and 10 percent in 2011, with growth holding up well over the next few years. Indeed, the world increasingly looks to the developing world as the major engine of the global economy.

### 2. India- Growth:

- The Indian Economy registered improved growth and was amongst the better performers amid emerging market economies. Central Statistical Organization's recent estimated Indian GDP growth rate of 8.6% for 2010-11 is consistent with the RBI's projections for the same period.
- The economic output is expected to see some sluggishness due to inflationary effect on raw material and expected slowdown in demand-side due to higher cost of credit. However, balancing the government finances by cutting down on unnecessary spending and focus on the planned expenditures to improve physical infrastructure in the country so that the long-term foreign inflows could be sustainable to finance the current account deficit will make a greater positive impact on the Indian economy over the long-term. Inflation is expected to peak between 10-percent and 11-per cent Expected Good monsoon, persevering high interest rates amid tighter monetary policy, stable crude oil prices throughout the fiscal and controlled global food prices amid high volatility could be the reason of falling inflation back to 6.0 per cent. Interest rates are expected to remain high to support the sustainable and materialistic economic growth with consistent risk of high inflation as the higher economic growth means an uncomfortable inflation rate. It is apparent that the Reserve Bank of India will continue to monitor the supply side effect on the economy, which could keep the inflation rate at the attentive level even after falling back to 6-per cent.

## B. Sector overview: Indian Real Estate

For every Indian rupee invested in the construction of houses in India, INR 0.78 is added to the gross domestic product. The real estate sector is also subservient to the development of over 250 other ancillary industries. A study by a rating agency ICRA shows that the construction industry ranks 3rd among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy. After agriculture, the real estate sector is the second largest employment generator in India.

## Management Discussion & Analysis

Though the real estate sector in India is proclaimed to be the most promising sector today, it is still hugely plagued by market uncertainties and inhibitions. This is manifested by an abysmally low mortgage penetration. In India the mortgage to GDP ratio is about 2%. This compares to a mortgage to GDP ratio of over 51% in USA. However, even if one were to benchmark with more comparable counterparts, the ratio ranges between 15-20% for South East Asian countries. Thus the penetration level of mortgages is miniscule when compared with the shortage of housing units.

In 2010 we witnessed one of the strongest and also the sluggish market of Indian real estate. The crash in the second half of 2008 and after that the revival and strong growth numbers posted by the sector made the Indian real estate one of the most favored destination of investments both domestically and overseas.

Post the US subprime crisis and the slowdown in the economy, the real estate developers were caught between sluggish housing demand and rising cost of capital. Liquidity had dried up while a slowdown in the demand had led to a fall in real estate prices. However, the situation has improved recently with prices across all major metros increasing in the region of 10-30%. Nevertheless, genuine demand exists for good quality homes and the stimulus packages offered by the government will ensure the demand sustains.

Almost 80 % of real estate developed in India, is residential space and the rest comprise office, shopping malls, hotels and hospitals.

The development in the real estate market encompasses growth in both commercial and residential spheres. Further, it has been estimated that there would be shortage of 26.53 million houses during the Eleventh Five Year Plan (2007-12), which provides a big investment opportunity, according to a report by the Technical Group on Estimation of Housing Shortage.

A recent global study report said that India has emerged among the four fastest wealth creator countries in the world and its growth momentum is expected to gather further steam going forward. The number of Ultra HNIs (High Networth Investors) is also increasing in India at a rapid pace. The ultra HNIs not only spend heavily, but also look at innovative and value spending. Also, impulse spending was a small proportion of their entire spending pattern. Amongst the high-income group, Real estate holds the largest share of the investable surplus available at 37.2 per cent (estimated) for FY '11 which is expected to go up to 40.5 per cent by next fiscal.

### **Mumbai Real Estate**

Mumbai continues to be one of the most resilient real estate markets in India. According to a recent report Mumbai is ranked 38 in the list of top global cities index. Meanwhile, according to the Attitudes Survey of the Wealth Report 2011, Mumbai was ranked 13 in the list of top 40 cities for ultra high net worth individuals ahead of cities like Los Angeles, Chicago, Moscow and San Francisco.

Mumbai is the best performing and rewarding real estate market in India. Real estate investment offer great scope for diversification of risk into different property types, locations and rental levels. As most of the media BPO and financial sector have their corporate offices in Mumbai, the opportunities for jobs and business is tremendous, which in turn influences the need of quality housing. The demand for property in Mumbai is always high because of high migration and low supply of development land. Mumbai has been adding a tremendous number of jobs for a number of years

The property prices in Mumbai vary drastically across the city. Localities like Bandra, Andheri, Malad and Goregoan are in very high demand as they have emerged as a new Business Districts of Mumbai and have gained prominence over South Mumbai because of their connectivity to various parts of the city and proximity to Airport. Several areas of Navi Mumbai like Airoli, Vashi and Panvel have seen increasing demand due to announcement of International Airport in Navi Mumbai.

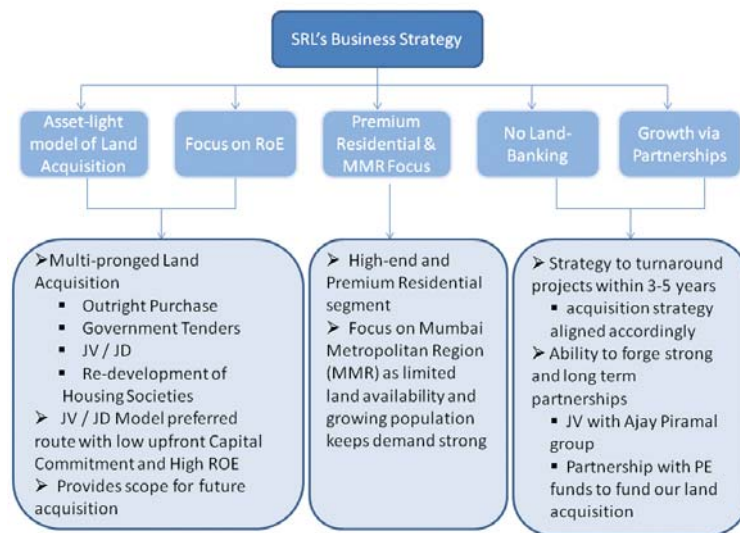
## Management Discussion & Analysis

### C. Business Overview:

Sunteck Group is one of the leading real estate development group in India with a unique business model focused on differentiated product offerings. The Company is built on sound corporate governance practices, transparency in dealings, world-class quality standards and clear business focus. All of these are built on understanding of customer requirements aimed at delivering premium products which are efficient in space and resource planning. This has helped in making Sunteck an unparalleled brand in the premium segment in the short period of time since our development foray in 2005.

Sunteck Realty Ltd is primarily focused on Mumbai. It operates under the Brand names Sunteck, Signia and Signature across the commercial, luxury and premium housing segments respectively.

Sunteck has a 50:50 Joint venture agreement with the Ajay Piramal Group for developing high-end realty projects in the city centric locations in Mumbai and locations of select Tier II cities Jaipur (adjoining Bani Park) and Nagpur.



### STRENGTHS AND OPPORTUNITIES

#### Strong Brand and Recognition:

Your company has been able to successfully create a niche in the ultra premium and Luxury housing segment of Real estate in Mumbai through its prudent marketing and positioning of its projects in each micro-market of MMR. Your company continues to pursue its effort to meet the expectations of its niche customers by offering high end residential spaces with diverse range of marque residential projects, exquisite design and superior quality by adopting the highest standards of international living. Strong brand recognition of our brands 'Signature' for Ultra Luxury Residential and 'Signia' for Luxury Residential has helped your company to enjoy premium to the Sales prices over competing projects and draw higher profit margins.

#### High Cash flow visibility and Launch pipe-line

Your company has achieved Sales of over Rs. 16,400 mn at consolidated level. In FY 11 the company collected about Rs. 4,733.02 mn of customer advances taking the total customer advances to about Rs. 6,460 mn. The committed sales give a high visibility on the cash flows for the company in the coming Financial Years. Apart from the 5 Residential and 3 commercial projects under execution, your company is looking forward to launch 5 new residential projects in FY 12 which includes launches at Goregaon, Mulund, Navi Mumbai, Andheri and Thane. This will further enhance the cash flow position of your company.

#### Prudent Land Acquisition and low leverage

Your company has yet again shown its strength in terms of its Land acquisition skills by acquiring a number of Land parcels at low costs. The company bought lands with near term turnaround and cash flow visibility in locations like Goregaon, Andheri, Kalina (Santacruz) and Airoli (Navi Mumbai) totaling to 2 mn Sqfts in terms of saleable area. These lands were bought through different mechanisms like Out-right purchase, Re-development, Joint Development and tenders respectively showing your company's strength in acquisition through different modes across MMR. The company has managed to grow its portfolio rapidly over the last few years while keeping its Debt levels in check. The Secured Net Debt of your company is about Rs. 1500 mn which allows high leveraging capability to the company in case of any opportunity.

## Management Discussion & Analysis

### **Strong Partnerships and tie-ups**

Your company continues to maintain strong relationship with its partners and stake holders in its growth process. The relationship with Ajay Piramal group as a Joint Venture partner has further strengthened with new acquisitions in the current year like Airoli (Navi Mumbai) and Kalina (Santacruz, Mumbai). Your company's strategic partnerships to develop Projects out of Mumbai by way of Joint development model in cities like Nagpur, Goa, Hubli and Jaipur (near Bani Park) is reaping rewards as we are close to completing projects in Goa and Hubli to monetize these assets from the current year onwards. Your company has also continued to attract reputed contractors and well-known planners to work on our projects which have been received well by our customers.

### **High level of Transparency and Corporate Governance:**

Your Company has displayed high disclosure standards and accounting which, a critical attribute is lacking in the Real Estate Sector. Your company follows project completion method for revenue recognition and accounting purposes which is the most conservative and transparent method available for reporting its financials to Real estate companies. Sales and profits from the business are recognized only on completion of projects when all risks and liabilities of the projects are passed on to the customer on project completion. This is in line with the proposed guidelines of the International Financial Reporting System (IFRS) followed globally. Customer advances are shown as liabilities in the Balance sheet and is moved to Profit & Loss account when the project achieves completion.

### **Audit and Internal Control**

Your Company appointed Lodha & Company, Chartered Accountants in the current financial year as Statutory Auditors. Your company has appropriate internal control systems covering the gamut of business processes including acquisition, development, sales operations, financial and regulatory reporting. There are clearly defined roles and responsibilities amongst the team through an institutionalized job description and role profile definition. The human resource and related manuals enable all team members to coherently integrate into the company in quick time. Regular internal audits and checks ensure that responsibilities are executed effectively. Your company is also in the final stages of fully implementing the ERP Package in the organisation to enhance MIS reporting and Control within the company. The Audit Committee of the Board of Directors reviews the effectiveness of internal controls and provides suggestions periodically.

### **Human Resource**

Over the years, human resource has been given priority for achieving goals and objective of the company. Our workforce is the most important asset to us. Employee satisfaction and growth has been our focus at all times. We believe in aligning interest of our employee with the growth path of the company by recognizing their efforts in innovation, integrity, dedication, passion in their jobs and good governance – key ingredients of Sunteck DNA.

The Sunteck as an organization believes that its operations and action must result in enhancement of the overall entrepreneur ability of individual to gain long term value addition and growth.

This is achieved by providing:

- Fresher with job Rotation to provide them knowledge of all the process and to understand his/her interest level for long term career growth.
- Regular training of employees with development modules and superior's assistance.
- Friendly and healthy working environment for all the employees .
- Holistic human development process for all our employees to seek out leadership and good team work.

The talent pool of the company comprise of highly qualified, skilled and experienced professionals. As a company we continue to seek out talent with Sunteck DNA on continues basis across marketing and sales , architecture, legal, finance, IT, HR , corporate affair etc.

The company focuses on its core values and culture of “Dream, Plan, Act and get Results “which is reflected in HR policies and plans followed in Sunteck group.

### **CHALLENGES:**

While your company will continue to strive for growth and creating Landmarks it foresees following challenges:

- Rising inflation is resulting in increasing costs of Construction equipments and Materials which will lead to increase in costs of construction.
- Reserve Bank of India's measures to tame inflation by increasing Bank rates and thereby increased interest rates may be detrimental to the real estate especially the middle-income group segment.

## Management Discussion & Analysis

- While the Real estate industry continues to consolidate and bring more transparency, it will continue to face regulatory pressures in terms of approvals for its projects which may lead to delay in planned launches or completion

### D. Financial Review:

#### 1. Abridged Consolidated Profit & Loss Accounts

(Rs in Lacs)

Name of the Director	Year ended 31st March 11	Year ended 31st March 10
Income from Operations	2,039.37`	2,840.06
Other Income	1,030.18	237.02
Total Revenue	3,069.56	3,077.08
Total Expenditure	2,208.99	1,877.11
Profit Before Tax	860.57	1,199.97
Provision for Taxation	524.21	582.13
Profit After Tax	336.35	617.83

During the year "Income from Operation" at consolidated level reduced by 28.19% in comparison last year. However the other income increased by 793.16 lacs i.e 334.63% as compared to last year, mainly on account of dividends received on Investments and interest income. The increase in the administrative expenditure is due to the promotional activities undertaken and increase in interest payments on short term Bank borrowings. In FY 2010-11, we have received Rs 4733.02 mns as customer advances from sales bookings in the projects under execution

Your Company broadly defines "liquidity" as its ability to generate sufficient funds from both internal and external sources to meet its obligations and commitments. Your Company has financed capital requirements primarily through funds generated from its operations. Working capital requirements were met by internal accruals and short term borrowings to keep the smooth running of operations.

