



**SAT
INDUSTRIES
LIMITED**

GLOBAL BUSINESS



29TH Annual Report
2013-2014

Board of Directors

- Ms. SHEHNAZ D. Ali** Wholetime Director
- Mr. HARIKANT TURGALIA** Wholetime Director
- Mr. RAMESH CHANDRA SONI** Director
- Mr. VIRENDRA HANSNATH MAURYA** Director
- Mr. SUNIL MITHALAL JAIN** Director
- Mr. ASAD DAUD** Additional Director w.e.f. 22-04-2014

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Audit Committee :

- (i) Mr. Ramesh Chandra Soni - Chairman
- (ii) Mr. Virendra Hansnath Maurya
- (iii) Mr. Harikant Turgalia

Nomination and Remuneration Committee :

- (i) Mr. Ramesh Chandra Soni - Chairman
- (ii) Mr. Virendra Hansnath Maurya
- (iii) Mr. Sunil Mithalal Jain

Stakeholders Relationship Committee:

- (i) Mr. Ramesh Chandra Soni - Chairman
- (ii) Mr. Harikant Turgaila
- (iii) Ms. Shehnaz D. Ali

Bankers

KOTAK MAHINDRA BANK LTD.
Mittal Court, Nariman Point,
Mumbai 400 021. INDIA.

THE RATNAKAR BANK LTD.
Mittal Court, Nariman Point
Mumbai 400 021. INDIA.

HDFC BANK LTD.
Nanik Motwani Marg, Fort,
Mumbai 400 023. INDIA

HSBC BANK MIDDLEEAST LTD.
Deira Branch, U.A.E.

Auditors

M/s. R. KABRA & CO.
Chartered Accountants,
515, Tulsiani Chambers,
Nariman Point,
Mumbai - 400 021. INDIA

Registrar and Share Transfer Agent

M/s. LINK INTIME INDIA PVT. LTD.
C-13, Pannalal Silk Mills Compound, LBS Marg,
Bhandup (W), Mumbai 400 078. INDIA
Phone : 91-22-25963838
Fax : 91-22-25946969

Registered Office :

41, B- Wing, Mittal Tower,
Nariman Point, Mumbai- 400 021. (INDIA)
Phone : 91-22-6610 7025
Fax : 91-22-66107027
E-mail : sil@mtnl.net.in
Website www.satgroup.in

SALIENT CONSOLIDATED FINANCIAL DATA

(Figure in Rs.)

S.No.	Particulars	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
	PROFIT AND LOSS ACCOUNT					
1	Sales & other income	197,615,505	210,483,839	290,688,096	517,577,357	682,457,538
2	Profit before depreciation	(24,931,547)	(129,500,530)	(624,140,006)	19,141,907	664,286,395
3	Depreciation	61,100	168,701	704,750	948,815	892,511
4	Profit before tax	(24,992,647)	(165,177,951)	(624,844,756)	18,193,092	19,063,654
5	Taxation	(7,796,138)	(6,095,719)	52,274	(329,860)	(60,786)
6	Profit after tax	(17,196,509)	(159,082,232)	(624,897,030)	18,522,952	19,124,440
7	Excess Provision of income tax of previous years written back	-	-	-	74	-
8	Short Provision of Income Tax of previous years	-	-	-	-	(7,664)
9	Minority Interest	-	-	-	-	-
10	Net profit for the year	(17,196,509)	(159,082,232)	(624,897,030)	18,523,026	19,116,776
	BALANCE SHEET					
11	Total Assets					
	Gross Fixed Assets	541,704	597,570	5,547,572	120,108,102	120,147,119
	Net Fixed Assets	142,016	184,568	37,833,771	60,217,958	61,086,272
	Capital Work in Progress	-	-	-	-	-
	Investments	-	-	-	62,448,342	42,275,000
	Current Assets (Net)	217,613,140	219,116,849	334,129,613	844,863,040	880,719,868
	Miscellaneous Expenditure not written off	-	-	29,600	59,200	88,800
	Deferred Tax	15,104,409	7,308,271	1,212,552	1,220,826	760,966
	Total Application	232,859,565	226,609,688	373,205,536	968,809,366	984,930,906
12	Borrowings	7,981,301	300,000	1,164,163	25,649,356	117,716,307
13	Deferred Tax	-	-	-	-	-
14	Minority Interest	-	2,053,415	2,351,115	467,805	469,861
15	Net Worth					
	Share Capital	78,150,000	78,150,000	78,150,000	78,150,000	78,150,000
	Share Warrant	-	-	33,825,000	33,825,000	-
	Reserves & Surplus	146,728,264	146,106,273	257,715,258	830,717,205	788,594,738
		224,878,264	224,256,273	369,690,258	942,692,205	866,744,738
16	Total Sources	232,859,565	226,609,688	373,205,536	968,809,366	984,930,906
17	Profit/(Loss) before tax/Total Income	(12.65)%	(78.48)%	(214.95)%	3.52%	2.79%
18	Profit/(Loss) After Tax/Total Income	(8.70)%	(75.58)%	(214.97)%	3.58%	2.80%
19	Face value per share	Rs.2/-	Rs.2/-	Rs.2/-	Rs.2/-	Rs.2/-
20	Earning Per Share	(0.44)	(4.07)	(15.99)	0.47	0.49
21	Gross Block/Total Income	0.003 : 1	0.003 : 1	0.02 : 1	0.23 : 1	0.18 : 1
22	Net Block/Total Income	0.0007 : 1	0.0009 : 1	0.13 : 1	0.12 : 1	0.09 : 1
23	Current Ratio	2.02 : 1	2.82 : 1	3.40 : 1	10.48 : 1	23.72 : 1
24	Book value per equity share	5.76	5.74	9.46	24.12	22.18
		(Face value Rs.2/-per share)				
25	Debt / Equity Ratio	0.035: 1	0.001: 1	0.003 : 1	0.03 : 1	0.14 : 1

DIRECTORS' REPORT

To The Members of

SAT INDUSTRIES LIMITED

The Directors of your Company have pleasure in presenting their Twenty Ninth Annual Report and the Audited Accounts of the Company for the year ended 31.3.2014.

FINANCIAL RESULTS

Your Company's performance during the year as compared with that during the Previous year is summarised below :

Stand Alone		(Rs. in lakhs)	
Particulars	2013-2014	2012-2013	
Turnover	1438.54	1454.22	
Other Income	28.03	0.63	
Profit/Loss(-) before Tax, Interest and Depreciation	225.37	(204.37)	
Interest	0.18	1.41	
Depreciation	0.61	1.69	
Profit/(Loss) before Tax	(226.16)	(562.57)	
Less: Provision for Taxation	(77.96)	(60.96)	
Profit/(Loss) after Tax	(148.20)	(501.61)	
Profit available for appropriation	(148.20)	(501.61)	
Surplus carried from Previous year	114.15	615.76	
Balance carried to Balance Sheet	(34.05)	(114.15)	
Consolidated		(₹ in lakhs)	
Particulars	2013-2014	2012-2013	
Turnover	1948.12	2104.20	
Other Income	28.03	0.63	
Profit before Tax	(249.93)	(1651.78)	
Less: Provision for Taxation	(77.96)	(60.96)	
Profit after Tax	(171.97)	(1590.82)	
Net Profit for the year	(171.97)	(1590.82)	
Balance carried from last year	(440.79)	1150.03	
Balance carried to Balance Sheet	(612.76)	(440.79)	

DIVIDEND :

With a view to conserve resources for future expansions etc., your Directors are unable to recommend any dividend for the year 2013-2014.

OPERATIONS :

During the year under review your Company has recorded a turnover of Rs.1438.54 lakhs (pr. yr.Rs.1454.85 lakhs) registering an decrease of 1.12% and earned a net loss of Rs. 148.20 Lakhs (Pr. yr. net loss Rs. 501.61 lakhs) after providing for tax of Rs. (77.96) Lakhs (pr.yr. Rs. 60.96 lakhs).

DIRECTORATE :

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Asad Daud was appointed as an Additional Director w.e.f. April 22, 2014 and he shall hold office up to the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Mr. Asad Daud for appointment as a Director.

In terms of the Articles of Association of the Company, Mr. Harikant

Turgalia and Mr. Virendra Hansnath Maurya Directors retire at the ensuing Annual General Meeting. Mr. Harikant Turgalia being eligible has offered himself for re-appointment. The Company has received requisite notice in writing from member proposing Mr. Virendra Hansnath Maurya for appointment as Independent Director. Mr. Harikant Turgalia being eligible have offered themselves for re-appointment

The Company has received declaration from the Independent Director of the Company confirming that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

Your Directors recommend the above appointment /re-appointment.

FIXED DEPOSITS :

The Company has not accepted any deposit from public during the year ended 31st March, 2014 under section 58-A of the Companies Act, 1956.

LISTING OF SHARES :

The Equity Shares of your Company are listed on BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 and the listing fees for the year 2013-2014, has been paid.

PARTICULARS OF EMPLOYEES :

During the year under review, no employee of the Company was in receipt of the remuneration in excess of the limits prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO :

Pursuant to 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, as amended, the relevant information is given below :

A. CONSERVATION OF ENERGY :

The Company's operations are not power intensive. Nevertheless, your Company is taking every steps to conserve and minimise the use of energy wherever possible such as using energy efficient computer terminals, purchasing energy efficient equipments etc.

B. RESEARCH AND DEVELOPMENT :

The Company has no formal research and development department but the Company is continuously making efforts to strengthen research and development activities to improve quality and reduce cost.

C. TECHNOLOGY IMPORT AND ABSORPTION :

The Company has imported no technology. Indigenous technology available is continuously upgraded to improve overall performance.

D. FOREIGN EXCHANGE EARNINGS AND OUT GO :

The Company is making continuous efforts to explore new foreign markets and to enlarge its market of exports. The earning in foreign exchange of UAE Branch was Rs. 143038043/- (pr.Yr.Rs. 144809571/-). Outgo in foreign exchange on accrual basis was Rs. 162541676/- (pr. yr. Rs. 159316205/-).

CORPORATE GOVERNANCE :

Pursuant to the Listing Agreement with the Bombay Stock Exchange Limited, Report on Corporate Governance is annexed herewith (Annexure "A").

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to the Listing Agreement with the Bombay Stock Exchange Limited, Report on Management Discussion and Analysis Report is annexed herewith (Annexure "B").

COMPANY SECRETARY :

To appoint a company secretary, the Company is continuously making efforts and looking for right person but the efforts have not been materialised.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to section 217(2AA) of the Companies Act,1956, it is stated that :

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to the materials departures ;
- (ii) The directors had selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding of the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The directors had prepared the annual accounts on a going concern basis

SUBSIDIARY COMPANIES :

The Company as of March 31, 2014 had only one wholly owned subsidiary viz. Sat Middleeast Limited FZC, UAE.