### E. Operational Review:

The past financial year has been challenging given the significant growth in our business across all levels of activity – acquisitions, sales and execution. This year has given us unique insights into further strengthening your company to keep it in readiness to hit the ground running, with significant developments getting into a launch position over the current and the next year.

#### 1. Continuing and renewed focus on Design, Construction and Execution Delivery

We have directed our resources to enable construction starts, for all our projects as per our plans and with the most efficient use of our resources – both within the team and from our associated partners – including our construction contractors, architects, structural engineers and legal counsel. We were able to launch projects such as Signia Isles (BKC), Signia Pearl (BKC), Signia High (Borivali) and Signia Oceans (Airoli) in quick time while reaching the important milestone of habitable floor in Signature Island through a combined effort and focus from all stakeholders to the execution process and received great response from our discerning clientele. Given Sunteck's focus on Mumbai, where most developments would be high rise buildings, the company is constantly innovating in terms of the design and structural elements of the projects to bring in more efficient use of light, energy, space utilization while using construction technologies and engineering contracting expertise for speedier and more effective cost and quality control on its projects.

#### Cautionary statement

Statements in the Management Discussion and Analysis describing the company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable security laws and regulations. Actual results could differ materially from those expressed or implied. In accordance with the Code of Corporate Governance approved by the Securities and Exchange Board of India, shareholders and readers are cautioned that in the case of data and information external to the company, no representation is made on its accuracy and comprehensiveness though the same are based on sources believed to be reliable. Utmost care has been taken to ensure that the opinions expressed by the management herein contain its perceptions on the material impacts on the company's operations but it is not exhaustive.





# **Standalone Financial Statements**

# Auditor's Report

**To**  
**The Members,**  
**Sunteck Realty Limited.**

1. We have audited the attached Balance Sheet of Sunteck Realty Limited as at 31st March, 2011, the Profit & Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. Opening Balances have been taken on the basis of the annual report for the year ended 31st March, 2010 audited by another firm of Chartered Accountants who have issued an unqualified opinion dated 12th August 2010.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (hereinafter referred to as the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards prescribed by Companies (Accounting Standards) Amendment Rules, 2006, to the extent applicable;
- e) On the basis of written representations received from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of Section 274 (1)(g) of the Act;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with "Significant Accounting Policies and notes to accounts" appearing in Schedule XVIII and those appearing elsewhere in 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 accepted in India:
  - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
  - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
  - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**For LODHA & COMPANY**  
**Chartered Accountants**

**Place: Mumbai**  
**Date: 12th August, 2011**

**R. P. Baradiya**  
**Partner**  
**Membership No. 44101**  
**Firm Registration No- 301051E**

# Auditor's Report

## **Annexure referred to in paragraph 3 of our report of even date to the Members of SUNTECK REALTY LIMITED on the financial statements as at and for the year ended 31st March, 2011**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we state that:

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) According to the information and explanations given to us, the fixed assets have been physically verified by the management in during the year in accordance with the phased programme of verification adopted by the Company and no material discrepancies were noticed on such verification. The phased programme is considered reasonable having regard to the size of the Company and nature of its business.
- c) During the year, the Company has not sold/disposed off substantial portion of its fixed assets.
2. a) During the year, the management has physically verified the inventories of construction material and stores & spares at reasonable intervals.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- c) The Company has generally maintained proper records in respect of inventories at various locations.
3. a) (i) As informed, the Company has given interest free unsecured loan to a company covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year was Rs 60,481,642 and the year end balance is Rs. 47,071,642. The loan was interest free and repayable on demand. The party has repaid the amounts as and when called for.  
  
(ii) The terms and conditions of the aforesaid loan are not prima facie prejudicial to the interest of the Company.
- b) (i) As informed, the Company has taken unsecured loan from a company covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year was Rs. 650,915,000 and the year end balance is Rs. 28,774. The loans are repayable on demand and the Company has repaid the principal amount as and when demanded and has been regular in payment of interest.  
  
(ii) The terms and conditions of the aforesaid loan are not prima facie prejudicial to the interest of the Company.
4. In our opinion and according to the information and explanations given to us, having regard to the explanation that purchase of certain items of inventory and fixed assets and sale of services are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, subject to what is stated in para 7 below, there is an adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) According to the information and explanations given to us, we are of the opinion that particulars of contracts or arrangements that need to be entered in the register maintained under section 301 of the Act have been so entered.

## Auditor's Report

5. (b) In our opinion and according to the information and explanations given to us, the transactions have been made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding Rupees five lacs or more in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits within the meaning of Section 58A, 58AA or any other relevant provisions of the Act and Rules framed thereunder.
7. The Company has an internal audit system which in our opinion, needs to be strengthened considering the increasing activities, to be commensurate with its size and nature of its business.
8. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for the services rendered by the Company. Accordingly, paragraph 4(viii) of the Order is not applicable.
9. a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth-tax, Service tax, Customs Duty, Excise Duty, cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth-tax, Service tax, Customs Duty, Excise Duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable except the liability towards Works Contract Tax of Rs. 551,784 (since paid).
- c) According to the information and explanations given to us, there are no dues of Income tax, Sales Tax Wealth tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute except the following :

i)

Name of the Statutes	Nature of Demand	Amount (Rs.)	Period to which amount relates	Forum Where Dispute is pending
Income Tax Act, 1961	Income Tax	10,70,061	AY 2009- 2010	CIT (Appeals)

- ii) In respect of disputed Value Added Tax and Service tax matters please refer note B-14 and B-15 respectively in Schedule XVIII.

10. The Company has no accumulated losses at the end of the financial year and has not incurred cash losses in the current and immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks.
12. In our opinion and according to the information and explanations given to us, and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund / society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.

## Auditor's Report

15. In respect of guarantee given by the Company for the loan obtained by a partnership firm in which the Company is a partner, the terms and conditions are not prima facie prejudicial to the interest of the Company.
16. The Company has not taken any term loans and therefore clause (xvi) of para 4 of the Order is not applicable.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
19. The Company has not issued any debentures during the year or in the recent past.
20. The Company has not raised any money by way of public issue during the year or in the recent past.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**For LODHA & COMPANY**  
**Chartered Accountants**

**Place: Mumbai**  
**Date: 12th August, 2011**

**R. P. Baradiya**  
**Partner**  
**Membership No. 44101**  
**Firm Registration No- 301051E**

## Standalone Balance Sheet

as at 31st March 2011

(Amount in Rs.)

	Schedule	As at 31.03.11	As at 31.03.10
<b>SOURCES OF FUNDS:</b>			
<b>Shareholders' Funds</b>			
Share Capital	I	125,932,414	125,932,414
Reserves & Surplus	II	3,429,452,513	3,379,373,586
		<b>3,555,384,927</b>	<b>3,505,306,000</b>
<b>Loan Funds</b>			
Secured Loans	III	-	501,828
Unsecured Loans	IV	28,744	435,150,200
Deferred Tax Liability (Net)	V	2,770,093	910,286
	<b>Total</b>	<b>3,558,183,764</b>	<b>3,941,868,314</b>
<b>APPLICATION OF FUNDS:</b>			
<b>Fixed Assets</b>			
Gross Block	VI	85,655,952	23,473,640
Less: Depreciation and Amortisation		5,853,710	2,868,804
Net Block		79,802,242	20,604,836
Capital Work in Progress		7,461,252	-
Investments	VII	1,248,381,585	869,297,445
<b>Current Assets, Loans &amp; Advances</b>			
Construction work in Progress	VIII	725,874,776	301,665,171
Sundry Debtors	IX	36,145,644	97,511,737
Cash & Bank Balances	X	6,363,873	62,400,266
Loans & Advances	XI	1,881,273,709	2,710,448,008
	(A)	2,649,658,002	3,172,025,182
<b>Less : Current Liabilities &amp; Provisions</b>			
Current Liabilities	XII	413,040,746	101,288,135
Provisions	XIII	14,078,571	18,771,014
	(B)	427,119,317	120,059,149
Net Current Assets	(A-B)	2,222,538,685	3,051,966,033
	<b>Total</b>	<b>3,558,183,764</b>	<b>3,941,868,314</b>
Significant Accounting Policies & Notes to Accounts	XVIII		

As per our report of even date attached

For Lodha & Co.  
Chartered AccountantsR.P. Baradiya  
PartnerMembership No: 44101  
Mumbai: 12th August, 2011For and on behalf of the Board of Directors  
of Sunteck Realty LimitedKamal Khetan  
Chairman & Managing DirectorJignesh Sanghavi  
Executive DirectorRamakant Nayak  
DirectorKishore Vussonji  
DirectorM. Kalahasthi  
DirectorRachana Hingarajia  
Company Secretary

# Profit & Loss Account

for the Year Ended 31st March 2011

(Amount in Rs.)

	Schedule	As at 31.03.11	As at 31.03.10
<b>Income</b>			
Income From Operations	XIV	147,524,900	163,841,639
Other Income	XV	10,877,166	18,572,332
<b>Total:</b>		<b>158,402,066</b>	<b>182,413,971</b>
<b>Expenditure</b>			
Operating Expenses	XVI	3,869,484	31,663,740
General, Administrative & Other Expenses	XVII	65,334,319	42,693,065
Depreciation and Amortisation		2,953,896	1,092,899
<b>Total</b>		<b>72,157,699</b>	<b>75,449,704</b>
<b>Profit Before Tax</b>		<b>86,244,367</b>	<b>106,964,267</b>
<b>Less : Provision for Taxation</b>			
-Current Tax		22,407,700	32,820,425
-Deferred Tax		1,859,808	335,869
-Short/(Excess) Provision of Income Tax of Earlier Year		-	1,417,061
<b>Profit After Tax</b>		<b>61,976,859</b>	<b>72,390,912</b>
<b>Add : Balance Brought forward from P.Y.</b>		<b>166,155,826</b>	<b>111,980,275</b>
<b>Profit Available for Appropriation</b>		<b>228,132,685</b>	<b>184,371,187</b>
<b>Less:</b>			
-Credit of DDT on Subsidiaries Dividend		1,274,640	-
-Transfer to General Reserve		-	1,809,773
-Proposed Dividend		11,333,917	7,555,945
-Tax on Proposed Dividend		1,838,654	1,284,140
-Interim Dividend		-	7,556,003
-Tax on Interim Dividend		-	9,500
<b>Balance Carried forward to Balance Sheet</b>		<b>216,234,754</b>	<b>166,155,826</b>
Basic Earnings per share (Face Value Rs. 2 each)		0.98	1.19
Diluted Earnings per share (Face Value Rs. 2 each)		0.98	1.19
Significant Accounting Policies & Notes to Accounts	XVIII		

For and on behalf of the Board of Directors  
of Sunteck Realty Limited

As per our report of even date attached

For Lodha & Co.  
Chartered Accountants

R.P. Baradiya  
Partner

Membership No: 44101  
Mumbai: 12th August, 2011

Kamal Khetan  
Chairman & Managing Director

Jignesh Sanghavi  
Executive Director

Ramakant Nayak  
Director

Kishore Vussonji  
Director

M. Kalahasthi  
Director

Rachana Hingarajia  
Company Secretary

# Standalone Cash Flow Statement for the

## Year Ended 31st March, 2011

(Amount in Rs.)

	Year ended 31.03.11	Year ended 31.03.10
<b>Cash Flow from Operating Activities</b>		
Profit Before Tax and Extraordinary items	86,244,367	106,964,267
(As per Profit and Loss Account)		
Adjustments for:		
Depreciation	2,953,896	1,092,899
Interest Income	(3,211,553)	(172,956)
Dividend Income	(7,590,724)	(17,026,856)
Retirement Benefits	745,768	116,000
Interest Expenditure	20,727	63,680
(Profit) / Loss on Sale of Investment	-	5,393,101
	(7,081,886)	(10,534,132)
<b>Operating Profit before Working Capital Changes</b>	<b>79,162,481</b>	<b>96,430,135</b>
Adjustments for:		
(Increase)/Decrease in Inventories	(424,134,364)	(153,246,571)
(Increase)/Decrease in Sundry Debtors	61,366,093	(92,823,004)
(Increase)/Decrease in Other Receivable	816,425,567	(246,437,404)
Increase/(Decrease) in Current Liabilities & Provision	311,752,612	58,171,574
	765,409,908	(434,335,405)
<b>Cash Generated From Operations</b>	<b>844,572,389</b>	<b>(337,905,270)</b>
Less: Income Tax Paid	11,908,394	18,819,589
<b>Cash Inflow Before Prior Period Adjustments</b>	<b>832,663,995</b>	<b>(356,724,859)</b>
Less : Prior Period Adjustment	-	-
<b>Net Cash from / (Used in) Operating Activities</b> A	<b>832,663,995</b>	<b>(356,724,859)</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets & Expenditure for Capital WIP	(69,643,565)	(10,027,385)
Sale of Investments	82,553,533	512,408,933
Purchases of Investments Others	(75,526,101)	(1,758,985,402)
Purchases of Investments in Subsidiaries	(386,111,574)	(5)
Profit / (Loss) on Sale of Investment	-	-
Investments in immovable property	-	(47,183,824)
Interest Received	3,211,553	172,956
Dividend received	7,590,724	17,026,856
	(437,925,430)	(1,286,587,871)
<b>Net Cash from / (Used in) Investing Activities</b> B	<b>(437,925,430)</b>	<b>(1,286,587,871)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from issue of Securities	-	5,932,414
Proceeds from premium on issue of Securities	-	1,535,685,549
Repayment of Secured Loans	(501,828)	(506,380)
Repayment of Unsecured Loans ( Net)	(435,121,456)	(61,050,000)
Dividend Distribution Tax Paid on Dividend Issued	(19,000)	-
Dividend Paid	(15,111,948)	-
Received of Unsecured Loans	-	223,988,200
Interest Payment	(20,727)	(63,680)
	(450,774,959)	1,703,986,103
<b>Net Cash from Financial Activities</b> C	<b>(450,774,959)</b>	<b>1,703,986,103</b>
<b>Net Increase/ Decrease in Cash and Cash Equivalents (A+B+C)</b>	<b>(56,036,393)</b>	<b>60,673,373</b>
Cash and Cash Equivalents - Opening Balance	62,400,266	1,726,893
Cash and Cash Equivalents - Closing Balance	6,363,873	62,400,266

As per our report of even date attached

For and on behalf of the Board of Directors  
of Sunteck Realty LimitedFor Lodha & Co.  
Chartered AccountantsR.P. Baradiya  
PartnerMembership No: 44101  
Mumbai: 12th August, 2011Kamal Khetan  
Chairman & Managing DirectorJignesh Sanghavi  
Executive DirectorRamakant Nayak  
DirectorKishore Vussonji  
DirectorM. Kalahasthi  
DirectorRachana Hingarajia  
Company Secretary



## Schedules Annexed to form

## Part of Financial Statements

(Amount in Rs.)

	As At - 31.03.11	As At - 31.03.10
<b>SCHEDULE - I</b>		
<b>Share Capital</b>		
<b>Authorised</b>		
93,750,000 (P.Y. 68,750,000) Equity Shares of Rs. 2 each	187,500,000	137,500,000
1,250,000 (P.Y. 1,250,000) Optionally Convertible Redeemable Preference Shares of Rs. 10 each	12,500,000	12,500,000
<b>Total</b>	<b>200,000,000</b>	<b>150,000,000</b>
<b>Issued, Subscribed and Paid Up</b>		
62,966,207 (P.Y. 62,966,207) Equity Shares of Rs. 2 each fully paid up	125,932,414	125,932,414
<b>Total</b>	<b>125,932,414</b>	<b>125,932,414</b>
<b>SCHEDULE - II</b>		
<b>Reserves &amp; Surplus</b>		
<b>Securities Premium</b>		
Balance as per last Balance Sheet	3,211,407,987	1,675,722,438
Add: Fresh issue of Equity Shares	-	1,578,467,055
Less: Security Issue Expenses	-	42,781,506
<b>A</b>	<b>3,211,407,987</b>	<b>3,211,407,987</b>
General Reserve	1,809,773	1,809,773
Profit & Loss Account (as per Annexed Account)	216,234,753	166,155,826
<b>B</b>	<b>218,044,526</b>	<b>167,965,599</b>
	-	-
<b>Total (A + B)</b>	<b>3,429,452,513</b>	<b>3,379,373,586</b>
<b>SCHEDULE - III</b>		
<b>Secured Loans</b>		
<b>From Banks</b>		
Vehicle Loan	-	501,828
(Secured by Hypothecation of Motor Car)		
<b>Total</b>	<b>-</b>	<b>501,828</b>
<b>SCHEDULE - IV</b>		
<b>Unsecured Loans</b>		
<b>Other Loans &amp; Advances</b>		
From Body Corporate	28,744	135,400,000
From Directors	-	299,750,200
<b>Total</b>	<b>28,744</b>	<b>435,150,200</b>
<b>SCHEDULE - V</b>		
<b>Deferred Tax Liability</b>		
Opening Balance	910,286	574,417
Add : During the year	1,859,807	335,869
<b>Total</b>	<b>2,770,093</b>	<b>910,286</b>

# Schedules Annexed to form

## Part of Financial Statements

(Contd.)

### Schedule -VI

Fixed Assets as at 31st March 2011

(Amount in Rs.)

Sr. No	Particulars	Gross Block			Depreciation and Amortisation*			Net Block	
		As at 01.04.2010	Additions during the year	Deductions during the year	As At 31.03.2011	Up to 01.04.2010	For The Year	As At 31.03.2011	As At 31.03.2010
1	Office Buildings	-	59,943,973	-	59,943,973	-	977,086	58,966,887	-
2	Air Conditioners	3,154,805	450,000	-	3,604,805	91,894	163,322	3,349,589	3,062,911
3	Office Equipments	323,097	397,876	-	720,973	36,899	25,748	658,326	286,198
4	Furniture & Fixtures	14,349,367	53,274	-	14,402,641	229,304	910,241	13,263,096	14,120,063
5	Vehicles	1,810,101	-	-	1,810,101	388,554	171,960	1,249,587	1,421,547
6	Computers & Peripherals	3,836,270	788,564	-	4,624,834	2,122,153	686,366	1,816,315	1,714,117
7	Softwares (Intangible Assets)	-	548,625	-	548,625	-	50,182	498,443	-
	Current Year	23,473,640	62,182,312	-	85,655,952	2,868,804	2,984,905	79,802,243	20,604,836
	Previous Year	5,288,708	18,184,932	-	23,473,640	1,775,904	1,092,899	20,604,836	3,512,804

\* Includes depreciation of Rs. 31,009 Transferred to Construction WIP

# Schedules Annexed to form

## Part of Financial Statements

(Amount in Rs.)

	As At - 31.03.11	As At - 31.03.10
<b>SCHEDULE - VII</b>		
<b>Investments</b>		
Long Term Investment (Non Trade)		
In Properties		
Immovable Property	139,660,819	199,604,793
Transfer Development Rights (TDR)	57,390,642	80,000,202
<b>A</b>	<b>197,051,461</b>	<b>279,604,995</b>
<b>In Shares (Quoted)</b>		
Punjab Communication Limited	12,600	12,600
1,000 (P. Y. 1,000) equity shares of Rs. 10 each fully paid up		
<b>In Shares (Unquoted) - Subsidiaries</b>		
Starlight Systems Private Limited	413,270,000	27,470,000
320,000 (P. Y. 240,000) equity shares of Rs. 10 each fully paid up		
Satguru Infocorp Services Private Limited	104,384,070	104,384,070
375,000 (P. Y. 375,000) equity shares of Rs. 10 each fully paid up		
Amenity Software Private Limited	14,085,125	14,085,125
50,000 (P. Y. 50,000) equity shares of Rs. 10 each fully paid up		
Magenta Computer Software Private Limited	13,132,750	13,132,750
50,000 (P. Y. 50,000) equity shares of Rs. 10 each fully paid up		
Skystar Buildcon Pvt Ltd	99,900	-
9,990 (P. Y. NIL) equity shares of Rs. 10 each fully paid up		
Sunteck Property Holding Pvt Ltd	100,000	-
10,000 (P. Y. NIL) equity shares of Rs. 10 each fully paid up		
<b>In Shares (Unquoted)- Joint Ventures</b>		
Nariman Infrastructure Pvt Ltd (Shares)	111,669	-
50,00 (P. Y. Nil) equity shares of Rs. 10 each fully paid up		
Piramal Sunteck Realty Private Limited	284,532,010	284,532,005
500,001 (P. Y. 500,001) equity shares of Rs. 10 each fully paid up		
(including 1share of Non-Voting of Class B of Rs. 10 each)		
<b>In Partnership Firm and LLP</b>		
Topzone Mercantile Company LLP (25%)	75,401,100	-
Uniworth Realty LLP (50%)	50,000	-
V3 Designs LLP (50%)	75,000	-
Kanaka & Associates (50%)-Partnership Firm	50,000,000	50,000,000
<b>In Shares (Unquoted) - Others</b>		
Samhrutha Habitat Infrastructure Private Limited	26,100,000	26,100,000
2,535,000 (P. Y. 2,535,000) equity shares of Rs. 10 each fully paid up		
Satguru Capital & Finance Private Limited	1,500,000	1,500,000
150,000 (P. Y. 150,000) equity shares of Rs. 10 each fully paid up		
Saraswat Co-op. Bank Limited	700	700
70 (P. Y. 70) equity shares of Rs. 10 each fully paid up		
<b>B</b>	<b>982,854,924</b>	<b>521,217,250</b>
<b>In Debenture</b>		
684,752 (P. Y. 684,752) OCD of Rs. 100 each of Starlight		
Systems Private Limited	68,475,200	68,475,200
<b>C</b>	<b>68,475,200</b>	<b>68,475,200</b>
<b>Total (A+B+C)</b>	<b>1,248,381,585</b>	<b>869,297,445</b>
<b>Notes :</b>		
1. Market Value of Quoted Investments	52,000	64,750
2. Aggregate amount of quoted Investments	12,600	12,600
3. Aggregate amount of unquoted investments	1,248,368,985	869,284,845

## Schedules Annexed to form

## Part of Financial Statements

(Amount in Rs.)

	As At - 31.03.11	As At - 31.03.10
<b>SCHEDULE VIII</b>		
Construction work in Progress		
(Valued at Cost)		
(Refer Note No B (13) of Schedule XVIII)	725,874,776	301,665,171
<b>Total</b>	<b>725,874,776</b>	<b>301,665,171</b>
<b>SCHEDULE IX</b>		
Sundry Debtors		
(Unsecured, Considered Good)		
Debts outstanding for a period exceeding six months	-	-
Other Debts	36,145,644	97,511,737
<b>Total</b>	<b>36,145,644</b>	<b>97,511,737</b>
<b>SCHEDULE X</b>		
Cash & Bank Balances		
Cash in hand	5,076	9,236
Balance with Scheduled Bank		
In Current Account	6,358,797	62,391,030
<b>Total</b>	<b>6,363,873</b>	<b>62,400,266</b>
<b>SCHEDULE XI</b>		
Loans & Advances		
(Unsecured, Considered good)		
Advances recoverable in cash or in kind or for value to be received	6,534,046	192,838
Advances Against Construction Projects	211,845,459	423,232,028
Other Loans and Advances & Deposits (includes loans given to Subsidiary & Others Rs.106,239,512; P.Y. Rs. 110,085,000)	1,658,777,907	2,283,224,778
Advance Income Tax (Net of Provision for Tax of Rs.56,795,275) and Cenvat Credit (Rs. 255,030; P.Y. Rs. 3,798,364)	4,116,297	3,798,364
<b>Total</b>	<b>1,881,273,709</b>	<b>2,710,448,008</b>
<b>SCHEDULE - XII</b>		
Current Liabilities		
Sundry Creditors		
Sundry Creditors ( Refer Note No. B (10) of Schedule XVIII)	16,021,101	40,751,688
Other Liabilities	38,725,219	45,036,447
Advance from Customers towards Properties	358,294,426	15,500,000
<b>Total</b>	<b>413,040,746</b>	<b>101,288,135</b>
<b>SCHEDULE XIII</b>		
Provisions		
Provision for Tax net of advance Tax (P.Y. Rs.30,570,999)	-	2,249,426
Dividend Distribution Tax on Interim Dividend	-	9,500
Dividend Distribution Tax on Proposed Dividend	1,838,654	1,284,140
Proposed Dividend	11,333,917	15,111,948
Retirement Benefits	906,000	116,000
<b>Total</b>	<b>14,078,571</b>	<b>18,771,014</b>

## Schedules Annexed to form

### Part of Financial Statements

(Amount in Rs.)

	As At - 31.03.11	As At - 31.03.10
<b>SCHEDULE XIV</b>		
<b>Income From Operations</b>		
Property & Project Management Fees (Inclusive Tds of Rs.16,252,629; P.Y. Rs. 9,479,780)	147,524,900	163,841,639
<b>Total</b>	<b>147,524,900</b>	<b>163,841,639</b>
<b>SCHEDULE XV</b>		
<b>Other Income</b>		
Interest on Fixed Deposit (P. Y. Tds of Rs 3,390)	-	22,915
Other Interest (Inclusive Tds of Rs.357,370 ; P.Y. Rs. 95,174)	3,211,553	150,041
Dividend from Current Investments -Mutual Funds	90,724	9,526,716
Dividend on Long Term Unquoted Shares-Subsidiaries	7,500,000	7,500,140
Miscellaneous Income	74,889	399
Profit on Sale of Short Term Investments	-	1,372,121
<b>Total</b>	<b>10,877,166</b>	<b>18,572,332</b>
<b>SCHEDULE XVI</b>		
<b>Operating Expenses</b>		
Operating Expenses	3,869,484	31,663,740
<b>Total</b>	<b>3,869,484</b>	<b>31,663,740</b>
<b>SCHEDULE XVII</b>		
<b>General Administrative &amp; Other Expenses</b>		
Advertisement & Sales Promotion Expenses	15,918,742	1,994,368
Auditors' Remuneration	500,000	50,000
Bank Charges & Interest	95,607	8,079
Brokerage & Commission	1,699,950	1,150,000
Electricity Charges	1,514,902	1,457,204
Retirement Benefits	745,768	116,000
Insurance Expenses	25,304	42,950
Interest on Car Loan	20,727	63,680
Legal & Professional Fees	14,907,314	13,492,936
Listing Expenses	138,750	154,437
Miscellaneous Expenses	3,171,739	1,534,414
Membership Fees and Entrance Fees	566,758	50,000
Rent, Rates & Taxes	1,300,178	885,313
Repairs & Maintenances - Others	1,062,538	232,653
Employee Cost (Including Contribution to Provident Fund Rs. 987,052; P.Y. Rs. Nil)	21,137,395	11,491,290
Loss on Sale of Short Term Investments	-	6,765,222
Roc Filing fees	358,560	10,590
Directors Sitting Fees	65,000	85,000
Sundry Balances written off	800,000	-
Staff Welfare Expenses	152,754	178,888
Securities Transaction Tax	-	835,598
Travelling & Conveyance Expenses	887,728	2,094,443
Exchange Rate Difference (Net)	264,605	-
<b>Total</b>	<b>65,334,319</b>	<b>42,693,065</b>

## Schedules Annexed to form

## Part of Financial Statements

**SCHEDULE XVIII**

Significant Accounting Policies and Notes to Accounts forming part of Financial Statements for the year ended 31st March, 2011

**A) SIGNIFICANT ACCOUNTING POLICIES****1. Nature of Operations**

The Company is engaged in the business of real estate/ real estate development and incidental services.