The statement pursuant to Section 212 of the Companies Act,1956, containing details of subsidiaries of the Company, forms part of this Annual Report.

In view of the General Circular No. 02/2011 dated 08/02/2011 issued by the Ministry of Corporate Affairs, Government of India, the Audited statement of Accounts , the Reports of the Board of Directors and Auditors of the Subsidiary companies are not attached as required under Section 212(8) of the Companies Act,1956. Shareholders who wish to have a copy of the full report and accounts of the subsidiary will be provided the same on receipt of a written request from them. These documents will also be available for inspection by any shareholder at the Registered Office of the Company and head office of the subsidiary company concerned on any working day during business hours. As directed by the Central Government, the financial data of the subsidiary has been furnished in a single sheet in the consolidated Balance sheet, which forms part of the Annual Report.

CONSOLIDATION OF ACCOUNTS :

As required under clause 32 of the Listing Agreements with the Bombay Stock Exchange Limited, audited consolidated financial statements form part of the Annual Report.

AUDITORS :

- (a) The Board of Directors of the Company have on the recommendation of the Audit Committee proposed that M/s R. Kabra & Co., Chartered Accountants, Mumbai be re-appointed as the Statutory Auditors of the Company and to hold the office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company. M/s R.Kabra & Co., Chartered Accountants, Mumbai have forwarded their letter to the Company stating that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment
- (b) The Board of Directors of the Company on the recommendations of the Audit Committee decided to have the accounts of the Sharjah Branch (UAE) of the Company audited by a person other than the Statutory Auditors of the Company in accordance with the provisions of section 143(8) of the Companies Act, 2013. Your Directors request you to appoint the auditors and fix their remuneration.

AUDITORS' REPORT :

Explanation under section 217(3) of the Companies Act,1956 on the Auditors' observations :

- (a) Note No. 12.1 : the Company's position on sundry debtors of INR 22,229,993 out of which substantial amount of INR 18,618,075 (foreign currency AED 1,144,664 is outstanding of its foreign branch and the period of outstanding of debtors has been relied upon by us without any independent verification and also the foreign debtors have been written off to the extent of Rs. 17,221,808 (AED 1,049,675) which are subject to independent verification.

Management response :

The accounts of the foreign branch has been audited by an independent Auditors of the host country and the report of him has been given for consideration to the Statutory Auditors of the Company. The auditors of the foreign branch has not qualified on this issue in his audit report .

- (b) Note No. 26 : non- appointment of Company Secretary

Management response :

Please refer to the head " COMPANY SECRETARY" of this report.

ACKNOWLEDGEMENT :

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the banks, Central and State Government Authorities etc. during the year under review.

Your Directors wish to place on record their deep sense of appreciation for the devoted services of the executives, Staff and Workers of the Company for its success.

for and on behalf of the Board of Directors

Place : Mumbai

H.K. Turgalia

Shehnaz D. Ali

Dated : 30.05.2014

Wholtime Director

Wholtime Director

ANNEXURE 'A' TO THE DIRECTORS REPORT

CORPORATE GOVERNANCE REPORT FOR THE PERIOD APRIL 1, 2013 TO MARCH 31, 2014

Introduction

Your Company has complied in all material respects with the features of Corporate Governance Code as per the Clause 49 of the Listing Agreement with the Stock Exchange.

A report on the implementation of the Corporate Governance Code of the Listing Agreement by the Company is furnished below.

A. COMPANY'S PHILOSOPHY

Your Company lays much emphasis on the transparent working and providing much of the information etc. to the stake holders such as shareholders, investors, bankers, institutions etc. so that the reader/user of the information is in a position to take considered decision.

B. BOARD OF DIRECTORS :

i) Composition of Board

The Board of Directors of the Company consists of Directors having varied experience in different areas. The composition of the Board is in conformity with the provisions of Clause 49 of the Listing Agreement. The Company has no chairman either executive or non executive.

The composition and other details are as under :

The Company places before the Board the annual plans, performance of operations and other information, including those specified under Annexure I of the Listing Agreement from time to time.

- (ii) During the period from April, 2013 to March, 2014, total 6 meetings were held on 29.05.2013, 14.08.2013, 30.08.2013, 14.11.2013, 13.02.14 and 22.03.2014. The gap between any two meetings is not more than four months.
- (iii) During the year no sitting fees was paid to the directors for attending the meeting of the Board of Directors.

(iv) AUDIT COMMITTEE :

The Audit Committee comprises of the following persons :

- i. Mr. Ramesh Chandra Soni - Chairman
- ii. Mr. Virendra Hansnath Maurya and
- iii. Mr. Harikant Turgalia

Two-third members of the Committee are independent and non-executive directors.

The terms of reference of the Audit Committee are as outlined in the Companies Act, 1956 and the Listing Agreement.

Minutes of each Audit Committee are placed before and discussed in the Board.

During the year 2013-14, Four meetings of Audit Committee were held on 29.05.2013, 14.08.2013, 14.11.2013 and 13.02.2014. one of which was before finalization of Accounts and other before adoption of the quarterly financial results by the Board.

Name of Director	Category of Director	No. of the other directorship held	Membership in committee of other companies held	No. of Board meetings held	No. of Board meetings attended	Attendance in last AGM held Yes/No
Mr. Ramesh Chandra Soni	Independent Non-Executive	3	NIL	6	4	Yes
Mr. Harikant Turgalia	Independent Executive	3	NIL	6	6	Yes
Mrs. Shehnaz D. Ali	Promoter Executive	3	NIL	6	6	No
Mr. Virendra Hansnath Maurya	Independent Non-Executive	NIL	NIL	6	4	No
Mr. Sunil Mithalal Jain	Independent Non-Executive	NIL	NIL	6	4	No

The necessary quorum was present at the meetings. The attendance of each member of the Committee is given below :

Name	No. of meeting held	No. of meeting attended
Mr. Ramesh Chandra Soni	4	4
Mr. Harikant Turgalia	4	4
Mr. Virendra Hansnath Maurya	4	4

(V) REMUNERATION OF DIRECTORS

(a) NOMINATION AND REMUNERATION COMMITTEE:

Brief description and terms of reference :

- Frame Company's policies on Board and Directors with the approval of the Board.
- Make recommendation for the appointment on the Board and state management positions.
- Review and recommend compensation payable to the executive directors.
- Review re-election of the members of the Board.

The Nomination and Remuneration Committee comprises of the following persons :

- Mr. Ramesh Chandra Soni - Chairman
- Mr. Virendra Hansnath Maurya
- Mr. Sunil Mithalal Jain

All the members of the nomination and remuneration committee are independent directors and non-executive.

During the year no remuneration was paid to non- executive director.

During the year one meeting of the Committee held on 29-05-2013.

No sitting fees was paid to the members for attending the meeting of the Committee.

Details of remuneration paid/payable to Directors for the year ended March 31, 2014 are as follows :

Name	Salary (Rs.)	Benefits (Rs.)	Bonus	Stock option	Performance linked incentives	Service contract / notice period / severance fee
Mrs. Shehnaz D.Ali	900000	Nil	Nil	Nil	Nil	***
Mr. H.K. Turgalia	648000	70000	Nil	Nil	Nil	***

Service Contract : 5 years with effect from the date of appointment i.e. 01-01-2011

Notice Period : Three months either side

Severance fee : No severance fees

(vi) BOARD PROCEDURE :

- During the period April 2013 to March, 2014, Six Board meetings were held with atleast one meeting in every quarter with a time gap between two meetings not more than four months.
- There is no Director who is member in more than ten committees or acts as Chairman of more than five committees.

(vii) MANAGEMENT :

- Management discussion and Analysis
Management Discussion and Analysis is part of this Annual Report.
- Disclosures :
 - Transactions with the related parties are disclosed in Note no. 23 of "Notes to Accounts" annexed to the Accounts in the Annual Report.
 - No transaction of material nature has been entered into by the Company with its Directors or Management and their relatives, etc. that may have a potential conflict with the interests of the Company. The Register of Contracts containing transactions in which directors are interested, is placed before the Board regularly.
 - There has been no instances of non-compliance by the Company on any matter related to capital markets. Hence, the question of penalties or strictures being imposed by SEBI or the stock exchange or any statutory authorities does not arise.
- Though there is no formal Whistle Blower Policy, the Company takes cognizance of complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken. No employee of the Company has been denied access to the Audit Committee of the Board of Directors of the Company.

- (v) In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.
- (vi) The details of the utilization of proceeds raised through preferential issue of equity shares /warrants are disclosed to the audit committee and in the balance sheet. The Company has not utilized these funds for purpose other than those stated in the notice convening the general meeting.
- (vii) A certificate from CEO and CFO was placed before the Board.
- (viii) The Company has periodic review and reporting to the Board of Directors of risk assessment by the senior executives with a view to minimize risk.

(viii) SUBSIDIARIES :

The Company has one subsidiary which is a foreign subsidiary. In view of this Clause 49(III) of the Listing Agreement is not applicable.

(viii) SHAREHOLDERS :

(a) Stakeholders Relationship Committee :

Stakeholders Relationship Committee to specifically look into redressing of shareholders and investors, complaints such as transfer of shares, non-receipt of shares, non- receipt of declared dividends and to ensure expeditious share transfer process. The Committee consists of the following persons:

- (i) Mr. Ramesh Chandra Soni Chairman
- (ii) Mr. Harikant Turgalia
- (iii) Mrs. Shehnaz D. Ali

The committee met four times on 29.05.2013, 14.08.2013, 14.11.2013 and 13.02.14. The necessary quorum was present at all meetings. During the year under report no complaints were received. Further there were no complaints outstanding at the beginning and end of the year.

The attendance of each member of the Committee is given below :

Name	No. of meeting held	No. of meeting attended
Mr. Ramesh Chandra Soni	4	4
Mrs. Shehnaz D. Ali	4	4
Mr. Harikant Turgalia	4	4

The Board has designated Mr. Wilfred D'mello who was appointed as Compliance Officer.

(b) Share Transfer Committee :

The Company's shares are traded in the dematerialized form on the Stock Exchange, Mumbai. To expedite the transfer in physical segments, the Company has constituted a share transfer committee comprising of Mr. Harikant Turgalia and Mrs. Shehnaz D. Ali on 10.06.2002. The Committee approves share transfer and transmission, issue of duplicate certificates and reviews all other matters connected with securities. During the year no complaints were received from any of the directors, through SEBI/ROC, through stock exchanges and investors associations and there is no complaint outstanding. No shares are pending for transfer.

(c) Directors seeking appointment/re-appointment:

Disclosures about the particulars of the directors seeking appointment/ re-appointment at the ensuing annual general meeting have been furnished in the annexure to the notice convening the Annual General Meeting .