**2. Basis of preparation of financial statements**

The financial statements are prepared in accordance with Generally Accepted Accounting Principles ("GAAP") in India under the historical cost convention, on accrual basis. GAAP comprises mandatory Accounting Standards issued by the Companies (Accounting Standards) Amendment Rules, 2008 and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

**3. Use of Estimates**

The Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates is recognized prospectively.

**4. Revenue Recognition****i) Revenue for real estate development/sale**

The Company follows completed project method of accounting. Allocable expenses incurred during the year are debited to work- in-progress account. The revenue is accounted for as and when the significant risks and rewards of ownership of the units in real estate are passed to the buyer and the Projects get completed or substantially completed, to the extent that the economic benefits will flow to the Company and the revenue can be reliably measured.

**ii) Dividend**

Dividend is recognised when the shareholders' right to receive payment is established by the balance sheet date.

**iii) Profit/Loss from Partnership Firms/LLP/AOP**

Share of profit / loss from firms in which the Company is a partner is accounted for in the financial period ending on (or before) the date of the balance sheet on the basis of audited accounts and as per the terms of the respective partnership deeds.

**iv) Maintenance Services**

Revenue in respect of maintenance services is recognised on an accrual basis, in accordance with the terms of the respective contract.

**5. Construction Work in Progress**

Construction Work In Progress comprises of Land and development rights, Construction materials, Work-in-progress, completed unsold flats/units. These are valued at lower of the cost and net realizable value.

## Schedules Annexed to form

### Part of Financial Statements

#### Construction Work in Progress are valued as follows:

Land	Land and development rights including development cost and Financial Costs.
Construction materials	Construction materials are valued at cost if the completed unsold flats/units in which they will be incorporated are expected to be sold at or above cost otherwise lower of cost and net realizable value. Cost is determined on a weighted average basis.
Work-in-progress (Land/ Real Estate under development)	Work-in-progress is valued at cost if the completed unsold flats/units are expected to be sold at or above cost otherwise at lower of cost and net realizable value. Cost includes direct expenditure relating to construction activity (including land cost) and indirect expenditure (including borrowing costs) during the construction period to the extent the expenditure is related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the Profit and Loss Account.
Completed unsold flats/units	Lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business; less estimated costs of completion (wherever applicable) and estimated costs necessary to make the sale.

#### 6. Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Capital work in progress includes expenditure incurred till the assets are put into intended use.

#### 7. Depreciation

Depreciation is provided using the Straight Line Method at the rates and in the manner as prescribed under schedule XIV of the Companies Act, 1956. In case of Software, the same is amortized over a period of five years.

#### 8. Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet dates and if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to extent of the carrying value of the asset that would have been determined (net of amortization / depreciation), had no impairment loss been recognized.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

#### 9. Investments

Investments that are readily realizable and intended to be held for not more than one year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost or fair value determined on individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary decline in the value of the investments.

## Schedules Annexed to form

## Part of Financial Statements

**10. Employee benefits****Defined Contribution Plan**

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the period when the contributions to the fund are due. There are no other obligations other than the contribution payable to the government funds.

**Defined Benefit Plan**

Company's liabilities towards gratuity liability are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each balance sheet date. Actuarial gains/losses are immediately taken to Profit and Loss Account and are not deferred.

**Compensated absences****Short term**

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of the benefit expected to be availed by the employees.

**Long Term**

Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to profit and loss account in the year in which such gains or losses are determined.

**11. Borrowing Costs**

Borrowing costs relating to acquisition and/or construction of qualifying assets are capitalized to the extent that the funds are borrowed and used for purpose of constructing a qualifying asset until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs which are not related to acquisition and/or construction activities nor are incidental thereto are charged to the Profit and Loss account.

**12. Taxation**

Tax expense comprises of current income tax and deferred income tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. It recognizes unrecognised deferred tax assets to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. Minimum Alternative Tax (MAT) credit is recognised as an asset and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.



## Schedules Annexed to form

### Part of Financial Statements

#### 13. Foreign Currency Transactions

Transactions in foreign currency are recorded at the rate of exchange in force on the date of the transactions. Current assets and Current liabilities in foreign currency are translated at the exchange rate prevalent at the date of the Balance Sheet.

Any income or expenses on account of exchange difference either on settlement or on translation is reconginsed in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

#### 14. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

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

#### 15. Provisions, Contingent Liabilities and Contingent Assets

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

Possible future obligations or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, is disclosed as contingent liabilities in the notes to accounts of financial statements.

Contingent Assets are neither recognized nor disclosed in the financial statements.

#### 16. Share Issue Expenses

Share issue expenses including expenses incurred on increase in authorized share capital and premium payable on securities are adjusted against Securities Premium Account.

#### 17. Leases

##### i) Where Company is the lessee

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating lease. Operating lease payments are recognised as an expense in the Profit and Loss Account on Straight Line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the Lease.

##### ii) Where Company is the lessor

Assets representing Lease arrangements given under operating leases are included in Investments. Lease income is recognized in the Profit and Loss Account on Straight Line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the Lease.

#### 18. Cash Flow Statement

Cash flow statement has been prepared under the 'Indirect Method'. Cash and cash equivalents, in the cash flow statement comprise unencumbered cash and bank balances.

## Schedules Annexed to form

## Part of Financial Statements

**B) NOTES FORMING PART OF FINANCIAL STATEMENT****1. Contingent Liabilities, not provided for, exist in respect of:**

- i) The stamp duty and registration charges arising on amalgamation or reconstruction of various companies carried out as per High Court Order's under section 394 of the Companies Act, 1956. The amount of whereof is not ascertainable at present.
- ii) Company's share in a Corporate Guarantee for Rs. 64,092,072 (Previous year Rs. Nil) given to a Bank towards credit facility on behalf of a partnership firm in which company is a partner.

iii)

Name of Statute	Nature of Dues	Amount (Rs.)	Paid against demand	Period to which amount relates	Forum where disputes is pending
Income Tax Act, 1961	Demand u/s 156	1,063,893(including interest upto date of demand	-	F.Y.2008-2009 (A.Y. 2009-10)	CIT(A)

**2. Auditors' Remuneration (excluding service tax )**

(Amount in Rs.)

Particulars	Year ended 31st March 2011	Year ended 31st March 2010
Statutory Audit Fees	3,50,000	40,000
Tax Audit Fee	1,50,000	10,000
Total	5,00,000	50,000

**3. Earnings Per Share**

(Amount in Rs.)

Particulars	Year ended 31st March 2011	Year ended 31st March 2010
Net profit for the year attributable to equity shareholders (Rs.)	61,976,859	72,390,912
Weighted Average No. of Equity shares outstanding for Basic / Diluted Earnings per share	62,966,207	60,991,445
Basic/Diluted Earnings per share (face value of Rs. 2 each) (Rs.)	1.00	1.19

**4. Deferred Tax Assets/ (Liability) comprises the following :**

(Amount in Rs.)

Particulars	As per Books	As per IT	Difference	DTA/ (DTL)
WDV of Fixed Assets	79,802,244 (20,604,836)	71,264,432 (17,864,456)	8,537,812 (2,740,380)	2,770,093 (910,286)
Closing Deferred Tax Liability		2,770,093 (910,286)		
Opening Deferred Tax Liability		910,286 (574,417)		
Charged to Profit & Loss A/c		1,859,808 (335,869)		

Figure in brackets indicates figures of previous year

## Schedules Annexed to form

## Part of Financial Statements

### 5. Movement in Investments (in Units)

Figure in brackets indicates figures of previous year

Name of Scheme	Opening Balance	Purchase	Sales	Closing Balance
HDFC Cash Management Fund-TAP	- (-)	27,20,502.794 (850,111,431)	27,20,502.794 (850,111,431)	- (-)
Starlight Systems Pvt. Ltd.	240,000 (240,000)	80,000 (-)	- (-)	320,000 (240,000)
Punjab Communication Ltd.	1,000 (1,000)	-	-	(1,000) (1,000)
Nariman Infrastructure Pvt. Ltd.(Shares)	- (-)	5,000 (-)	- (-)	5,000 (-)
Skystar Buildcon Pvt. Ltd.(Shares)	- (-)	10,000 (-)	10 (-)	9,990 (-)
Sunteck Property Holding Pvt. Ltd. (Shares)	- (-)	10,000 (-)	- (-)	10,000 (-)
Topzone Mercantile Pvt. Ltd. (Shares)	- (-)	50,000 (-)	50,000* (-)	- (-)
Uniworth Realty Pvt. Ltd.(Shares)	- (-)	5,000 (-)	5,000* (-)	- (-)
V3 Designs Pvt. Ltd. (Shares)	- (-)	7,500 (-)	7,500* (-)	- (-)

\*Shares converted into LLP

### 6. Disclosure of "Employee Benefits" as per Accounting Standard-15 (Revised) is as under :

#### Defined Benefits Plans

(Amount in Rs.)

Particulars	Year ended 31st March 2011	Year ended 31st March 2010
Method	Projected Unit Credit Method	Projected Unit Credit Method
Assumptions		
Discount Rate	8.00% P.A.	8.00% P.A.
Expected Return On Plan Assets	NA	NA
Mortality	L.I.C. (1994-96) Ult. Mortality Tables	L.I.C. (1994-96) Ult. Mortality Tables
Future Salary Increases	6.5% P.A.	6.5% P.A.
Disability	NIL	NIL
Attrition	1.5% - 2% depending on Age	1.5% - 2% depending on Age
Retirement	58 Years	58 Years

## Schedules Annexed to form

## Part of Financial Statements

**Changes in the Present Value of the Obligation and in the Fair Value of the Assets**

Present Value Of obligation 01-04-2010	1,16000	
Interest Cost	9,280	
Current Service Cost	482,913	11,6000
Past Service Cost	-	-
Benefits Paid	-	-
Actuarial (gain) loss on Obligation	297,807	-
Present Value Of obligation 31-03-2011	906,000	11,6000

Fair value of plan Assets 01-04-2010	-	-
Expected Return On plan assets	-	-
Contributions	-	-
Benefits Paid	-	-
Actuarial gain (Loss) Plan Assets	-	-
Fair value of plan Assets 31-03-2011	-	-
Total Actuarial gain (loss) to be recognized	-	-

**Balance Sheet Recognition**

Present Value Of Obligation	906,000	116,000
Fair Value Of Plan Assets	-	-
Liability (assets)	906,000	116,000
Unrecognized Past Service Cost	-	-
Liability (asset) recognized in the Balance Sheet	906,000	116,000

**Profit & Loss – Expenses/WIP**

Current Service Cost	482,913	116,000
Interest Cost	9,280	-
Expected Return On plan assets	-	-
Net Actuarial (gain)loss recognized in the year	297,807	-
Past Service Cost	-	-
Expense Recognized in the statement of Profit & Loss/WIP	790,000	11,6000

**Movement in the Net Liability recognized in the Balance Sheet**

Opening Net Liability	116,000	-
Expenses	790,000	11,6000
Contribution (Actual Payment to Employees)	-	-
Closing Net Liability	906,000	11,6000

## Schedules Annexed to form

### Part of Financial Statements

(Amount in Rs.)		
<b>7. (A) Managerial Remuneration</b>		
Particulars	Year ended 31st March 2011	Year ended 31st March 2010
Remuneration to Managing Director and Executive Director	5,365,979	3,500,000
Employer's Provident Fund Contribution	577,000	-
Total	5,942,979	3,500,000

(Amount in Rs.)		
<b>(B) Computation of net profit in accordance with section 349 of the Companies Act, 1956.</b>		
Particulars	Year ended 31st March 2011	Year ended 31st March 2010
Profit before tax & extra ordinary items as per Profit & Loss Account	86,244,367	106,964,267
Add: Managerial Remuneration	5,942,979	3,500,000
Net Profit in accordance with Section 349 of the Companies Act, 1956	92,187,346	110,464,267

(Amount in Rs.)			
<b>8. The details of investments made in the capital of partnership firm as at 31st March 2011 is as under: Kanaka and Associates</b>			
Name of the Partners	Share of Partners	Year ended 31st March 2011 Capital	Year ended 31st March 2010 Capital
Sunteck Realty Limited	50 %	50,000,000	50,000,000
Kanaka & Associates (Prop.)	50 %	50,000,000	50,000,000
Total	100 %	100,000,000	100,000,000

9. A) In the opinion of the management, value on realization of current assets, loans and advances in the ordinary course of business will be at least equal to the amount at which they have been stated in the financial statements.  
B) The accounts of certain Debtors, Creditors and Advances are subject to confirmations, reconciliations and adjustments if any. The Management does not expect any material difference affecting the current year financial statements on such reconciliation / adjustments.
10. In the absence of necessary information with the Company, relating to the registration status of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, the information required under the said Act could not be complied and disclosed.