(ix) GENERAL BODY MEETINGS :

(a) The Company held its last three Annual General Meetings as under :

Annual General Meeting	Date	Time	Location	No. of Special resolution passed
26 th	27.09.2011	9.00AM	Umang Hall, Samrat Hotel, Prem Court, J. Tata Road, Mumbai – 400 020	3
27 th	29.09.2012	9.00AM	Umang Hall, Samrat Hotel, Prem Court, J. Tata Road, Mumbai – 400 020	Nil
28 th	30.08.2013	9.00AM	Umang Hall, Samrat Hotel, Prem Court, J. Tata Road, Mumbai – 400 020	Nil

(x) POSTAL BALLOT SYSTEM :

This year no special resolution through ballot paper is proposed nor special resolution was put through in the previous year.

(ii) Financial Calendar : Financial Reporting for :
Board meeting for consideration of : 29.05.2014
Accounts for the year ended on 31.03.2014.

C. CODE OF CONDUCT :

The Board of Directors have laid down the Code of Conduct for all the Board Members and the members of the Senior Management of the Company. The Company is in the process of placing the same on the Company's website. Certificate from the Wholetime Director affirming compliance of the said Code by all the Board Members and Members of Senior Management of the Company, to whom the Code is applicable, is annexed separately to this Report

Book Closure date : 16.07.2014 to 19.07.2014
(both days inclusive)

D. MEANS OF COMMUNICATION :

The quarterly/half yearly/ annual unaudited / audited financial results of the Company are sent to the stock exchange where the shares of the Company are listed immediately after their approval by the Board .

The above results are generally published in English and Marathi languages news papers circulating in Maharashtra.

The results are not sent to the shareholders at their home.

The Company has placed its financials on the website www.satgroup.in

During the year the Company has made neither any representation to any analyst nor has given any press release.

Board Meeting for consideration of Unaudited results for the first three quarters of the current financial year viz: : April 01,2014 to March 31,2015 : within forty five days from the end of the quarter as stipulated under the listing agreement with the Stock Exchange.

Board Meeting for consideration of audited results for the current financial year ending March 31,2015 : within sixty days from the end of the last quarter as stipulated under the listing agreement with the Stock Exchange.

Dividend Payment : Not Applicable

E. GENERAL SHAREHOLDERS INFORMATION :

(i) Annual General Meeting :

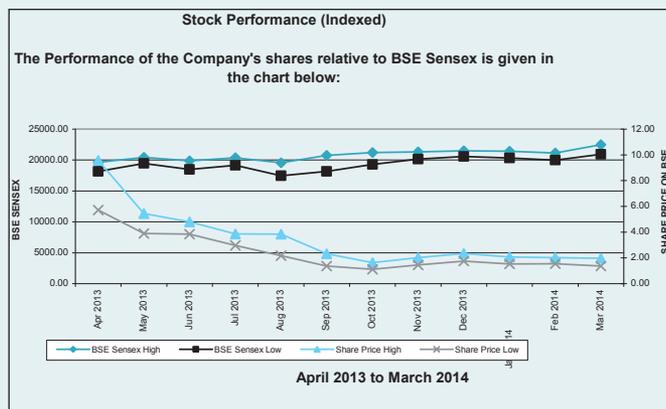
Date and Time : 19.07.2014 at 09.00 AM
Venue : Umang Hall, Samrat Hotel, Prem Court, J. Tata Road, Churchgate, Mumbai – 400 020

(iii) Listing At Stock Exchange :

Name of Stock Exchange	Stock Code	Code on screen
Bombay Stock Exchange Ltd., Mumbai	511076	SatInd

(iv) Market Price Data (Rs.)

Month	High	Low	Month	High	Low
April	9.57	5.72	October	1.64	1.11
May	5.44	3.89	November	2.03	1.45
June	4.80	3.84	December	2.35	1.75
July	3.86	2.96	January	2.08	1.53
August	3.85	2.18	February	2.03	1.55
September	2.33	1.37	March	1.98	1.36

(v) Performance in comparison to broad based indices as BSE Sensex

(vi) Registrar and Transfer Agent :

The Company has appointed Link Intime India Private Limited as its transfer agent. All the transfer etc. work – physical as well as dematerialized work are looked after by the agent :

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (W)
Mumbai –400 078, India.
E-Mail : mumbai@linkintime.co.in
Phone : 022-25963838
Fax : 022-25946969

(vii) Share Transfer System :

Share Transfer in physical form , if clear in all respect, are effected and returned within a period of 15 days from the date of receipt . Share Transfer Committee meets once in a week to approve transfer. Transfer Agent and the Company do comply with the requirements of clause 47 of the Listing agreement in time.

(viii) DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2014

Shareholding of nominal value Rs Rs.	No. of shareholders	% of Total	Share amount in Rs.	% of share capital
Upto 4000	1489	80.0538	1378620	1.7641
4001-6000	75	4.0322	389260	0.4981
6001-10000	69	3.7097	561866	0.7189
10001 - 20000	80	4.3011	1230938	1.5751
20001 & above	147	7.9032	74589316	95.4438
TOTAL	1860	100.00	78150000	100.00

(ix) Shareholding Pattern as on 31.03.2014

Category	No. of shares	% of shareholding
Promoter – Indian	14510000	37.1337
NRI	NIL	NIL
Indian Public	8449800	21.6246
FII's/NRI's/OCBs	25375	00.0649
Bodies Corporate	15688894	40.1507
Financial institution	NIL	NIL
Banks	NIL	NIL
Mutual Funds	NIL	NIL
Clearing Members	400931	1.0261
TOTAL	39075000	100.00

(x) Dematerialisation of shares and liquidity

Trading of the Company' shares is compulsory in dematerialised form for all investors since August, 2001. Equity shares representing 99.9999% have been dematerialised with the following depositories :

Description	ISIN	Depositories
Equity Shares	INE065D01027	NSDL and CDSL

The liquidity of shares is normal.

(xi) Outstanding GDR/ADR/warrants etc. : Nil

(xii) Location of plant : The Company does not have any plant.

(xiii) ADDRESS FOR COMMUNICATION :

SAT INDUSTRIES LIMITED

41, B- Wing , Mittal Tower,
Nariman Point ,
Mumbai – 400 021

PHONE : 022- 6610 7025

FAX NO. : 022- 6610 7027

E-MAIL : sil@mtnl.net.in

WEBSITE: www.satgroup.in

(xiv) E-Mail Address for investors complaints :

silstakeholders@gmail.com

(xv) The Company has not obtained any public fund in the last three years.

(xvi) Adoption of non mandatory requirements: The Company has so far not implemented Non-Mandatory requirements of the Code of Corporate Governance.

ANNEXURE TO CORPORATE GOVERNANCE REPORT

In terms of the requirements of the amended Clause 49 of the Listing Agreement, this is to confirm that all the members of the Board and the senior management personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2014.

Place : Mumbai
Dated : 30.05.2014

Harikant Turgalia
Wholetime Director

Annexure "B" to the Directors Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The management of Sat Industries Limited is pleased to present its analysis report covering performance and outlook. The report contains certain forward looking statements which are subject to certain future events and uncertainties that could cause actual results to differ materially.

A. INDUSTRIAL STRUCTURE AND DEVELOPMENT

Your Company is engaged in the business of importing and exporting of goods with the head office at Mumbai and the branch office at Sharjah (UAE). The Company is engaged in the business of import and export of different merchandise.

B. OPPORTUNITIES AND THREATS

The Company see strong opportunities in the international marketing as the global market is revived in general and in the Middle East countries in particular. The Company deals in the commodities products such as galvanized steel, coils, sheets, leather products etc. In the Middle East countries, there is great spurt in the construction work and every State of the Middle East countries has chalked out long term plan for creation of the various infrastructure facilities such as bridges, roads, residential and commercial complexes, industrial estates etc. involving construction work of billions of dollars. In addition to this, the oil refineries operating in the Middle East countries are putting up more refineries and also carrying out modernization & expansion of their existing refineries. Following are the two significant threats to the Company's business :

(i) Competitive Business:

Since the company operates in world markets, competitive business can develop from any corner

of the globe. The Company has to be on the lookout for tracking the competition and maintaining its competitive edge in terms of quality and value proportion.

(ii) Talent retention:

The Company has to ensure that the people working for it who constitute its major competitive advantage continue to contribute productivity to its business.

C. OUTLOOK

The future outlook of our Company like that of all other in international marketing is dependent on Government policy. Government policy needs to be clearly spelt out more particularly in respect of importing and exporting products with regard to benefits at par with other countries and bilateral trade agreements with the countries in the world . It may lead to opening up of new export markets. Barring unforeseen circumstances , the prospects are more than satisfactory.

D. RISK AND CONCERNS

With regard to international marketing involving import and export, there is no risk or concern except when the goods are exported on credit.

Your Company continues to follow suitable strategies to positively modify its risk profile by eliminating and significantly reducing key business and developing and implementing strategies to achieve the maximum possible degree of insulation from broad macroeconomic risks.

E. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY :

The Company has adequate internal control procedure commensurate with its size and nature of the business. These business control procedure ensures efficient use and protection of the resources and compliances with

the policies, procedures and statutes. The internal control system provides for well-documented policies, guidelines, authorization and approval procedures. The Company is also planning to make a separate department for internal audit, which will carry out audit more extensively throughout the year. The prime objective of such audits is to test the adequacy and effectiveness of all internal controls laid down by the management and to suggest improvements.

F. FINANCIAL PERFORMANCE

The turnover during the year under report was Rs. 146657691/- and the loss incurred after providing for depreciation of Rs. 61100/- was Rs. 22616138/-. To improve the performance the

Company is taking all possible steps of cost control and cost reduction. These efforts will result in improved bottom line.

G. HUMAN RESOURCES/INDUSTRIAL RELATION:

The Company regards its human resources amongst its most valuable assets and proactively reviews and evolves policies and processes to attract and retain its substantial pool of technical and managerial resources through a work environment that encourages initiatives, provides challenges and opportunities and recognizes the performance and potential of its people.

In keeping with the time, the staff is imparted from time to time training in their respective fields to keep them updated with the changes in their respective fields.

R. KABRA & CO.

Chartered Accountants
515, Tulsiani Chambers,
Nariman Point,
Mumbai - 400 021.

AUDITORS' CERTIFICATE ON CLAUSE 49 COMPLIANCE

**The Board of Directors,
Sat Industries Ltd.**

We have examined the compliance of conditions of Corporate Governance by Sat Industries Limited for the year ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement applicable for the year ended 31st March, 2014, of the Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance referred to above. 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We 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 **R.KABRA & CO.**
Chartered Accountants

(DEEPA RATHI)

Partner

Membership No. 104808

Firm Registration No. 104502W

Place : Mumbai

Dated : 30-05-2014

01. Name of subsidiary Company	Sat Middleeast Ltd.- FZC
02. Financial year of subsidiary Company ended on	31st March, 2014
03. Shares of subsidiary company held on the above date and extent of holding	100 shares of AED 94520 each
(i) Equity Shares	
(ii) Extent of holding (%)	100%
04. Net aggregate amount of profits/(losses) of the subsidiary for the above financial year so far as they concern members of Sat Industries Ltd.	
(i) Dealt with in the accounts	NIL
(ii) Not dealt with in the accounts	(AED 144849) (equivalent to Rs.2355983/-)
05. Net aggregate amount of profits/(losses) for previous financial years of the subsidiary as far as it concern members of Sat Industries Ltd.	
(i) Dealt with in the accounts	NIL
(ii) Not dealt with in the accounts	(AED 7367322) (equivalent to Rs.108914805/-)

Statement pursuant to section 212(5) of the Companies Act, 1956

1) Change in the holding company's interest	No Change
2) Details of material change	
i) Fixed assets of the subsidiary	Not applicable
ii) Its investments	Not applicable
iii) Money lent by it	Not applicable
iv) The money borrowed for any purpose other than that of meeting current liabilities	Not applicable

For and on behalf of the Board of Directors
Shehnaz D. Ali **Harikant Turgalia**
 Wholetime Director Wholetime Director

Place : Mumbai

Dated : 30-05-2014

* Conversion rate 1 AED = Rs. 16.2651 as on 31-3-2014

Information of subsidiary companies in terms of the exemption granted by the Ministry of Corporate Affairs, Government of India under section 212(8) of the Companies Act, 1956.

Sr. No.	Particulars	Sat Middle East Limited FZC *	
		AED	INR
1	Financial year ending on	31.03.2014	
2	Currency		INR
3	Share Capital	9452000	153737725
4	Reserves and Surplus	30324	493223
5	Total Assets	16065810	261312006
6	Total Liabilities	6583486	107081058
7	Turnover (including other income)	3105896	50957814
8	Profit/(Loss) for the year before taxation	(144849)	(2376509)
9	Provision for taxation	-	-
10	Profit/(Loss) after taxation	(144849)	(2376509)
11	Proposed dividend	-	-

* Sat Middle East Limited FZC - Unit of currency AED. Exchange Rate as at March 31, 2014 AED = Rs.16.2651 for assets and liabilities and Rs. 16.4068 for turnover and profit.

AUDITOR'S REPORT

Independent Auditor's Report To the Members of SAT Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of SAT Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required **subject to Note No. 12.1 regarding Company's**

position on sundry debtors of INR 22,229,993 out of which substantial amount of INR 18,618,075 (foreign currency AED 1,144,664 is outstanding of its foreign branch and the period of outstanding of debtors has been relied upon by us without any independent verification and also the foreign debtors have been written off to the extent of INR 17,221,808 (AED 1,049,675) which are subject to independent verification, Note No. 26 regarding non appointment of Company Secretary, and other notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act;
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For R.KABRA & CO.
Chartered Accountants
FRN: 104502W

DEEPA RATHI
Partner

Place : Mumbai
Dated: May 30, 2014

Membership No. 104808

ANNEXURE TO THE AUDITOR'S REPORTS

(Referred to in our report of even date)

- (i) (a) The company has maintained fixed assets register showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were found at the time of physical verification
- (c) No major fixed assets have been sold during the year, thus the going concern concept has not been affected.
- (ii) (a) **There is no inventory held locally in India during the current year. The inventory is held at a foreign branch which is audited by other auditors and we are not able to comment on the same regarding reasonable intervals of physical verification.**
- (b) **Since the inventory is held at the foreign branch audited by the local branch auditor we are not able to comment on the reasonability of the procedures of physical verification followed by the management in relation to the size of the Company and nature of business.**
- (iii) (a) In our opinion and according to the information and explanation given to us, the Company has granted unsecured loans to companies, firms or other parties covered in the register maintained U/s 301 of the Act during the year. The number of parties are 7, maximum outstanding during the year is Rs. 24,141,389/- and on 31/03/2014 is Rs. 20,292,077/-
- (b) **Except the interest free loan**, other terms and conditions of unsecured loans granted are prima facie not prejudicial to the interest of the Company.
- (c) Regular receipt of the interest free principal amount of unsecured loans is not applicable as it is receivable on demand
- (d) In our opinion and according to the information and explanation given to us, the company has taken unsecured loans from companies, firms or other parties covered in the register maintained U/s 301 of the Act during the year. The number of parties are 4, Maximum outstanding during the year is Rs. 1,444,399/- and on 31/03/2014 is Rs. 500,000/-
- (e) The terms and conditions of unsecured loans taken are prima facie not prejudicial to the interest of the company.
- (f) Regular repayment of the interest free principal amount of unsecured loans are not applicable as it is repayable on demand.
- (iv) In our opinion and according to the information and explanation given to us, the company has an adequate internal control procedure commensurate with the size and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.
- (v) (a) In our opinion and according to the information and explanation given to us, the company is in the **process of updating the register for transactions** that need to be entered into a register in pursuance of section 301 of the Act;
- (b) As per information and explanation given to us, the transactions entered with the parties covered u/s 301 of The Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanation given to us, the clause (vi) of the order is not applicable to the Company, as the company has not accepted any public deposit.
- (vii) In our opinion, the Company has an internal audit system **through internal controls, the scope and coverage of which needs to be strengthened to make it commensurate with the size of the company and nature of its business.**
- (viii) As explained to us, maintenance of cost records prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act is not applicable to the company.
- (ix) (a) As explained to us by the management, since the number of employees are falling below the limit,

therefore provident fund, Investor Education and Protection Fund, Employees State Insurance are not applicable to the Company. The Company is regular in depositing undisputed statutory dues relating to Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess wherever applicable and other statutory dues with the appropriate authorities and there are no undisputed statutory dues outstanding as at 31st March 2014 for a period of more than six months from the date they became payable.

- (b) According to the records of the company, the dues of sales tax, income tax, customs, wealth tax, service tax, excise duty, cess which have not been deposited on account of disputes and the forum where the dispute is pending are NIL.
- (x) The Company has accumulated losses at the end of the financial year and it has incurred cash losses in current financial year and in the immediately preceding financial year.
- (xi) The company has not taken any loans from financial institution or bank or debenture holders, so the question of default in repayment does not arises.
- (xii) The clause (xii) of the order is not applicable to the company, as the company has not granted loans and advances on the basis of security.
- (xiii) The clause (xiii) of the order is not applicable to the Company, as the company is not a chit fund/nidhi company.
- (xiv) The Company has invested in subsidiary's/associates share capital, except this, the company does not have any other investment. Investments have been held by the Company in its own name.
- (xv) The Company has not received any term loan during the

year, so the clause (xvi) of the order is not applicable.

- (xvi) The Company has not given any guarantee for loans taken by others from banks or financial institutions, therefore clause (xvi) is not applicable.
- (xvii) As per information and explanation given to us and on the overall examination of balance sheet, we have found that the funds raised on short term basis have not been used for long term investment.
- (xviii) As per information and explanation given to us, 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 during the year.
- (xix) Since the Company has not issued any debentures during the year, the question of security or charge created does not arise.
- (xx) The Company has not raised money through public issue and therefore clause xx of the order is not applicable to the company.
- (xxi) During the course of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year nor we have been informed of such case by the management.

**For R.KABRA & CO.
Chartered Accountants**

**(DEEPA RATHI)
Partner**

Place : Mumbai

Membership No. 104808

Dated: May 30, 2014

Firm Registration No. 104502W

BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note No	As at 31st March 2014	As at 31st March 2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
a. Share Capital	1	7,81,50,000	7,81,50,000
b. Reserves and Surplus	2	10,92,10,039	12,04,22,757
(2) Non-Current Liabilities			
a. Long-term borrowings	4	79,81,301	-
(3) Current Liabilities			
a. Short-term borrowings	5	-	7,60,000
b. Other current liabilities	6	10,29,309	14,03,803
c. Short-term provisions	7	1,31,729	-
Total		19,65,02,378	20,07,36,560
II. Assets			
(1) Non-current assets			
a. Fixed assets			
(i) Tangible assets	8	1,42,016	1,84,568
b. Non-current investments	9	11,67,12,723	12,01,39,003
c. Deferred tax assets (net)	10	1,51,04,409	73,08,271
d. Long term loans and advances	11	1,65,042	1,60,925
(2) Current assets			
a. Trade receivables	12	2,22,29,993	3,81,62,623
b. Cash and cash equivalents	13	23,13,838	1,59,364
c. Short-term loans and advances	14	3,98,34,357	3,46,21,806
Significant Accounting Policies & Notes to Accounts	1 to 29		
Total		19,65,02,378	20,07,36,560

As per our report of even date

For R. Kabra & Co.

Chartered Accountants

FRN: 104502W

Deepa Rathi

Partner

M No.: 104808

Place : Mumbai

Date : 30-05-2014

For and on behalf of the Board

Shehnaz D. Ali

Wholetime Director

H.K Turgalia

Wholetime Director

Profit and Loss statement for the year ended 31st March, 2014

Particulars	Note No	As at 31st March 2014	As at 31st March 2013
Revenue from operations	15	14,30,38,043	14,48,09,571
Other Income	16	36,19,648	6,75,521
I. Total Revenue		14,66,57,691	14,54,85,092
Expenses:			
Purchase of Stock-in-Trade		14,12,58,463	14,58,66,947
Employee benefit expense	17	38,33,872	30,17,039
Financial costs	18	18,368	1,41,331
Depreciation and amortization expense		61,100	1,68,701
Other expenses	19	2,41,02,026	1,70,38,191
II. Total Expenses		16,92,73,829	16,62,32,209
III. Profit before exceptional and extraordinary items and tax	(I - II)	(2,26,16,138)	(2,07,47,117)
IV. Exceptional Items			
Less: Diminution in Value of Investments		-	3,55,08,720
V. Profit before extraordinary items and tax	(III - IV)	(2,26,16,138)	(5,62,55,837)
VI. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax Liability / (Asset)		(77,96,138)	(60,95,719)
VII. Profit/(Loss) for the period	(V-VI)	(1,48,20,000)	(5,01,60,118)
VIII. Earning per equity share:			
(1) Basic		-0.379	-1.284
(2) Diluted		-	-
Significant Accounting Policies & Notes to Accounts	1 to 29		

As per our report of even date
For R. Kabra & Co.
Chartered Accountants
FRN: 104502W
Deepa Rathi
Partner
M No.: 104808
Place : Mumbai
Date : 30-05-2014
For and on behalf of the Board
Shehnaz D. Ali
Wholetime Director
H.K Turgalia
Wholetime Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2014