#### **11. A) Related Party Disclosures**

##### **a) Names of Related Parties and Nature of Relationships**

##### **I. Subsidiary Companies**

Amenity Software Private Limited  
Magenta Computer Software Private Limited  
Satguru Infocorp Services Private Limited  
Starlight Systems Private Limited  
Sunteck Property Holdings Private Limited  
Skystar Buildcon Private Limited  
Piramal Sunteck Realty Private Limited (up to 15th March, 2011)

##### **Step Down Subsidiaries**

Piramal Sunteck Realty Mauritius Limited (up to 15th March, 2011)  
Piramal Sunteck International Limited (up to 15th March, 2011)

##### **II. Joint Ventures**

Piramal Sunteck Realty Private Limited (from 16th March, 2011)  
Kanaka and Associates

## Schedules Annexed to form

## Part of Financial Statements

V3 Design Private Limited (from 31st December, 2010 till 27th March, 2011)  
V3 Designs LLP (from 28th March, 2011)  
Uniworth Realty Private Limited (from 31st December, 2010 to 23rd March, 2011)  
Uniworth Realty LLP (from 24th March, 2011)  
Nariman Infrastructure Private Limited ((from 31st December, 2010)

## III. Associates

Topzones Mercantile Co. Private Limited (Upto 29th March, 2011)  
Topzones Mercantile Company LLP (from 30th March, 2011)

## IV. Key Management Personnel

Mr. Kamal Khetan – Chairman & Managing Director  
Mr. Jignesh Sanghavi – Whole Time Director

## V. Entity/Person/s having Significant Influence

Mrs. Manisha Khetan – Relative of Key Managerial Person  
Starteck Infraprojects Private Limited.

## b) Transactions with Related Parties

Sr. No.	Nature of Transaction	Subsidiary	Associates / Joint Venture	Entity / Persons having Significant Influence	Key Management Personnel
(I)	Transaction During the Year				
1.	Unsecured Loans Received/(Repaid)	-	-	(172,425,200)	(127,325,000)
	Previous Year	-	-	-	329,750,200
2.	Loans and Advances given-net	47,256,642	14,830,272	-	448,000
	Previous Year	15,000,000	10,000,000	-	-
	Interest on Loan Given (Gross)	-	2,842,353	-	-
	Previous Year	-	-	-	-
3.	OCRPS Application Money Given/(Returned)	624,850,000	(1,166,500,000)	-	-
	Previous Year	-	1,628,510,000	-	-
4.	Directors Remuneration	-	-	-	5,942,979
	Previous Year	-	-	-	3,500,000
5.	Business Auxiliary Services Received	-	-	2,124,358	-
	Previous Year	-	-	-	-
6.	Management & Brand Fees, Office Rent etc. (Income From Operations)	116,861,174	27,973,035	-	-
	Previous Year	49,824,205	13,236,000	-	-
7.	Investments in Subsidiary-Shares/OCD	386,000,000	-	-	-
	Previous Year	68,475,200	-	-	-
8.	Investments-LLP-Fixed	-	75,312,500	-	-
	Previous Year	-	-	-	-
9.	Loans and Advances-LLP-Current Cap	-	47,095,000	-	-
	Previous Year	-	-	-	-
10.	Investments-Firm/ Shares	-	111,674	-	-
	Previous Year	-	-	-	-
11.	Dividend Income	7,500,000	-	-	-
	Previous Year	7,500,000	-	-	-
(II)	Balances at year end				
1.	Debtors	25,790,115	8,603,081	-	-
	Previous Year	34,598,776	11,912,400	-	-
2.	Loans & Advances-Given	47,071,642	17,388,375	-	-
	Previous Year	100,000,000	10,000,000	-	-
3.	Unsecured Loans	-	-	-	-
	Previous Year	-	-	-	299,750,200
4.	Share Application Money for OCRPS-Given	524,550,000	-	-	-
	Previous Year	-	2,178,510,000	-	-
5.	OCD Investment	68,475,200	-	-	-
	Previous Year	68,475,200	-	-	-
6.	Investment in shares/ firm	545,071,945	334,643,679	-	-
	Previous Year	159,071,945.00	334,532,005	-	-
7.	Investments-LLP-Fixed Cap	-	75,526,100	-	-
	Previous Year	-	-	-	-
8.	Loans and Advances-LLP-Current Cap	-	47,095,000	-	-
	Previous Year	-	-	-	-

# Schedules Annexed to form

## Part of Financial Statements

### The above includes the following Material Transactions

(Amount in Rs.)

Name of the entity	Types of Transaction	Year ended 31st March, 2011	Year ended 31st March, 2010
Kanaka and Associates	Interest on Loan-Income	28,42,353	-
	Loan Given	14,830,272	10,000,000
Stardeck Infraprojects Private Ltd.	Business Auxiliary Services Received	21,24,358	-
Piramal Sunteck Realty Private Ltd.	Management Fees	2,79,73,035	13,236,000
	Investment in share	5	5
	OCRPS Application Money-(Returned)/ Given	(1,597,867,000)	1,628,510,000
Starlight Systems Private Ltd.	Management & Brand Fees, Office Rent etc. (Income From Operations)	109,528,228	42,049,666
	Investment in shares	385,800,000	-
	OCRPS Application Money-Given	524,550,000	-
Nariman Infrastructure Private Ltd.	OCRPS Application Money-Given	431,367,000	-
	Investments-Shares	111,669	-
Amenity Software Private Ltd.	Dividend Income	937,500	3,750,000
Magenta Computer Software Private Ltd.	Dividend Income	937,500	3,750,000
Satguru Infocorp Services Private Ltd.	Dividend Income	5,625,000	-
	Brand Fees (Income From Operations)	7,332,946	7,048,540

### NOTES:-

- Related party as identified by the management and relied upon by the Auditors.
- No balances in respect of the related parties have been provided for/written back/written off

### B) Investments in Joint Ventures

The interest of the Company in Joint ventures is listed below :

- Piramal Sunteck Realty Private Limited (PSRPL) -50%
- Nariman Infrastructure Private Limited (NIPL) -50%
- Uniworth Realty Private Limited (URPL)-50%
- Uniworth Realty LLP (URL)-50%
- V3 Designs Private Limited (VDPL)-50%
- V3 Designs LLP (VDL) -50%
- Kanaka and Associates (Partnership Firm) (Kanaka)-50%

(Rs. in Lacs)

Particulars	Year ended 31st March, 2011					Year ended 31st March, 2010
	PSRPL	NIPL	URL	VDL	Kanaka	Kanaka
Reserves & Surplus	4133.49	0.63	-	-	-	-
OCRPS Application Money	11331.93	4,313.67	-	-	-	-
Secured Loans	2891.34	-	-	-	640.92	342.55
Unsecured Loans	-	79.84	1.1	4.38	137.16	50.00
Deferred Tax Liability (Net)	1.11	-	-	-	-	-
Fixed Assets & Intangible Assets (less accumulated depreciation)	16.05	-	-	-	0.28	-
Investments	5416.66	-	-	-	-	-
Current Assets & Loans and Advances	13733.00	4,394.78	420.66	56.15	1,424.33	984.94
Current Liabilities & Provision	756.56	0.14	6.96	1.61	146.52	92.40
Total Income	123.27	-	-	-	-	-
Total Expenses(including tax)	65.36	0.03	-	0.09	-	-
Profit After Tax	57.91	(0.03)	-	(0.09)	-	-
Contingent Liability	1172.50	-	250.00	-	641.00	-

## Schedules Annexed to form

## Part of Financial Statements

**Note:**

Disclosure of financial data as per Accounting Standards-27 "Financial Reporting of Interest in the Joint Venture" has been made based on the standalone audited financial statements of the above Joint Venture entities. There is no Capital commitment at the year end in respect of above joint ventures. All above entities are incorporated in India.

**12. Expenditure in Foreign Currency (on accrual basis)**

Particulars	(Rs. In Lacs )	
	Year ended 31st March 2011	Year ended 31st March 2010
Travelling Expenses	4.22	6.42
Legal & Professional Fees	33.62	64.39
Business Promotion Expenses	1.47	-
Total	39.31	70.81

**13. Construction Work-in-Progress**

Particulars	(Rs.)	
	Year ended 31st March 2011	Year ended 31st March 2010
Land Cost	526,918,410	234,024,680
Legal and Professional	9,098,380	3,377,522
Bank and Finance charges	8,433,245	-
Salary & Staff Welfare	1,909,426	652,551
Other project related exp.	179,515,315	63,610,418
Total	725,874,776	301,665,171

14. The Government of Maharashtra had amended the provisions of Maharashtra Value Added Tax Act, 2002 ('MVAT Act'), and to provide that Value Added Tax ('VAT') is leviable under the provisions of MVAT Act on sale of premises under construction by the enterprise engaged in the business of construction. Maharashtra Chambers of Housing Industry ('MCHI') had filed a writ petition challenging the constitutional validity of the amendment. By the Interim Order dated December 7, 2007, the Hon'ble Bombay High Court, has directed to MCHI members not to register as Dealer under the provisions of MVAT Act and no order of assessment be passed. This stay of the Hon'ble Bombay High Court is still pending clearance. Further, By virtue of the Premises Ownership Agreement entered into by the Company with the purchasers of the premises, the purchaser is liable to pay, and the Company is entitled to recover, any tax/duty etc that may be leviable on the said transaction and hence the Company does not have any liability in connection with the same.

15. The Maharastra Chambers of Housing Industry (MCHI) has filed a writ petition with Mumbai High Court challenging the constitutional validity of levying service tax on construction of complex service introduced in the Budget of 2010. The Mumbai High court has granted interim stay on recovery of the service tax vide its order dated July 23, 2010. The Mumbai High Court has granted Further interim relief to petitioners on February 18, 2011 and passed the order to deposit the amount collected from clients against service tax in the high court till the final judgment and the same will be refunded alongwith interest if the judgment will be in favor of petitioners. The final judgment of Honorable Mumbai High Court on the said matter is still pending.

By virtue of the Premises Ownership Agreement / Letter of Allotment entered into by the Company with the purchasers of the premises, the purchaser is liable to pay, and the Company is entitled to recover, any tax that may be leviable on the said transaction and hence Company does not have any liability in connection with the same. Company has already send demand letters to clients to pay the service tax amount as per interim order of honorable Mumbai High Court & will deposit the same in court.



## Schedules Annexed to form

### Part of Financial Statements

#### 16. Lease

a) All the initial direct payment are charged to Profit and Loss Account.

b) Assets given on Operating Lease

Future minimum lease payments (MLP) under non-cancellable operating lease are as under :

Particulars	(Amount in Rs.)	
	Year ended 31st March 2011 (Future MLP)	Year ended 31st March 2010 (Future MLP)
Not later than one year	29,934,707	21,996,250
Later than one year and not later than five years	80,625,773	110,560,480
Later than five years	Nil	Nil

c) Lease payment recognized in Profit and Loss Accounts for the year ended 31st March, 2011 is Rs. 21,996,250 (P.Y. Rs. 7,587,300)

#### 17. Disclosure of amounts at the year end and maximum amount of interest free loans/advances/investments outstanding during the year are as follows

Name of entity	(Amount in Rs.)	
	Year End Amount	Maximum Amounts
<b>Loans and Advances to Subsidiaries:</b>		
Skystar Buildcon Private Limited-Loan	47,071,642	60,400,000
	(-)	(-)
Starlight Systems Private Limited-OCRPS Application Money (Optionally Convertible Redeemable Preference Shares)	524,550,000	603,300,000
	(-)	(-)
Loans and Advances to associate	-	-
	(-)	(-)
Loans and Advances to firm/company in which directors are Interested	-	-
	(-)	(-)

Figures in brackets indicates figures of previous year

18. The Company operates in Single Segment i.e. Real Estate \ Real Estate Development and therefore Segment Reporting as per AS-17 is not applicable.

19. Other information pursuant to provision of Paragraph 3, 4A, 4C & 4D of Part II of Schedule VI of the Companies Act, 1956 are either Nil or Not Applicable.

20. Previous year's figures have been regrouped / reclassified where necessary to conform to the current year's classification.

21. During the year there is no unhedged Foreign Transactions entered by the Company.

Signatures to Schedules I to XVIII.

For and on behalf of the Board of Directors  
of Sunteck Realty Limited

Kamal Khetan  
Chairman & Managing Director

Kishore Vussonji  
Director

Jignesh Sanghavi  
Executive Director

M. Kalahasthi  
Director

Ramakant Nayak  
Director

Rachana Hingarajia  
Company Secretary

Mumbai: 12th August, 2011

## Statement Pursuant to section 212 of the Companies

Act, 1956 Relating to Subsidiary Companies as at 31st March, 2011

Sr. No	Name of Subsidiary Company	Financial Year Ending of Subsidiary	Number of Equity Shares	Extent of Holding	The net Aggregate of Profits/(Losses) of the Subsidiary so far as they concern the members of the Sunteck Realty Limited				
					For Current Financial Year			For Previous Financial year	
					Dealt with in accounts of the Company	Not Dealt with in accounts of the Company	Dealt with in accounts of the Company	Not Dealt with in accounts of the Company	
1	Starlight Systems Pvt Ltd*	31st March 2011	400,000	80%	-	97,123,142	-	50,040,697	
2	Satguru Infocorp Services Pvt ltd	31st March 2011	375,000	100%	-	105,933,547		99411986	
3	Magenta Computer Software Pvt	31st March 2011	50,000	100%	-	46,829,913	3,750,000	38,785,654	
4	Amenity Software Pvt Ltd	31st March 2011	50,000	100%	-	47,918,178	3,750,000	40,064,326	
5	Skystar Buildcon pvt Ltd**	31st March 2011	10,000	100%	-	(9,799)	-	(12,811)	
6	Sunteck Property Holdings Pvt ltd**	31st March 2011	10,000	100%	-	(9,470)	-	-	

\*In the Previous year Company's Interest in Starlight Systems Private Limited was 60% compared to 80% in the current Financial Year

\*\*Company acquired 100% interest in Skystar Buildcon Pvt Ltd and Sunteck Property Holdings Pvt Ltd on 20th May 2010 and 31st December 2010 respectively

## Balance Sheet Abstract And

## Company's General Business Profile

### I. REGISTRATION DETAILS

Registration No.	L32100MH1981PLC025346
State Code	11
Balance Sheet Date	31/03/2011
Date of Incorporation	1/10/1981

### II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN '000)

Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement / Promoter's Contribution	Nil

### III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

(Amount in '000)

Total Liabilities (includes Current Liabilities & Provisions)	3,985,303
Total Assets (excludes Current Liabilities & Provisions)	3,985,303
Source of Funds:	
Paid-up Capital	125,932
Reserve and Surplus	3,429,453
Secured Loans	-
Unsecured Loans	29
Shares Application Money	-
Deferred Tax Liabilities	2,770
Application of Funds:	
Net Fixed Assets	87,263
Investments	1,248,382
Net Current Assets	2,222,539
Misc. Expenditure	-
Deferred Tax Assets	-

### IV. PERFORMANCE OF COMPANY. (AMOUNT IN 1000)

Turnover and Income	158,402
Total Expenditure	72,158
Profit/(Loss) Before Tax	86,244
Profit/(Loss) After Tax	61,977
EPS Basic (Rs.)	0.98
Dividend Rate %	-

### V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code)	Not Applicable
Product Description	Realty & Construction

As per our report of even date attached

For Lodha & Co.  
Chartered Accountants

R.P. Baradiya  
Partner

Membership No: 44101  
Mumbai: 12th August, 2011

Kamal Khetan  
Chairman & Managing Director

Jignesh Sanghavi  
Executive Director

Ramakant Nayak  
Director

For and on behalf of the Board of Directors  
of Sunteck Realty Limited

Kishore Vussonji  
Director

M. Kalahasthi  
Director

Rachana Hingarajia  
Company Secretary



# **Consolidated Financial Statements**

## Auditor's Report

To

The Members,

Sunteck Realty Limited.