Particulars	(Amount in ₹)	
	Year ended 31-03-2014	Year ended 31-03-2013
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax	(2,26,16,138)	(5,62,55,837)
Adjustments for :		
Depreciation	61,100	1,68,701
Profit on sale of Fixed Assets	-	(63,276)
Provision for gratuity		3,55,08,720
interest exp	18,368	1,39,597
Profit on sale of Investments	(28,03,320)	-
Operating Profit before working capital changes	(2,53,39,990)	(2,05,02,095)
Adjustments for :		
Trade Receivables	1,59,32,630	1,01,47,999
Trade Payables	1,25,506	6,11,456
Short Term Provisions	1,31,729	
Short Term Loans and Advances	(52,12,551)	
Cash Generated from Operations	(1,43,62,676)	(97,42,640)
Gratuity payment		
Direct Taxes Paid		(57,548)
Net Cash Flow from Operating Activities	(1,43,62,676)	(98,00,188)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(20,134)	(1,12,300)
Sale of Fixed Assets	1,586	18,36,000
Long Term loans and Advances	(4,117)	-
Purchase of Investments	-	-
Share Application Money	-	-
Sale of Investments	62,29,600	95,10,800
Net inflow/(outflow) in Investing Activities	62,06,935	1,12,34,500
c) CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Secured Loan	-	(14,69,714)
Repayment of Unsecured Loan		(52,91,301)
Repayment of Short-term borrowings	(7,60,000)	-
interest expense	(18,368)	(1,39,597)
Proceeds from Long-term borrowings	74,81,301	
Net inflow/(outflow) in Financing Activities	6,702,933	(6,900,612)
D) Foreign Exchange Translation Reserve Adjustment	36,07,282	22,43,407
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C+D)	21,54,474	(32,22,893)
Cash and Cash equivalents at the beginning	1,59,364	33,82,257
Cash and Cash equivalents at the close	23,13,838	1,59,364

Note: 1) Previous years figures have been regrouped, rearranged to make them comparable.
2) Cash Flow Statement has been prepared on 'Indirect Method'

As per our report of even date
For R. Kabra & Co.
Chartered Accountants
FRN: 104502W

For and on behalf of the Board

Deepa Rathi
Partner
M No.: 104808
Place : Mumbai
Date : 30-05-2014

Shehnaz D. Ali
Wholetime Director

H.K Turgalia
Wholetime Director

Notes To Accounts
NOTE 1: SHARE CAPITAL

Particulars	As at 31 March 2014		As at 31 March 2013	
	No. of Shares	Amount	No. of Shares	Amount
Authorised				
Equity Shares of 10/- each	5,00,00,000	10,00,00,000	5,00,00,000	10,00,00,000
	5,00,00,000	10,00,00,000	5,00,00,000	10,00,00,000
Issued				
Equity Shares of 2/- each fully paid up	3,90,75,000	7,81,50,000	3,90,75,000	7,81,50,000
Total	3,90,75,000	7,81,50,000	3,90,75,000	7,81,50,000

Note 1.1
Reconciliation for No. of shares outstanding during the year

Particulars	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	Amt	No. of Shares	Amt
Shares outstanding at the beginning of the year	3,90,75,000	7,81,50,000	3,90,75,000	7,81,50,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3,90,75,000	7,81,50,000	3,90,75,000	7,81,50,000

Note 1.2
Details of shareholders holding more than 5%

Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1. Sat Invest Private Limited	1,41,50,000	37.13%	1,41,50,000	37.13%
2. Dawood Investment Private Limited	72,09,350	18.45%	72,09,350	18.45%
3. Space Age Polymers Private Limited	40,69,455	10.41%	40,63,455	10.41%

Note 2 : RESERVES AND SURPLUS

Particulars	As at 31 March 2014	As at 31 March 2013
a. General Reserves		
Opening Balance	48,00,254	48,00,254
(+) Current Year Transfer	Nil	Nil
Closing Balance	48,00,254	48,00,254
b. Securities Premium Account		
Opening Balance	5,94,00,000	5,94,00,000
Add : Securities premium credited on Share issue	Nil	Nil
Closing Balance	5,94,00,000	5,94,00,000
c. Foreign Currency Translation Reserve		
Opening Balance	1,09,83,226	87,39,819

Notes To Accounts (Contd.)
Note 2 : RESERVES AND SURPLUS

Particulars	As at 31 March 2014	As at 31 March 2013
(-) Written Back in Current Year	(1,09,83,226)	(87,39,819)
(+) Current Year Transfer	1,45,90,508	1,09,83,226
Closing Balance	1,45,90,508	1,09,83,226
d. Capital Reserve (Reserve created on forfeiture of share warrants)		
Opening balance	3,38,25,000	Nil
(+) Current Year Transfer	-	3,38,25,000
Closing Balance	3,38,25,000	3,38,25,000
e. Surplus		
Opening balance	1,14,14,277	6,15,75,698
(+) Net Profit/(Net Loss) For the current year	(1,48,20,000)	(5,01,60,118)
(+) Short/Excess Provision for Income Tax		(1,303)
Closing Balance	(34,05,723)	1,14,14,277
Total	10,92,10,039	12,04,22,757

NOTE : 3

The Company has allotted 3300000 warrants on 13-11-2010 to M/s Sat Invest Pvt. Ltd. convertible into equity share of Rs.2/- each at a premium of Rs.39/- each within 18 months from the date of allotment. The Company has received Rs.3,38,25,000/- being 25% of the amount of share warrants within the stipulated time and same is shown in shareholders fund after the capital of the Company. During the month of May 2012, the share warrant money has been forfeited since the company did not receive the balance money within the stipulated time period. This amount was transferred to Capital Reserve under the heading "Reserves and Surplus".

NOTE 4 :LONG TERM BORROWINGS

Particulars	As at 31 March 2014	As at 31 March 2013
Unsecured Loans		
Aeroflex Industries Limited	58,40,000	-
Mentor Capital Ltd. (formerly known as Pacific Corporate Services Ltd.)	16,41,301	-
Genext Students Ltd.	5,00,000	-
Total	79,81,301	-

NOTE 4.1:

The above loans taken are interest free and repayable on demand basis and subject to confirmation

Notes To Accounts (Contd.)
NOTE 5 : SHORT TERM BORROWINGS

Particulars	As at 31 March 2014	As at 31 March 2013
Unsecured Loan		
a. Loans from related parties	-	7,60,000
Total	-	7,60,000

NOTE 6 : OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2014	As at 31 March 2013
a. Salary Payable	2,46,017	1,31,497
b. Other Liabilities		
i) Provision for outstanding Expenses	6,67,436	6,44,959
ii) Provision for audit fees	1,12,360	1,12,360
iii) TDS Payable	3,496	14,987
iv) Genext Students Ltd.	-	5,00,000
Total	10,29,309	14,03,803

NOTE 7 : SHORT TERM PROVISIONS

Particulars	As at 31 March 2014	As at 31 March 2013
a. Provision for Gratuity	1,31,729	-
Total	1,31,729	-

Notes To Accounts (Contd.)

NOTE : 8 FIXED ASSETS											
Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at 1st April 2013	Additions/	Disposals	Balance as at 31st March 2014	Balance as at 1st April 2013	Depreciation charge for the year	Deduction	Balance as at 31st March 2014	Balance as at 1st April 2013	Balance as at 31st March 2014	
Tangible Assets											
Computers	4,05,514	20,134	76,000	3,49,648	2,82,810	52,485	74,414	2,60,881	1,22,704	88,767	
Furniture and Fixtures	1,322			1,322	1,311	11	-	1,322	11	-	
Vehicles	-			-	-	-	-	-	-	-	
Office equipment	1,90,734			1,90,734	1,28,881	8,604	-	1,37,485	61,853	53,249	
Current Year Total	5,97,570	20,134	76,000	5,41,704	4,13,002	61,100	74,414	3,99,688	1,84,568	1,42,016	
Previous Year Total	55,47,572	1,12,300	(50,62,302)	5,97,570	35,33,879	1,68,701	-	4,13,002	20,13,692	1,84,568	

(a) In the opinion of management, there is no impairment of fixed assets as prescribed in the accounting standard (AS-28) on impairment of assets.

Notes To Accounts (Contd.)
Note 9: NON CURRENT INVESTMENTS

Particulars	As at 31 March 2014	As at 31 March 2013
a. Investment in Equity instruments	11,67,12,723	12,01,39,003
Total	11,67,12,723	12,01,39,003
Value of unquoted investment	11,67,12,723	12,01,39,003

Details of Other Investments							
Name of the Body Corporate	Subsidiary / Associate	No. of Shares / Units		Extent of Holding (%)		Amount	
		March 2014	March 2013	March 2014	March 2013	March 2014	March 2013
(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Investment in Equity Instruments							
Shares of Sat E-Com Ltd. of Rs.10/- each	Subsidiary	-	3,11,480	-	62.3	-	34,26,280
Shares of Sat Middleeast Ltd. of AED 94520/- each	Subsidiary	100	100	100	100	11,67,12,723	11,67,12,723
Total						11,67,12,723	12,01,39,003

Note 9.1 Even though no yield is received from these subsidiary/Associate companies, the provision for erosion in value if any, of these investments are not made since in the opinion of management, these are long term and does not require provisioning.

Note 9.2 Sat E-Com Ltd. is no longer a subsidiary company because the investments held in it of 311,480 equity shares have been sold in June, 2013 at Rs. 20 per share.

NOTE 10 : DEFERRED TAX ASSETS

Particulars	As at 31 March 2014	As at 31 March 2013
Deferred tax Liability Related to Fixed assets	(18,584)	17,770
Deferred Tax Related to Losses	1,51,22,993	72,90,501
Total	1,51,04,409	73,08,271

Particulars	As at 31 March 2014	As at 31 March 2013
Deferred Tax Asset at the beginning of the year	73,08,271	12,12,552
Add: Current year Deferred Tax Asset	78,14,722	60,95,719
Less: Current year Deferred Tax Liability	18,584	-
Total	1,51,04,409	73,08,271

Deferred tax asset is recognised only when there is a virtual certainty of earning profits in the future periods.

Notes To Accounts (Contd.)
NOTE 11 :LONG TERM LOANS & ADVANCES

Particulars	As at 31 March 2014	As at 31 March 2013
a. Security Deposits	1,65,042	1,60,925
Total	1,65,042	1,60,925

NOTE 12 :TRADE RECEIVABLES

Particulars	As at 31 March 2014	As at 31 March 2013
Trade receivables outstanding for a period less than six months Unsecured, considered good (Refer Note 12.1)	-	-
Trade receivables outstanding for a period exceeding six months Unsecured, considered good	2,22,29,993	3,81,62,623
Total	2,22,29,993	3,81,62,623

NOTE 12.1

The total outstanding of sundry debtors as on year end is Rs. 22,229,993/- (P.Y. Rs. 38,162,623) out of which substantial amount of debtors of Rs. 18,618,075/- (P.Y. Rs. 34,550,705) (foreign currency AED 1,144,664/- (P.Y. AED 2,335,375/-) is outstanding from its foreign branch for which confirmations are awaited.

Also we are unable to comment on the outstanding for a period less than six months since these are pertaining to the branch and we have relied upon the management.

NOTE 13 :CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2014	As at 31 March 2013
a. Balances with banks		
With Schedule banks	22,59,012	1,49,894
HSBC Bank Middleeast	21,990	488
b. Cash on hand (As been Certified by Managment)	32,836	8,982
Total	23,13,838	1,59,364

NOTE 13.1

Out of the above balances, Rs. 35,344/- (AED 2,173) [(P.Y. Rs. 3181) (P.Y. AED 215)] is pertaining to the foreign branch and has been relied upon by us as per the verification of the local foreign auditor.

Notes To Accounts (Contd.)
NOTE 14 :SHORT TERM LOANS AND ADVANCES

Particulars	As at 31 March 2014	As at 31 March 2013
a. Loans and Advances		
Related Parties	3,93,49,387	3,40,41,164
b. Gurudarshan Builders & Developers	40,00,000	40,00,000
c. Noble Project India Pvt. Ltd.	87,00,000	75,00,000
d. Salma F. Attari	30,00,000	30,00,000
e. Advance for visa	1,07,310	-
f. Ali Asgar Kagzi	12,50,000	-
g. Huzaifa Suterwala	10,00,000	-
h. Samina H. Suterwala	10,00,000	-
i. Advances to Employees	2,74,000	3,86,000
j. FBT receivable		
A.Y. 2005-06	3,000	3,000
A.Y. 2007-08	15,989	15,989
k. TDS Advance payment - A.Y. 2010-11	1,52,250	1,52,250
TDS Advance payment - A.Y. 2013-14	12,245	12,245
TDS Advance payment - A.Y. 2014-15	16,328	-
l. PUG Securities Pvt. Ltd.	11,158	11,158
Total	3,98,34,357	3,46,21,806

Note 14.1:

The loans and advances to related parties are interest free and as per terms and condition are repayable by them on demand and subject to confirmation.

NOTE 15 :REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Overseas Branch Sales [(C.Y. AED 8,718,217) (P.Y. AED 9,795,351)]	14,30,38,043	14,48,09,571
Total	14,30,38,043	14,48,09,571

NOTE 16 : OTHER INCOME

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Income from Content Development	8,16,328	6,12,245
Profit on sale of Assets	-	63,276
Profit on sale of Investments	28,03,320	-
Total	36,19,648	6,75,521

Notes To Accounts (Contd.)
NOTE 17 : EMPLOYEE BENEFITS

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Salary & Bonus	37,02,143	29,51,760
Gratuity fund contributions	1,31,729	65,279
Total	38,33,872	30,17,039

NOTE 18 : FINANCE COST

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Interest expense	17,711	1,39,597
Bank Charges and Commission	657	1,734
Total	18,368	1,41,331

NOTE 19 : OTHER EXPENSES

Particulars	As at 31 March 2014	As at 31 March 2013
Payment to Auditor as:		
a. Statutory auditor	84,270	84,270
b. Branch auditors	82,034	1,10,876
c. for taxation matter	28,090	28,090
d. for Filing Fees	3,371	-
Advertisement and Publicity	61,057	80,229
Bad Debts	1,72,21,808	1,08,14,544
Business Promotion Exp.	4,79,425	5,37,869
Content Development Charges	2,13,500	1,04,000
Conveyance Expenses	1,16,185	92,055
Depository Charges	61,798	61,798
Diminution in Value of Investments	-	3,55,08,720
Electricity Expenses	1,62,768	1,36,457
Filing Fees	3,500	1,000
Hospitality Expenses	4,10,359	2,28,669
Keyman Insurance	1,67,673	1,67,673
Membership and subscriptions	5,056	23,411
Office Expenses	22,64,604	14,16,956
Printing/Stationery Expenses	1,23,232	1,98,966
Professional Charges	2,30,953	3,09,311
Rent	3,78,000	3,44,000
Selling & Distribution expenses	11,28,214	5,64,744
Staff Welfare	19,396	19,378
Telephone & Communication Expenses	5,86,859	7,42,335
Travelling Expenses	2,69,874	7,90,849
Vehicle Running & Maintenance	-	1,80,711
Total	2,41,02,026	5,25,46,911

Notes To Accounts (Contd.)

NOTE 20

- The outstanding balances of Debtors, Creditors, Loans and advances either debit or credit are subject to confirmation by the parties.
- The balance sheet has been prepared as per Revised Schedule VI. Hence the figures have been regrouped, reclassified and rearranged where ever necessary.

NOTE 21

As per the opinion of the Management, the creditors outstanding in the balance sheet except creditors for foreign branch to whom the Company owes dues on account of principal amount together with interest do not fall in the category of Micro, Small & Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, and accordingly no additional disclosures have been made by the management. In the absence of confirmation from the creditors and based on the management explanation as above the facts are relied upon by us.

No comments are offered on the creditors outstanding in the balance sheet of foreign branch of the company as the audit of foreign branch is done by local auditors.

NOTE 22

In the opinion of the management and to the best of their knowledge and belief the value on realisation of loans, advances and other current assets in the ordinary course of the business shall not be less than the amount at which they are stated in Balance Sheet. Further provisions have been made for all known and accrued liabilities.

NOTE 23 : Related Party Transactions

Disclosure of the relationship and transactions in accordance with Accounting Standard 18- Related Party Disclosures issued by the Institute of Chartered Accountants of India :

Name of the Related Parties	Relationship	Transaction Types
Mr. H.K. Turgalia	Wholetime Director	Salary
Mrs. Shehnaz D. Ali	Wholetime Director	i) Salary ii) Keyman Insurance Premium paid iii) Travel advance given
Sat Invest Pvt. Ltd.	Promoter Company & Major Shareholder	i) TDS paid on behalf ii) Unsecured Loan Taken iii) Purchases done on behalf iv) Fees paid on behalf
Park Continental Ltd.	Shareholder of the Company	i) Unsecured Loan Taken ii) Fees paid on behalf
Aeroflex International Limited	Group Company	Advance given
Sat Middleeast Ltd.	Wholly Owned Subsidiary Company	No transactions during the year
Space Age Polymers Pvt. Ltd.	Shareholder of the Company	i) Unsecured Loan Taken ii) Unsecured Loan Repaid
Genext Students Ltd.	Group Company	Unsecured Loan Taken
Lion Houseware Pvt. Ltd.	Group Company	Advance given
Dawood Investments Pvt. Ltd.	Shareholder of the Company	Advance given
Sat E-Com Ltd.	Group Company (Ceased to be Subsidiary as on 12th June, 2013)	Unsecured Loan Repaid

Notes To Accounts (Contd.)
Volume of Transaction

NATURE	31st March, 2014	31st March, 2013
Remuneration	1,652,986	1,579,250
Keyman Insurance Premium	167,673	167,673
Unsecured Loan Taken	5,920,000	7,745,708
Unsecured Loan Repaid	80,000	10,507,248
Liability transferred	-	859,000
Sale of Share	6229600	-
Sale of Car	-	5,062,302
Loan Repayment received	8,497,587	7,881,630
Purchases done on behalf	-	24,630
Advance given	9,248,500	5,000
Fees/TDS/ S.A Tax/ Service tax paid on behalf	147,869	269,806

Outstanding Balances at year end

PARTY	31st March, 2014	
	Max. Balance	Closing Balance
Park Continental Ltd.	5051829 Dr.	2739857 Dr.
Sat E-Com Ltd.	760000 Cr.	Nil
Dawood Investments Pvt. Ltd.	2400000 Dr.	2400000 Dr.
Shehnaz D. Ali	105100 Cr.	Nil
Aeroflex International Ltd.	258500 Dr.	258500 Dr.
Lion Houseware Pvt. Ltd.	18043720 Dr.	14893720 Dr.
Genext Students Ltd.	526799 Cr.	500000 Cr.
Sah Polymers Ltd.	12207 Dr.	Nil
Space Age Polymers Pvt. Ltd.	80000 Cr.	Nil
Sat Invest Pvt. Ltd.	21000 Dr.	Nil
Italica Furniture Pvt. Ltd.	1607847 Dr.	Nil

NOTE 24 : SEGMENT INFORMATION

The Company is principally engaged in the business of international trading in UAE and there are negligible operations in India and therefore disclosure as per AS 17 segment reporting is not applicable to the company.

NOTE 25

The Company's foreign branch situated at U.A.E. is audited by the local auditor for the financial year ended on 31st March, 2014.

NOTE 26

The company has not appointed whole-time company secretary as required by the provisions of section 383A of the Companies Act, 1956. The company may face penalty for contravention of the section. However, to appoint a Company Secretary, Company is continuously making efforts and looking for right person but the effort has not been materialized.

Notes To Accounts (Contd.)
NOTE 27 : Earning Per Share

Particulars	Year ended 31st March 2014	Year ended 31st March 2013
Earning Attributable to Equity Shareholders for basic EPS	(14,820,000)	(50,160,118)
Adjusted for the purpose of diluted EPS	NA	NA
Earning Attributable to Equity Shareholders for Diluted EPS	39,075,000	39,075,000
Weighted Average Equity Shareholders for Basic EPS	Nil	Nil
Add: Weighted Average Potential Equity Shares on Conversion of Share Warrant	39,075,000	39,075,000
Weighted Average Equity Shareholders for Diluted EPS	(0.379)	(1.284)
Basic Earning Per Share (a) / (d)	-	-
Diluted Earning Per Share (c) / (f)	-	-

NOTE 28:

Information pursuant to Para 5(viii) of the General Information to the Statement of Profit & Loss :

a) Value of imports of C.I.F. basis :-

NIL

b) Expenditure on foreign currency (UAE Branch) :-

C.Y. (in Rs.)	P.Y. (in Rs.)
162,541,676	159,316,205
162,541,676	159,316,205

c) Earnings in foreign currency (UAE Branch)

C.Y. (in Rs.)	P.Y. (in Rs.)
143,038,043	144,809,571
143,038,043	144,809,571

d) FOB Value of exports

NIL

NOTE 29:

Disclosure relating to amount outstanding at year end and Maximum outstanding during the year of Loans and Advances, in nature of loan, required as per Clause 32 of the Listing Agreement, are given below:

Particulars	31st March, 2014		31st March, 2013	
	Max. Balance	Closing Balance	Max. Balance	Closing Balance
Subsidiary:				
SAT Middle East Limited	Nil	Nil	Nil	Nil
Shareholder of the Company:	Nil	Nil	Nil	Nil
Park Continental Ltd.	5051829	2739857	8010750	1497444
Dawood Investments Pvt. Ltd.	2400000	2400000	Nil	Nil
Group Company:				
Lion Houseware Pvt. Ltd.	18043720	14893720	32523720	18043720
Aeroflex International Ltd.	258500	258500	Nil	Nil

As per our report of even date
For R. Kabra & Co.
Chartered Accountants
FRN: 104502W
For and on behalf of the Board
Deepa Rathi
Partner
M No.: 104808
Place : Mumbai
Date : 30-May-2014
Shehnaz D. Ali
Wholetime Director
H.K Turgalia
Wholetime Director

SIGNIFICANT ACCOUNTING POLICIES

1) Method of Accounting

- The financial statements are prepared on the historical cost convention and in accordance with the generally accepted accounting principles in India.
- The Company follows accrual system of accounting in the preparation of accounts.
- The UAE Branch financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and the same is merged in the Company.
- Accounting policies not specifically referred to otherwise, have been followed consistently, and are in consonance with generally accepted accounting principle in India.