1. We have audited the attached Consolidated Balance Sheet of Sunteck Realty Limited (the 'Parent Company'), its Subsidiaries and Joint Ventures collectively referred to as the 'the Sunteck Group' as at March 31, 2011, the Consolidated Profit & Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Parent Company's management and have been prepared by them on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit. Opening Balances have been taken on the basis of the annual report for the year ended 31st March, 2010 audited by another firm of Chartered Accountants who have issued an unqualified opinion dated 12th August 2010.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have not audited the financial statements of the six subsidiaries, six joint ventures and an associate whose separate financial statements reflect total assets of Rs. 18,403,191,886 as at March 31, 2011 and total revenue of Rs. 162,657,436 for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries, joint ventures and an associate is based solely on the report of the other auditors.
4. We report that the Consolidated financial statements have been prepared by the Parent Company's management in accordance with the requirements of the Accounting Standards (AS) 21 - Consolidated Financial Statements, Accounting Standards (AS) 23 - Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standards (AS) 27 - Financial Reporting of Interests in Joint Ventures prescribed by Companies (Accounting Standards) Rules, 2006 as amended from time to time.
5. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with "Significant Accounting Policies and notes to accounts" appearing in Schedule XVIII and those appearing elsewhere in the financial statements, give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) In the case of Consolidated Balance Sheet, of state of affairs of the Sunteck Group as at March 31, 2011;
  - (ii) In the case of Consolidated Profit and Loss account, of the profit of the Sunteck Group for the year ended on that date; and
  - (iii) In the case of Consolidated Cash Flow Statement, of cash flows of the Sunteck Group for the year ended on that date.

**For LODHA & COMPANY**  
Chartered Accountants

**Place: Mumbai**  
**Date: 12th August, 2011**

**R. P. Baradiya**  
Partner  
Membership No. 44101  
Firm Registration No- 301051E

## Consolidated Balance Sheet

as at 31st March 2011

(Amount in Rs.)

	Schedule	As at 31.03.11	As at 31.03.10
<b>SOURCES OF FUNDS:</b>			
<b>Shareholders Funds</b>			
Share Capital	I	119,932,414	119,932,414
Reserves & Surplus	II	3,884,423,000	3,815,584,369
OCRPS Application Money		2,864,425,000	2,081,910,000
Minority Interest		25,208,990	358,282,335
<b>Loans Funds</b>			
Secured Loans	III	1,955,096,977	1,610,300,944
Unsecured Loans	IV	2,090,986,568	2,288,357,664
Deferred Tax Liability (Net)		2,991,470	1,724,536
<b>Total</b>		<b>10,943,064,419</b>	<b>10,276,092,261</b>
<b>APPLICATION OF FUNDS:</b>			
<b>Fixed Assets &amp; Intangible Assets</b>			
Gross Block	V	241,809,104	179,325,355
Less: Depreciation and Amortisation		87,825,804	73,197,638
Net Block		153,983,300	106,127,717
Capital Work in Progress		7,461,252	-
		161,444,552	106,127,717
Goodwill on consolidation		680,284,466	1,125,181,656
Investments	VI	605,525,917	471,482,678
<b>Current Assets, Loans &amp; Advances</b>			
Construction Work in Progress	VII	15,696,497,427	8,863,509,787
Sundry Debtors	VIII	16,116,343	80,407,675
Cash & Bank Balances	IX	274,528,580	343,878,728
Loans & Advances	X	3,445,922,754	3,968,519,641
	(A)	19,433,065,104	13,256,315,831
Less : Current Liabilities & Provisions		-	-
Current Liabilities	XI	9,920,796,017	4,663,400,255
Provisions	XII	16,459,603	19,615,366
	(B)	9,937,255,620	4,683,015,621
<b>Net Current Assets</b>	<b>(A-B)</b>	<b>9,495,809,484</b>	<b>8,573,300,210</b>
		-	-
<b>Total</b>		<b>10,943,064,419</b>	<b>10,276,092,261</b>
Significant Accounting Policies & Notes to Accounts	XV		

As per our report of even date attached

For Lodha & Co.  
Chartered AccountantsR.P. Baradiya  
PartnerMembership No: 44101  
Mumbai: 12th August, 2011For and on behalf of the Board of Directors  
of Sunteck Realty LimitedKamal Khetan  
Chairman & Managing DirectorJignesh Sanghavi  
Executive DirectorRamakant Nayak  
DirectorKishore Vussonji  
DirectorM. Kalahasthi  
DirectorRachana Hingarajia  
Company Secretary

# Consolidated Profit & Loss Account

for the year ended 31st March 2011 (Contd.)

(Amount in Rs.)

	Schedule	Year ended 31.03.11	Year ended 31.03.10
<b>Income</b>			
Income From Operations		203,937,874	284,006,124
Other Income	XIII	103,017,925	23,702,268
		<b>306,955,799</b>	<b>307,708,392</b>
<b>Expenditure</b>			
Operating Expenses		40,112,750	66,791,852
Administrative Expenses & Other Expenses	XIV	166,057,556	109,392,706
Depreciation and Amortisation	V	14,728,344	11,526,599
		<b>220,898,650</b>	<b>187,711,157</b>
<b>Profit Before Tax</b>		<b>86,057,149</b>	<b>119,997,235</b>
<b>Less : Provision for Taxation</b>			
-Current tax		50,970,960	56,297,284
-Deferred Tax		1,375,207	354,484
-Short/ (Excess) Provision of Income Tax of Earlier Year		75,616	1,561,493
<b>Profit After Tax</b>		<b>33,635,366</b>	<b>61,783,974</b>
Less: Minority Interest		6,379,778	-
Add: Reversal of Loss on Discontinue of Subsidiaries		4,518,775	-
<b>Profit After Minority Interest</b>		<b>31,774,363</b>	<b>61,783,974</b>
-Credit of DDT on Subsidiaries Dividend		1,274,640	-
-Interim Dividend		-	7,195,945
-DDT on Interim Dividend		-	1,284,140
-Proposed Dividend		11,333,917	15,056,003
-DDT on Proposed Dividend		3,663,686	2,558,781
-Transfer to General Reserve		1,809,216	5,732,672
Balance Brought Forward From P.Y.		173,360,800	143,404,365
Add: Reversal of Reserve on dividend from Subsidiaries		7,860,000	-
<b>Balance Carried forward to Balance Sheet</b>		<b>197,462,984</b>	<b>173,360,798</b>
Basic Earning per share (Face Value Rs. 2 each)		0.53	1.07
Diluted Earning per share (Face Value Rs. 2 each)		0.53	1.07
<b>Significant Accounting Policies &amp; Notes to Accounts</b>	XV		

For and on behalf of the Board of Directors  
of Sunteck Realty Limited

As per our report of even date attached

For Lodha & Co.  
Chartered Accountants

R.P. Baradiya  
Partner

Membership No: 44101  
Mumbai: 12th August, 2011

Kamal Khetan  
Chairman & Managing Director

Jignesh Sanghavi  
Executive Director

Ramakant Nayak  
Director

Kishore Vussonji  
Director

M. Kalahasthi  
Director

Rachana Hingarajia  
Company Secretary

## Consolidated Cash Flow

for the year ended 31st March 2011

(Amount in Rs.)

	Year ended 31.03.11	Year ended 31.03.10
Cash Flow from Operating Activities		
Profit Before Tax and Extraordinary items as per Profit and Loss Account	86,057,149	120,184,822
Adjustment for:		
Depreciation & Amortisations	14,728,344	11,526,599
Interest income	(86,164,787)	(6,966,987)
Dividend Income	(12,429,426)	(12,098,856)
Sundry Balances Written Off	800,000	-
Preliminary Expenses	17,122	24,368
Provision for employees benefits	779,729	
Interest Expenditure	36,631,117	4,986,408
(Profit) / Loss on Investment	(3,485,125)	(49,123,027)
Operating Profit before Working Capital Changes	36,934,122	122,434,422
Adjustment for:		
(Increase)/Decrease in Inventories	(6,833,010,597)	(6,140,038,487)
(Increase)/Decrease in Sundry Debtors	63,491,332	(56,312,282)
(Increase)/Decrease in Other Receivable	599,766,970	(3,489,995,563)
Increase/(Decrease) in Current Liabilities & Provision	5,260,030,160	(909,722,135)
Cash Generated From Operations	(872,788,014)	(7,062,145,611)
Less: Income Tax Paid	17,937,205	19,047,419
Net Cash from Operating Activities A	(890,725,219)	(7,081,193,030)
Cash Flow from Investing Activities		
Sale(Purchase) of Fixed Assets-net	(3,617,040)	(27,695,626)
Capital Work in Progress-Fixed Assets	(7,461,252)	-
Sale (Purchases) of Investments- Others	(194,399,292)	1,325,044,295
Sale/Purchase interest in Subsidiary/JV (Net)	111,823,846	(814,781,869)
Interest income	86,164,787	6,966,987
Dividend Income	12,429,426	4,940,476
Net Cash from Investing Activities B	4,940,476	501,632,643
Cash Flow from Financing Activities		
Proceeds from Issue of Securities	-	1,881,450,649
Proceeds from OCRPS	782,515,000	2,081,910,000
Net Proceed from Secured/Unsecured Loan	147,424,937	2,780,824,717
Dividend Distribution Tax on Dividend	(2,568,281)	-
Payment of Dividend	(15,055,945)	-
Interest Expenditure	(36,631,117)	875,684,594
Net Cash from Financial Activities C	875,684,594	6,739,198,958
Net Increase in Cash and Cash Equivalents (A+B+C)	(10,100,148)	159,638,571
Cash and Cash Equivalents - Opening Balance	167,378,728	7,740,157
Cash and Cash Equivalents - Closing Balance	157,278,580	167,378,728

For and on behalf of the Board of Directors  
of Sunteck Realty Limited

As per our report of even date attached

For Lodha & Co.  
Chartered AccountantsR.P. Baradiya  
PartnerMembership No: 44101  
Mumbai: 12th August, 2011Kamal Khetan  
Chairman & Managing DirectorJignesh Sanghavi  
Executive DirectorRamakant Nayak  
DirectorKishore Vussonji  
DirectorM. Kalahasthi  
DirectorRachana Hingarajia  
Company Secretary



## Schedule forming part of the Consolidated Financial Statement

(Amount in Rs.)