2) Fixed Assets

Fixed Assets are stated at cost inclusive of incidental expenses less accumulated depreciation.

3) Depreciation

Depreciation is charged on a pro-rata basis on written down value as per the rates and in the manners prescribed under the Schedule XIV of the Companies Act, 1956. For office equipment acquired at foreign branch which is written off in equal installments, depreciation is charged @ 20% p.a. on S.L.M. Basis, which is higher than the rate prescribed in Schedule XIV of the Companies Act, 1956.

4) Impairment of Assets

Factors giving rise any indication of any impairment of the carrying amount of the Company's assets are appraised at each Balance Sheet date to determine and provide/revert an impairment loss following Accounting standard 28 for impairment of assets.

5) Investments

Long term investments are carried at cost less provision for permanent diminution, if any, in value of such investments. Current investments are carried at lower of cost and fair value.

6) Revenue Recognition

Sales are recognized on dispatch of goods to customers.

7) Foreign Currency Transactions

- The reporting currency of the Company is Indian Rupee.
- The financial statement of foreign branch, which is considered as non-integral foreign operation, are converted in Indian Rupees at the following exchange rates:

Sr. No.	Particulars	Rate
i)	Revenue and Expenses	Average Exchange Rate prevailing during the year
ii)	Current Assets & Current Liabilities	Exchange rate prevailing at the end of the year.
iii)	Fixed Assets	Exchange rate prevailing at the end of the year
iv)	Remittance to branch at the time of its inception	At the original rate when the remittance was done

- The resultant exchange differences on translation of foreign branch are accumulated in the Foreign Currency Translation Reserve.

8) Retirement Benefits

- As per the management of the Company, the provision of The Payment of Gratuity Act, 1972 is not applicable to the Company since the number of Indian employees is within the limit as prescribed by the Act however the Company has voluntarily taken policy of Gratuity with Life Insurance Corporation of India for future payment of gratuity to employees.

- b) The company does not have the policy of leave encashment and the annual leave entitled to the employees is required to be availed in the year itself, otherwise the same lapses.
- c) As per the management of the Company, the provision of The Employee's Provident Fund and Miscellaneous Provisions Act, 1952 is not applicable to the Company since the numbers of employees are within the limit as prescribed by the respective act.

9) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

10) Earning Per Share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earning 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.

11) Taxation

- a) a) Current tax has been provided as per the provision of Income Tax Act 1961.
- b) Tax expenses comprise of current and deferred 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, 1961. Deferred tax reflects the impact of current year timing differences between book profit and taxable income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book profit and taxable income for the year is accounted for using the tax rates and laws that have been substantially enacted as of the Balance Sheet date. Deferred tax assets are recognized 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 realized. If the company has carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognized only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax asset can be realized.

12) Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the company. Cash and cash equivalents presented in the Cash Flow Statement consist of cash on hand and demand deposits with banks.

13) Inventories

Stock in Trade, if any, is valued at lower of cost or NRV after providing for damages and obsolesces.

AUDITOR'S REPORT

Independent Auditor's Report on Consolidated Financial Statements

To the Members of
M/s SAT Industries Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SAT Industries Limited (the "company"), and its subsidiaries (collectively referred to as "the Group") which comprises the Consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of

accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- In the case of the Statement of Consolidated Profit and Loss, of the loss for the year ended on that date; and
- In the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Matters

- We did not audit the financial statements of Foreign Subsidiary i.e. Sat Middle East Ltd whose financial statements reflect total assets of Rs. 261,312,006 /- as at 31st March 2014 and total revenues of Rs. 50,957,814/- respectively for the year then ended. These financial statements 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 the subsidiaries, is based solely on the report of the other auditors.
- We did not audit the financial statements of UAE branch whose financial statements reflect total assets of Rs. 18,698,961/- as at 31st March 2014 and total revenues of Rs 143,038,043/- respectively for the year then ended. These financial statements are audited by other auditors.
- We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS-21), Consolidated Financial Statements, issued by The Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of SAT Industries Limited and its subsidiaries included in the consolidated financial statements and on the basis of assumption as narrated in the notes to consolidated accounts.

4. On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of SAT Industries Limited

and its aforesaid subsidiaries and **Subject to assumptions and the basis of consolidation as disclosed in notes to accounts and subject to qualification as mentioned below:**

Note No. as per Notes to Accounts and Significant Accounting Policies relating to the Holding Company	Matter
Note No. 10	Loans & Advances given of Rs. 106,306,953/- (foreign currency AED 6,535,893) to business associates of Sat Middle East Ltd. a subsidiary and outstanding since long and no provision is made for the same.
Accounting Policy No. C(ii)	Accounting policy regarding "Foreign Currency Translation Reserve" shown under head "Reserve & Surplus Schedule" which is being reconciled and is not as per the Accounting Standard 11 "Effect of Changes in Foreign Exchange Rates" issued by the Institute of Chartered Accountants of India.
Note No. 11	We are unable to comment on the period since when the receivables are outstanding for the UAE branch of the company and the foreign subsidiary of the company and the disclosure in the balance sheet for more than six months have been relied upon the management certificate.
Note No. 11.2	Bad Debts amounting to Rs. 19,436,726/- have been written off in the current year of which Rs. 2,214,918 (AED 135,000) and Rs. 17,221,808 (AED 1,049,675) is related to its foreign subsidiary SAT Middle East Limited and its foreign branch respectively and they are subject to independent verification.
Note No. 24	The Company has not appointed a Company Secretary

For R. KABRA & Co.
Chartered Accountants
(Registration No.104502W)

Place: Mumbai
Dated: May 30, 2014

(Deepa Rathi)
Partner
Membership No. 104808

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2014

PARTICULARS	NOTE NO	(Figure in ₹)	
		CURRENT YEAR AS AT 31ST MARCH 2014	PREVIOUS YEAR AS AT 31ST MARCH 2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds :-			
(a) Share Capital	1	7,81,50,000	7,81,50,000
(b) Reserves and Surplus	2	14,67,28,264	14,61,06,273
(c) Money received against share warrants		-	-
(2) Non Controlling Interest		-	20,53,415
(3) Non-Current Liabilities			
(a) Long-term borrowings	4	79,81,301	3,00,000
(4) Current Liabilities			
(a) Short-term borrowings	5	10,70,81,058	9,79,91,178
(b) Other current liabilities	6	10,29,309	14,13,730
(c) Short-term provisions	7	1,31,729	-
Total		34,11,01,661	32,60,14,596
II. Assets			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	1,42,016	1,84,568
(b) Deferred tax assets (net)	9	1,51,04,409	73,08,271
(c) Long term loans and advances	10	10,67,51,755	3,79,32,659
2 Current assets			
(a) Trade receivables	11	17,68,76,937	24,07,98,969
(b) Cash and cash equivalents	12	23,92,187	2,05,455
(c) Short-term loans and advances	13	3,98,34,357	3,95,84,674
(d) Other current assets		-	-
Significant Accounting Policies & Notes to Accounts	1 to 27		
Total		34,11,01,661	32,60,14,596

As per our report of even date

For R. Kabra & Co.

Chartered Accountants

FRN: 104502W

Deepa Rathi

Partner

M No.: 104808

Place : Mumbai

Date : 30 May 2014

For and on behalf of the Board

Shehnaz D. Ali

Wholetime Director

H.K Turgalia

Wholetime Director

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	NOTE NO	(Figure in ₹)	
		CURRENT YEAR AS AT 31ST MARCH 2014	PREVIOUS YEAR AS AT 31ST MARCH 2013
Revenue from operations	14	19,39,95,857	20,98,08,318
Other Income	15	36,19,648	6,75,521
I. Total Revenue		19,76,15,505	21,04,83,839
Expenses:			
Purchase of Stock-in-Trade		18,99,08,399	20,76,10,782
Employee benefit expense	16	46,14,672	35,66,985
Financial costs	17	18,368	1,41,331
Depreciation and amortization expense		61,100	1,68,701
Other expenses	18	2,80,05,613	12,86,65,271
II. Total Expenses		22,26,08,152	34,01,53,070
III. Profit before exceptional and extraordinary items and tax	(I-II)	(2,49,92,647)	(12,96,69,231)
IV. Exceptional Items			
Diminution in Value of Investments		-	3,55,08,720
V. Profit before extraordinary items and tax	(III-IV)	(2,49,92,647)	(16,51,77,951)
VI. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		77,96,138	60,95,719
VII. Profit/(Loss) for the period	(V-VI)	(1,71,96,509)	(15,90,82,232)
VIII. Earning per equity share:			
(1) Basic		-0.44	-4.07
(2) Diluted		-	-
Significant Accounting Policies & Notes to Accounts	1 to 27		

As per our report of even date

For R. Kabra & Co.

Chartered Accountants

FRN: 104502W

Deepa Rathi

Partner

M No.: 104808

Place : Mumbai

Date : 30 May 2014

For and on behalf of the Board

Shehnaz D. Ali

Wholetime Director

H.K Turgalia

Wholetime Director

CASH FLOW STATEMENT For the Year 31ST MARCH 2014

	Year ended 31-03-2014	(Amount in ₹) Year ended 31-03-2013
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	(2,49,92,647)	(16,51,77,951)
Adjustments for:		
Depreciation	61,100	1,68,701
Financial Charges costs	18,368	1,734
Preliminary Expenses w/off	-	(63,276)
Loss/(profit) on sale of assets	(28,03,320)	-
Loss on sale of investments	-	3,55,08,720
Dimunation of value of investment	35,508,720	-
Operating Profit before working capital changes	(2,77,16,499)	(12,95,62,072)
Adjustment for Changes in Working Capital:		
Decrease/(Increase) in Trade Receivables	6,39,22,032	5,54,38,533
Decrease/(Increase) in Other Current & Non-Current Assets	-	-
Decrease/(Increase) in Long Term & Short Term Loans & Advances	(6,90,68,779)	5,64,76,084
Decrease/(Increase) in Short Term Provisions	1,31,729	-
Increase/(Decrease) in Trade Payables & Other Current Liabilities	(3,84,421)	3,52,144
Cash Generated from Operations	(3,31,15,938)	(1,72,95,311)
Income Taxes Refund / (Paid)	-	(12,245)
Net Cash Inflow /(Out Flow) from Operation (A)	(3,31,15,938)	(1,73,07,556)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Sale of Investments	62,29,600	95,10,800
Purchase of fixed assets	(20,134)	(1,12,300)
Sale of fixed assets	1,586	19,58,321
Net Cash Inflow/(Outflow) from investing Activities (B)	62,11,052	1,13,56,821
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings (net)	76,81,301	(8,64,163)
Proceeds from Short- term Borrowings	90,89,880	(5,28,205)
Interest Paid	(18,368)	(1,734)
Net Cash Inflow /(Out Flow) from Financing Activities (C)	1,67,52,813	(13,94,102)
D CHANGE IN FOREIGN CURRENCY TRANSLATION RESERVE ARISING ON CONSOLIDATION	1,28,38,805	40,14,384
Net Increase/Decrease in cash & Cash equivalents (A+B+C+D)	26,86,732	(33,30,453)
Cash and Cash equivalents as at 31.03.2013	2,05,455	35,35,908
Cash and Cash equivalents as at 31.03.2014	23,92,187	2,05,455

As per our report of even date

 For R. Kabra & Co.
Chartered Accountants
FRN: 104502W

For and on behalf of the Board

 Deepa Rathi
Partner
M No.: 104808
Place : Mumbai
Date : 30 May 2014

 Shehnaz D. Ali
Wholetime Director

 H.K Turgalia
Wholetime Director

NOTES TO ACCOUNTS Contd.