	As At - 31.03.11	As At - 31.03.10
<b>SCHEDULE - I</b>		
<b>Share Capital</b>		
<b>Authorised</b>		
93,750,000 (P. Y. 68,750,000) Equity Shares of Rs. 2 each	187,500,000	137,500,000
1,250,000 (P.Y. 1,250,000) Optionally Convertible Redeemable Preference Shares of Rs. 10 each	12,500,000	12,500,000
<b>Total</b>	<b>200,000,000</b>	<b>150,000,000</b>
<b>Issued, Subscribed and Paid Up</b>		
59,966,207 (P. Y. 59,966,207) Equity Shares of Rs. 2 each fully paid up (Net of Shares held by Subsidiaries)	119,932,414	119,932,414
<b>Total</b>	<b>119,932,414</b>	<b>119,932,414</b>
<b>SCHEDULE - II</b>		
<b>Reserves &amp; Surplus</b>		
<b>Securities Premium</b>		
As per last Balance Sheet	3,612,290,044	1,679,679,698
Add: Received during the year	-	1,975,391,853
Less: Security Issue Expenses	-	42,781,506
<b>A</b>	<b>3,612,290,044</b>	<b>3,612,290,044</b>
Capital Reserves <b>B</b>	<b>67,128,085</b>	<b>24,200,855</b>
General Reserves <b>C</b>	<b>7,541,887</b>	<b>5,732,672</b>
Profit & Loss Account (as per Annexed Account) <b>D</b>	<b>197,462,984</b>	<b>173,360,798</b>
<b>Total (A+B+C+D)</b>	<b>3,884,423,000</b>	<b>3,815,584,369</b>
<b>SCHEDULE - III</b>		
<b>Secured Loans</b>		
<b>Term Loans</b>		
From Banks	1,281,370,938	599,888,044
Add: Interest Accrued & Due	10,188,819	-
From Financial Institution	657,500,000	1,000,727,397
Vehicle Loan-Other	6,037,220	9,685,503
<b>Total</b>	<b>1,955,096,977</b>	<b>1,610,300,944</b>
<b>SCHEDULE - IV</b>		
<b>Unsecured Loans</b>		
From Body Corporate and Others	504,782,028	1,251,057,664
Add: Interest Accrued & due	12,404,540	-
Optionally Convertible Debenture	521,600,000	207,400,000
Non Convertible Debenture	1,052,200,000	829,900,000
<b>Total</b>	<b>2,090,986,568</b>	<b>2,288,357,664</b>

## Fixed Assets & Intangible Assets

Fixed Assets & Intangible Assets													
Sr. No	Particulars	Gross Block				Depreciation				Net Block			
		Opening As At 01.04.2010	Adjustments	Additions	Deductions	Closing As At 31.03.2011	Opening As At 01.04.2010	Adjustments	Additions	Deductions	Closing As At 31.03.2011	Closing As At 31.03.2010	
1	Office Building	-	-	59,943,973	-	59,943,973	-	-	977,086	-	977,086	58,966,887	-
2	Air Condition	7,620,380	166,325	809,725	65,000	8,198,780	1,224,003	26,603	443,021	1,025	1,612,793	6,595,987	6,396,378
3	Office Equipment	2,073,360	-	505,176	-	2,578,536	632,663	-	111,988	-	744,651	1,833,885	8,211,356
4	Furniture & Fixtures	133,621,666	-	53,274	-	133,674,940	57,766,769	-	8,460,177	-	66,226,946	67,447,994	1,440,697
5	Motor Car	18,604,484	1,143,882	-	-	17,460,603	2,150,823	22,627	1,681,384	-	3,786,953	13,673,650	63,156,383
6	Computers & Peripherals	17,405,465	6,750	959,007	-	18,357,722	11,423,380	132	2,909,088	-	14,330,751	4,026,971	26,922,903
7	ERP-Software	-	-	1,594,550	-	1,594,550	-	-	146,624	-	146,624	1,447,926	-
	Current Year	179,325,355	1,316,957	63,865,705	65,000	241,809,104	73,197,638	49,362	14,729,368	1,025	87,825,804	153,983,300	106,127,716
	Previous Year	143,680,528	-	36,804,911	1,289,836	179,325,355	62,355,114	-	11,526,599	681,491	73,197,638	106,127,717	81,345,415

# Schedule forming part of the Consolidated Financial Statement

(Amount in Rs.)

	As At - 31.03.11	As At - 31.03.10
<b>SCHEDULE - VI</b>		
Investments		
Long Term Investment-Non Trade		
Investment In Bonds		
IDBI Bank Ltd.	2,000,000	2,000,000
(2 Bond ( P.Y. 2 ) of Rs. 1,000,000 each)		
(A)	2,000,000	2,000,000
Investment in Properties-Non Trade	-	
Investment in Properties	177,553,729	237,481,503
Transfer Development Rights (TDR)	57,390,642	80,000,202
(B)	234,944,371	317,481,705
Investment in Shares (Quoted)- Non Trade	-	
Punjab Communication Limited	12,600	12,600
1,000 (P.Y. 1,000 ) fully paid up equity shares of Rs. 10 each		
Amit Spinning Industries Limited	-	120,588
(Nil) (P.Y. 15,500 fully paid up equity shares of Rs. 10 each)		
Dena Bank	-	491,955
(Nil) (P.Y. 8,500 fully paid up equity shares of Rs. 10 each)		
Essar Oil Limited	-	1,955,791
(Nil) (P.Y. 9,000 fully paid up equity shares of Rs. 10 each)		
Hotel Leelaventure Limited	-	670,603
(Nil) (P.Y. 10,000 fully paid up equity shares of Rs. 10 each)		
India Hotels Company Limited	-	829,151
(Nil) (P.Y. 6,150 fully paid up equity shares of Rs. 10 each)		
MRPL Limited	247,656	500,339
5,000 (P.Y. 10,000) fully paid up equity shares of Rs. 10 each		
Heidelberg Cement Limited	-	605,810
(Nil) (P.Y. 10,000 fully paid up equity shares of Rs. 10 each)		
PSL Limited	1,018,090	1,121,994
2,000 (P.Y. 2,285) fully paid up equity shares of Rs. 10 each		
Ranbaxy Laboratories Limited	-	919,720
(Nil) (P.Y. 2,000 fully paid up equity shares of Rs. 10 each)		
Reliance Industries Limited	-	647,120
(Nil) (P.Y. 500) fully paid up equity shares of Rs.10 each		
(held in name of RPL)		
SAIL Steel Limited	-	135,000
(Nil) (P.Y. 5,000 fully paid up equity shares of Rs. 10 each)		
TATA Steel Limited	-	788,440
(Nil) (P.Y. 1,000 fully paid up equity shares of Rs. 10 each)		
UCO Bank	-	358,308
(Nil) (P.Y. 8,000 fully paid up equity shares of Rs. 10 each)		
Vijaya Bank	-	365,435
(Nil) (P.Y. 7,500 fully paid up equity shares of Rs. 10 each)		
(C)	1,278,346	9,522,854

# Schedule forming part of the Consolidated Financial Statement

(Amount in Rs.)

	As At - 31.03.11	As At - 31.03.10
Market Value Of Quoted Investments as on 31.03.2011		
Rs. 520,450 ( P.Y. Rs 78,36,144 )		
Investment In Shares (Unquoted)-Non-Trade		
Samhrutha Habitat Infrastructure Private Limited	26,100,000	26,100,000
2,535,000 ( P.Y. 2,535,000) fully paid up equity shares of Rs. 10 each		
Satguru Capital & Finance Private Limited	1,500,000	1,500,000
150,000 (P.Y. 150,000) fully paid up equity shares of Rs. 10 each		
Towell Piramal Sunteck LLC	4,874,291	9,748,582
Saraswat Coop Bank Limited	1,700	1,700
170 (P.Y. 170) fully paid up equity shares of Rs. 10 each		
Janakalyan Sahakari Bank Limited	10,000	10,000
1000 (P.Y. 1000) Shares		
Mandavi Bank Limited	2,000	2,000
200 (P.Y. 200) Shares		
North Canara Bank Limited	50	50
2 (P.Y. 2 ) Shares		
Shamrao Vithal Bank Limited	1,250	1,250
50 (P.Y. 50) Shares		
Essar Steel Limited	218,201	218,201
4,500 (P.Y. 4,500) fully paid up equity shares of Rs. 10 each		
(D)	32,707,492	37,581,783
Current Investment		
Mutual Fund- Non Trade		
SBI Fund	-	42,200,000
HDFC Fund	39	28,645,126
ICICI Fund	170,000,000	99,212
IDFC Fund	89,194,529	15,668,271
JP Morgan Fund	-	18,283,727
Reliance Fund	39	-
(E)	259,194,607	104,896,336
(Aggregate Net Asset value of Mutual Funds as on 31.03.2011 is		
Rs.262,266,727 ( P.Y. Rs. 107,163,576)		
Other Investments-Non-Trade		
Investment in Shares (Unquoted) of Associate		
Topzone Mercantile Company LLP		
Cost of acquisition towards Goodwill	75,401,100	-
(F)	75,401,100	-
<b>Total Investments (A+B+C+D+E+F)</b>	<b>605,525,917</b>	<b>471,482,678</b>
<b>SCHEDULE VII</b>		
Construction Work in Progress		
Construction Work in Progress (including cost of Land, Leashold rights etc)	15,696,497,427	8,863,509,787
<b>Total</b>	<b>15,696,497,427</b>	<b>8,863,509,787</b>

## Schedule forming part of the Consolidated Financial Statement

(Amount in Rs.)

	As At - 31.03.11	As At - 31.03.10
<b>SCHEDULE VIII</b>		
Sundry Debtors		
(Unsecured, Considered Goods)		
Debts outstanding for a period exceeding six months	2,509,726	12,409,855
Other Debts	13,606,617	67,997,819
<b>Total</b>	<b>16,116,343</b>	<b>80,407,675</b>
<b>SCHEDULE IX</b>		
Cash & Bank Balances		
Cash in hand	215,755	185,851
Bank Balance with Scheduled Bank		
In Current Accounts	35,601,160	156,565,586
Term Deposits	238,711,665	187,127,291
<b>Total</b>	<b>274,528,580</b>	<b>343,878,728</b>
<b>SCHEDULE X</b>		
Loans & Advances		
Advances recoverable in cash or in kind or for value to be received	132,116,062	281,269,267
Other Receivable and loans or advances to Body Corporates & others	2,689,974,985	3,653,777,372
Other Advances & Deposits	589,171,174	12,920,815
Income Tax (net of provision of income tax) & TDS Receivable, Cenvat	34,660,533	20,552,186
<b>Total</b>	<b>3,445,922,754</b>	<b>3,968,519,641</b>
<b>SCHEDULE - XI</b>		
Current Liabilities		
Sundry Creditors	3,008,314,279	2,613,818,275
Security Deposits	125,490,777	147,432,051
Other Liabilities	322,728,312	170,987,742
Advance from Customers towards Properties	6,464,262,650	1,731,162,187
<b>Total</b>	<b>9,920,796,017</b>	<b>4,663,400,255</b>
<b>SCHEDULE XII</b>		
Provisions		
DDT on Interim Dividend	-	1,284,140
DDT on Proposed Dividend	3,663,686	2,558,781
Proposed Dividend	11,333,917	15,055,945
Retirement Benefits	1,462,000	716,500
<b>Total</b>	<b>16,459,603</b>	<b>19,615,366</b>

## Schedule forming part of the Consolidated Financial Statement

(Amount in Rs.)

	As At - 31.03.11	As At - 31.03.10
<b>SCHEDULE XIII</b>		
Other Income		
Research & Analysis Charges	-	195,000
Interest on loans and advances & Term Deposits	86,164,787	6,966,987
Dividend from Current Investments - Mutual Funds	12,429,426	12,098,856
Miscellaneous Income	756,152	915,302
Profit on Sale of Investment	3,667,560	3,526,123
<b>Total</b>	<b>103,017,925</b>	<b>23,702,268</b>
<b>SCHEDULE - XIV</b>		
Administrative Expenses & Other Expenses		
Advertisement Expenses & Business Promotion Expenses	23,925,880	4,729,141
Auditor Remuneration	1,028,139	661,536
Bank charges & Interest	36,631,117	4,986,408
Brokerage & Commission	4,407,683	3,822,500
Donation	5,110,000	10,000,000
Electricity Charges	4,660,380	5,326,858
Insurance Expenses	772,018	42,950
Legal & Professional Fees	26,023,952	18,215,550
Listing & Demat Expenses	138,750	154,437
Loss on Sale of Investment	182,435	8,095,845
Loss on Sale of Motor Car	-	208,345
Miscellaneous Expenses	9,796,928	8,902,743
Membership Fees	566,758	50,000
Rent, Rates & Taxes	2,189,790	1,662,371
Repairs & Maintenance	18,885,734	20,577,443
Security Transaction Tax and Demat Expenses	207,330	835,598
Salaries & Bonus	25,713,068	14,926,356
Staff Welfare Expenses	492,944	568,625
Sundry Balances Written off	800,000	87,500
Telephone & Communication Expenses	116,814	1,642,699
Preliminary Expenses Written off	17,122	30,608
Foreign Exchange Loss or Gain-Net	252,549	-
Travelling & Conveyance Expenses	4,138,165	3,865,192
<b>Total</b>	<b>166,057,556</b>	<b>109,392,706</b>

## Schedule forming part of the Consolidated Financial Statement

### SCHEDULE XV

#### Significant Accounting Policies and Notes to Accounts of Consolidated Accounts forming part of Financial Statements for the year ended 31st March 2011

#### A. SIGNIFICANT ACCOUNTING POLICIES

##### 1. Nature of Operations

Sunteck Realty Limited ('The Parent Company') and its subsidiary companies collectively referred to as "Group". The group is primarily engaged in the business of real estate/ real estate development and incidental services.

##### 2. Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention, on accrual basis, in compliance with all material aspects of the notified Accounting standards by Companies (Accounting Standards) Amendment Rules, 2008 and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

##### 3. Principles of consolidation

The consolidated financial statements relate to the group. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary companies 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 in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"
- b) Interest in Joint Ventures has been accounted by using the proportionate consolidation method as per Accounting Standard (AS) 27 - "Financial Reporting of Interest in Joint Ventures".
- c) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- d) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- e) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- f) Investment in Associate Companies has been accounted under the equity method as per (AS-23)- "Accounting for Investments in Associates in Consolidated Financial Statements".
- g) 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 separate financial statements.
- h) The list of Subsidiary Companies and Joint venture which are included in the consolidation and the Company's holdings therein are as under :

## Schedule forming part of the Consolidated Financial Statement

	Country of Incorporation	% Shareholding
<b>I. Subsidiary Companies</b>		
Amenity Software Private Limited	India	100%
Magenta Computer Software Private Limited	India	100%
Satguru Infocorp Services Private Limited	India	100%
Starlight Systems Private Limited	India	80%
Sunteck Property Holdings Private Limited	India	100%
Skystar Buildcon Private Limited	India	100%
Piramal Sunteck Realty Private Limited (Up to 15/03/2011)	India	50.001%
<b>II Step Down Subsidiary</b>		
Piramal Sunteck Realty Mauritius Limited (up to 15/03/2011)	Mauritius	50%
Piramal Sunteck International Limited (up to 15/03/2011)	Mauritius	50%
<b>III Joint Venture</b>		
Piramal Sunteck Realty Private Limited (from 16/03/2011)	India	50%
Kanaka and Associates	India	50%
V3 Design Private Limited (from 31/12/2011 till 27/03/2012)	India	50%
V3 Designs LLP (from 28/03/2011)	India	50%
Uniworth Realty Private Limited (from 31/12/2011 to 23/03/2012)	India	50%
Uniworth Realty LLP (from 24/03/2011)	India	50%
Piramal Sunteck Realty Mauritius Limited (From 16/03/2011)	Mauritius	50%
Piramal Sunteck International Limited (From 16/03/2011)	Mauritius	50%
<b>IV Associates</b>		
Topzones Mercantile Co. Private Limited (Upto 29/03/2011)	India	25%
Topzones Mercantile Company LLP (from 30/03/2011)	India	25%

#### 4. Use of Estimates

The Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates is recognized prospectively.

#### 5. Revenue recognition

##### i) Revenue for real estate development/sale

The Group follows completed project method of accounting. Allocable expenses incurred during the year are debited to work- in-progress account. The revenue is accounted for as and when the significant risks and rewards of ownership of the units in real estate are passed to the buyer and the Projects get completed or substantially completed, to the extent that the economic benefits will flow to the Group and the revenue can be reliably measured.



## Schedule forming part of the Consolidated Financial Statement

- ii) Dividend  
Dividend is recognised when the shareholders' right to receive payment is established by the balance sheet date.
- iii) Profit/Loss from Partnership Firms/LLP/AOP  
Share of profit / loss from firms in which the Group is a partner is accounted for in the financial period ending on (or before) the date of the balance sheet on the basis of audited accounts and as per the terms of the respective partnership deed.
- iv) Maintenance Services  
Revenue in respect of maintenance services is recognised on an accrual basis, in accordance with the terms of the respective contract.

### 6. Construction Work-in-Progress

Construction Work In Progress comprises of Land and development rights, Construction materials, Work-in-progress, completed unsold flats/units. These are valued at lower of the cost and net realizable value.

Construction work in progress are valued as follows:

Land	Land and development rights including development cost and Financial Costs.
Construction materials	Construction materials are valued at cost if the completed unsold flats/units in which they will be incorporated are expected to be sold at or above cost otherwise lower of cost and net realizable value. Cost is determined on a weighted average basis.
Work-in-progress (Land/ Real Estate under development)	Work-in-progress is valued at cost if the completed unsold flats/units are expected to be sold at or above cost otherwise at lower of cost and net realizable value. Cost includes direct expenditure relating to construction activity (including land cost) and indirect expenditure (including borrowing costs) during the construction period to the extent the expenditure is related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the Profit and Loss Account.
Completed unsold flats/units	Lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business; less estimated costs of completion (wherever applicable) and estimated costs necessary to make the sale.

## Schedule forming part of the Consolidated Financial Statement

### 7. Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Capital work in progress includes expenditure incurred till the assets are put into intended use.

### 8. Depreciation

Depreciation is provided using the Straight Line Method at the rates and in the manner as prescribed under schedule XIV of the Companies Act, 1956. In case of Software, the same is amortized over a period of five years.

### 9. Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet dates and if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to extent of the carrying value of the asset that would have been determined (net of amortization / depreciation), had no impairment loss been recognized.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### 10. Investments

Investments that are readily realizable and intended to be held for not more than one year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost or fair value determined on individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary decline in the value of the investments.

### 11. Employee benefits

#### Defined Contribution Plan

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the period when the contributions to the fund are due. There are no other obligations other than the contribution payable to the government funds.

#### Defined Benefit Plan

Group's liabilities towards gratuity liability are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each balance sheet date. Actuarial gains/losses are immediately taken to Profit and Loss Account and are not deferred.

#### Compensated absences

##### Short term

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of the benefit expected to be availed by the employees.

##### Long Term

Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to profit and loss account in the year in which such gains or losses are determined.

## Schedule forming part of the Consolidated Financial Statement

### 12. Borrowing Costs

Borrowing costs relating to acquisition and/or construction of qualifying assets are capitalized to the extent that the funds are borrowed and used for purpose of constructing a qualifying asset until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs which are not related to acquisition and/or construction activities nor are incidental thereto are charged to the Profit and Loss account.

### 13. Taxation

Tax expense comprises of current income tax and deferred income tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each balance sheet date, the Group re-assesses unrecognised deferred tax assets. It recognizes unrecognised deferred tax assets to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. Minimum Alternative Tax (MAT) credit is recognised as an asset and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

### 14. Foreign Currency Transactions

Transactions in foreign currency are recorded at the rate of exchange in force on the date of the transactions. Current assets and Current liabilities in foreign currency are translated at the exchange rate prevalent at the date of the Balance Sheet.

Any income or expenses on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

### 15. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

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

### 16. Provisions, Contingent Liabilities and Contingent Assets

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

Possible future obligations or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, is disclosed as contingent liabilities in the notes to accounts of financial statements.

Contingent Assets are neither recognized nor disclosed in the financial statements.

### 17. Share Issue Expenses

Share issue expenses are adjusted against Securities Premium Account.

## Schedule forming part of the Consolidated Financial Statement

### 18. Leases

#### i) Where Group is the lessee

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating lease. Operating lease payments are recognised as an expense in the Profit and Loss Account on Straight Line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the Lease.

#### ii) Where Group is the lessor

Assets representing Lease arrangements given under operating leases are included in Investments. Lease income is recognized in the Profit and Loss Account on Straight Line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the Lease.

### 19. Cash Flow Statement

#### i) Cash flow statement has been prepared under the 'Indirect Method'.

#### ii) Cash and cash equivalents, in the cash flow statement comprise unencumbered cash and bank balances.

## NOTES FORMING PART OF ACCOUNTS

### 1. Contingent Liabilities not provided for in respect of

#### a)

(Amount in Rs.)

Particulars	2010-11	2009-10
a. Bank/ Corporate Guarantees	129,150,000	100,050,000
b. Disputed Income Tax Demand	11,315,604	3,564,019

b. As per the development agreement, the group may have to pay up to Rs. 25,000,000 (P Y – Rs. 25,000,000) towards disputed liability of Man Industrial Corporation Ltd to Rajasthan Financial Corporation.

c. The stamp duty and registration charges arising on Amalgamation or reconstruction of various companies carried out as per High Court Order's under section 394 of the Companies Act, 1956, the amount whereof is not ascertainable at present.

### 2. Earnings Per Share:

(Amount in Rs.)

Particulars	Year ended 31st March 2011	Year ended 31st March 2010
Net profit for the year attributable to equity shareholders (Rs.)	31,774,363	61,783,974
Weighted Average No. of Equity shares outstanding for		
Basic/Diluted Earnings per share	59,966,207	57,991,445
Basic/Diluted Earnings per share (face valued of Rs 2 each) (Rs.)	0.53	1.07
Diluted earnings per share (face valued of Rs 2 each) (Rs.)	0.53	1.07

## Schedule forming part of the Consolidated Financial Statement

### 3. A) Related Party Disclosures:

#### a) Names of Related Parties and Nature of Relationships

##### I. Joint ventures

- a. Piramal Sunteck Realty Private Limited (from 16th March, 2011)
- b. Nariman Infrastructure Private Limited (from 31 Dec, 2010)
- c. Uniworth Realty Private Limited (from 31st Dec, 2010 till 23rd March 2011)
- d. Uniworth Realty LLP (from 24th March 2011)
- e. V3 Designs Private Limited (from 31st Dec, 2010 to 27th March 2011)
- f. V3 Designs LLP (from 28th March 2011)
- g. Kanaka and Associates (Partnership Firm)
- h. Piramal Sunteck Realty Mauritius Limited (from 16th March, 2011)
- i. Piramal Sunteck International Limited (from 16th March, 2011)

##### II. Associates

- a. Topzones Mercantile Co. Private Limited (from 31st December 2010 to 29th March 11)
- b. Topzones Mercantile Company LLP (from 30th March 11)

##### III. Key Management Personnel (KMP) and/ or Person's having Significant Influence

- a. Mr. Kamal Khetan
- b. Mr. Jignesh Sanghavi
- c. Mrs. Manisha Khetan – Relative of Key Managerial person

(Rs. in Lacs)

#### b) Transactions with Related Parties

Name of the entity	Joint Venture / Associate	KMP & persons having significant influence
Transaction During the Year		
Unsecured Loan-taken	-	-
	(-)	(3297.50)
Loan and Advances –Given	323.84	-
	(100)	(-)
Advance Against Flat Booking	-	-
	(300)	(125)
Shares Investments	1.12	-
Share Application	2.50	-
Management Fees, Brand Fees etc. (Including Service Tax)	98.86	-
NCD Investments-Interest Expenses	348.87	-
OCRPS Application Money Given	2,980.59	-
Directors Remunerations	-	59.43
		(58.83)
Loan Returned	-	2,997.50
Investments in Fixed Capital-LLP	755.26	-
Balance at year end		
Loan and Advances to Firm & LLP-Given	322.42	-
Unsecured Loan-taken	-	-
		(2,997.50)
Shares Investments	1.12	-
		(261.00)
Advance Against Flat Booking	-	-
	(300)	(1689.50)
Debtors	43.02	-
NCD Investments (Unsecured Loan)	2,223.00	-
NCD Investments-Interest Payable	416.76	-
OCD Investments (Unsecured Loan)	3,142.00	-
OCRPS Application Money Given	5,060.05	-
Creditors	4.96	-
Advance for Properties	-	1,689.50
Investments in Fixed Capital-LLP	753.13	-

Figures in brackets indicates figures of previous year

## Schedule forming part of the Consolidated Financial Statement

### B Investments in Joint Ventures

The interest of the Company in Joint ventures is listed below :

- Piramal Sunteck Realty Private Limited (PSRPL) -50%
- Nariman Infrastructure Private Limited (NIPL) -50%
- Uniworth Realty Private Limited (URPL)-50%
- Uniworth Realty LLP (URL)-50%
- V3 Designs Private Limited (VDPL)-50%
- V3 Designs LLP (VDL) -50%
- Kanaka and Associates (Partnership Firm) (Kanaka)-50%
- Piramal Sunteck Realty Mauritius Limited (PSRML) -50%
- Piramal Sunteck International Limited (PSIL) -50%

(Rs. in Lacs)

Particulars	Year ended 31st March, 2011							Year ended 31st March, 2010
	PSRPL	NIPL	URL	VDL	Kanaka	PSRML	PSIL	Kanaka
Reserves & Surplus	4133.49	0.63	-	-	-	-	-	-
OCRPS Application Money	11331.93	4,313.67	-	-	-	-	-	-
Secured Loans	2891.34	-	-	-	640.92	-	-	342.55
Unsecured Loans	-	79.84	1.10	4.38	137.16	-	-	50.00
Deferred Tax Liability (Net)	1.11	-	-	-	-	-	-	-
Fixed Assets & Intangible Assets (less accumulated depreciation)	16.05	-	-	-	0.28	-	-	-
Investments	5416.66	-	-	-	-	-	-	-
Current Assets & Loans and Advances	13733.00	4,394.78	420.66	56.15	1,424.33	994.05	952.90	984.94
Current Liabilities & Provision	756.56	0.14	6.96	1.61	146.52	958.81	994.73	92.40
Total Income	123.27	-	-	-	-	14.60	-	-
Total Expenses (including tax)	65.36	0.03	-	0.09	-	26.37	16.69	-
Profit After Tax	57.91	(0.03)	-	(0.09)	-	(11.77)	(16.69)	-
Contingent Liability	1172.50	-	250.00	-	641.00	-	-	-

#### Note:

Disclosure of financial data as per Accounting Standards-27 "Financial Reporting of Interest in the Joint Venture" has been made based on the standalone audited financial statements of the above Joint Venture entities. There is no Capital commitment at the year end in respect of above joint ventures. All above entities are incorporated in India except PSRML and PSIL which are incorporated in Mauritius.

- In the opinion of the management, value on realization of current assets, loans and advances in the ordinary course of business will be at least equal to the amount at which they have been stated in the financial statements.
- Previous year's figures have been regrouped, rearranged, reclassified wherever required.
- The Company operates in Single Segment i.e. Realty and Construction and therefore Segment Reporting as per AS-17 is not applicable.

#### Signatures to Schedules I to XV.

For and on behalf of the Board of Directors  
of Sunteck Realty Limited

Kamal Khetan  
Chairman & Managing Director

Kishore Vussonji  
Director

Jignesh Sanghavi  
Executive Director

M. Kalahasthi  
Director

Ramakant Nayak  
Director

Rachana Hingarajia  
Company Secretary

## Details of Subsidiaries

Particulars of the Subsidiary Companies of Sunteck Realty Limited  
Disclosure Pursuant to the Genreal circular dated 8th February 2011 issued by Ministry of Corporate Affairs  
under section 212 of the Companies Act 1956 for the year ended 31st March 2011

(Amount in Rs.)

Sr.No	Name of Subsidiary Company	Paid up Capital	Reserves	Total assets	Total Liabilities	Investments	Turnover / Total Income	PBT	Provision for tax	PAT	Proposed Dividend
1	Starlight Systems Pvt Ltd	4000000	122278926	5346331648	5346331648	270339554	140162608	50513721	12510955	38002766	NIL
2	Satguru Infocorp Services Pvt ltd	3750000	108879957	113129887	113129887	8586200	76409317	19478109	6375579	13102530	NIL
3	Magenta Computer Software Pvt	500000	51004922	51504922	51504922	18836330	14154519	11221945	2080474	9141471	5625000
4	Amenity Software Pvt Ltd	500000	52095003	52595003	52595003	17823680	13980606	10987746	2037058	8950688	5625000
5	Skystar Buildcon pvt Ltd	100000	NIL	1325957447	1325957447	NIL	143325	7692	4680	3012	NIL
6	Sunteck Property Holdings Pvt ltd	100000	NIL	100000	100000	100	NIL	(9470)	NIL	(9470)	NIL



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