NOTE 1: SHARE CAPITAL

Particulars	As at 31 March 2014		As at 31 March 2013	
	No. of Shares	Amount	No. of Shares	Amount
Authorised				
Equity Shares of 2/- each	5,00,00,000	10,00,00,000	5,00,00,000	10,00,00,000
	5,00,00,000	10,00,00,000	5,00,00,000	10,00,00,000
Issued				
Equity Shares of 2/- each fully paid up	3,90,75,000	7,81,50,000	3,90,75,000	7,81,50,000
Total	3,90,75,000	7,81,50,000	3,90,75,000	7,81,50,000

Note 1.1
Reconciliation for No. of shares outstanding during the year

Particulars	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	Amt	No. of Shares	Amt
Shares outstanding at the beginning of the year	3,90,75,000	7,81,50,000	3,90,75,000	7,81,50,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3,90,75,000	7,81,50,000	3,90,75,000	7,81,50,000

Note 1.2
Details of shareholders holding more than 5%

Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1. Sat Invest Private Limited	1,41,50,000	37.13%	1,41,50,000	37.13%
2. Dawood Investment Private Limited	72,09,350	18.41%	77,00,000	19.71%
3. Space Age Polymers Private Limited	40,69,455	10.41%	46,49,600	11.90%

NOTES TO ACCOUNTS Contd.

Note 2 : RESERVES AND SURPLUS

Particulars	As at 31 March 2014	As at 31 March 2013
a. General Reserves		
Opening Balance	48,00,254	48,00,254
(+ Current Year Transfer	Nil	Nil
Closing Balance	48,00,254	48,00,254
b. Securities Premium Account		
Opening Balance	5,94,00,000	5,94,00,000
Add : Securities premium credited on Share issue	Nil	Nil
Closing Balance	5,94,00,000	5,94,00,000
c. Foreign Currency Translation Reserve		
Opening Balance	9,21,60,906	7,83,42,941
(-) Written Back in Current Year	(9,21,60,906)	(7,83,42,941)
(+ Current Year Transfer	10,99,79,405	9,21,60,906
Closing Balance	10,99,79,405	9,21,60,906
d. Capital Reserve (Reserve created on forfeiture of share warrants)		
Opening balance	3,38,25,000	-
(+ Current Year Transfer	-	3,38,25,000
Closing Balance	3,38,25,000	3,38,25,000
e. Surplus		
Opening balance	(4,40,79,887)	11,51,72,063
(+ Net Profit/(Net Loss) For the current year	(1,71,96,509)	(15,90,82,232)
(+ Short/Excess Provision for Income Tax	-	(1,303)
(-) Share of Minority Interest	-	(1,68,415)
Closing Balance	(6,12,76,395)	(4,40,79,887)
Total	14,67,28,264	14,61,06,273

Note 3:

The Company has allotted 3300000 warrants on 13-11-2010 to M/s Sat Invest Pvt. Ltd. convertible into equity share of Rs.2/- each at a premium of Rs.39/- each within 18 months from the date of allotment. The Company has received Rs.3,38,25,000/- being 25% of the amount of share warrants within the stipulated time and same is shown in shareholders fund after the capital of the Company. During the current year, the share warrant money has been forfeited since the company did not receive the balance money being 75% of the amount within the stipulated time period. This amount has been treated as a capital receipt and is shown as "Forfeiture of money received against share warrants" under the heading "Reserves & Surplus".

NOTES TO ACCOUNTS Contd.

NOTE 4: LONG TERM BORROWINGS

Particulars	As at 31 March 2014	As at 31 March 2013
Secured Loan		
Unsecured Loan		
Loans from others	-	3,00,000
Aeroflex Industries Limited	58,40,000	-
Mentor Capital Ltd. (formerly known as Pacific Corporate Services Ltd.)	16,41,301	-
Genext Students Ltd.	5,00,000	-
Total	79,81,301	3,00,000

NOTE 4.1:

The above loans taken are interest free and repayable on demand basis and subject to confirmation

NOTE 5 : SHORT TERM BORROWINGS

Particulars	As at 31 March 2014	As at 31 March 2013
Unsecured Loan		
b. Loans from others	10,70,81,058	9,73,99,383
c. Bank Overdraft	-	5,91,795
Total	10,70,81,058	9,79,91,178

NOTE 6 : OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2014	As at 31 March 2013
(a) Salary payable	2,46,017	1,31,497
(b) Other Liabilities	-	-
i) Provision for outstanding Expenses	6,67,436	6,44,959
ii) Provision for audit fees	1,12,360	1,12,360
iii) TDS Payable	3,496	14,987
iv) Genext Students Ltd.	-	5,00,000
Total	10,29,309	14,13,730

NOTE 7 : SHORT TERM PROVISIONS

Particulars	As at 31 March 2014	As at 31 March 2013
a. Provision for Gratuity	1,31,729	-
Total	1,31,729	-

NOTES TO ACCOUNTS Contd.

NOTE : 7 FIXED ASSETS

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block		
	Balance as at 1st April 2013	Additions	Disposals	Balance as at 31st March 2014	Balance as at 1st April 2013	Depreciation charge for the year	Deduction	Balance as at 31st March 2014	Balance as at 1st April 2013
Tangible Assets									
Computers	4,05,514	20,134	76,000	3,49,648	2,82,810	52,485	74,414	2,60,881	1,22,704
Furniture and Fixtures	1,322			1,322	1,311	11	-	1,322	11
Vehicles	-			-	-	-	-	-	-
Office equipment	1,90,734			1,90,734	1,28,881	8,604	-	1,37,485	61,853
Current Year Total	5,97,570	20,134	76,000	5,41,704	4,13,002	61,100	74,414	3,99,688	1,84,568
Previous Year Total	55,47,572	1,12,300	(50,62,302)	5,97,570	35,33,879	1,68,701	-	4,13,002	20,13,692
									1,42,016
									1,84,568

(a) In the opinion of management, there is no impairment of fixed assets as prescribed in the accounting standard (AS-28) on impairment of assets.

NOTES TO ACCOUNTS
NOTE 9 : DEFERRED TAX ASSETS

Particulars	As at 31 March 2014	As at 31 March 2013
Deferred tax Asset Related to Fixed assets	(18,584)	17,770
Deferred Tax Related to Losses	1,51,22,993	72,90,501
Total	1,51,04,409	73,08,271

Particulars	As at 31 March 2014	As at 31 March 2013
Deferred Tax Asset at the beginning of the year	73,08,271	12,12,552
Add: Current year Deferred Tax Asset	78,14,722	60,95,719
Less: Current year Deferred Tax Liability	18,584	-
Total	1,51,04,409	73,08,271

Deferred tax asset is recognised only when there is a virtual certainty of earning profits in the future periods.

NOTE 10 :LONG TERM LOANS & ADVANCES

Particulars	As at 31 March 2014	As at 31 March 2013
a. Other loans and advances Unsecured, considered good	10,63,06,953	3,75,17,269
b. Security Deposits	4,44,802	4,15,390
Total	10,67,51,755	3,79,32,659

Loans and advances given of Rs. 106,751,755/- which includes an outstanding amount of Rs. 106,306,953/- (foreign currency AED 6,535,893/-) to business associates of Sat Middleeast Ltd. a subsidiary and outstanding since long and no provision has been made for the same.

NOTE 11 :TRADE RECEIVABLES

Particulars	As at 31 March 2014	As at 31 March 2013
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	-	-
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	17,68,76,937	24,07,98,969
Total	17,68,76,937	24,07,98,969

NOTES TO ACCOUNTS Contd.
Note 11.1

The total outstanding of sundry debtors as on year end is Rs. 176,876,937/- (P.Y. Rs. 240,798,969) out of which substantial amount of debtors of Rs. 18,618,075/- (P.Y. Rs. 34,550,705) (foreign currency AED 1,144,664/- (P.Y. AED 2,335,375) is outstanding from its foreign branch and Rs. 154,646,944/- (P.Y. Rs. 202,636,346) (foreign currency AED 9,507,900/- (P.Y. AED 13,696,735/-) is outstanding from its foreign subsidiary for which confirmations are awaited.

Note 11.2

Bad Debts amounting to Rs.19,436,726/- have been written off in the current year of which Rs. 2,214,918 (AED 135,000) is related to its foreign subsidiary SAT Middle East Limited and Rs. 17,221,808 (AED 1,049,675) is related to its foreign branch

NOTE 12 : CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2014	As at 31 March 2013
a. Balances with banks	23,54,227	1,77,354
b. Cash on hand (As been Certified by Managment)	37,960	28,101
Total	23,92,187	2,05,455

NOTE 13 :SHORT TERM LOANS AND ADVANCES

Particulars	As at 31 March 2014	As at 31 March 2013
a. Loans & advances to related parties	2,02,92,077	1,95,41,164
b. Gurudarshan Builders & Developers	40,00,000	40,00,000
c. Noble Project India Pvt. Ltd.	87,00,000	75,00,000
d. Salma F. Attari	30,00,000	30,00,000
e. Advance for visa	1,07,310	-
f. Ali Asgar Kagzi	12,50,000	-
g. Huzaifa Suterwala	10,00,000	-
h. Samina H. Suterwala	10,00,000	-
i. Loans & advances to Employees	2,74,000	3,86,000
j. TDS Advance payments	1,80,823	1,64,495
k. FBT Receivable	18,989	18,989
l. PUG Securities Pvt. Ltd.	11,158	11,158
m. Others	-	49,62,868
Total	3,98,34,357	3,95,84,674

Note 13.1

The loans and advances to related parties are interest free and as per terms and condition are repayable by them on demand and subject to confirmation.

NOTES TO ACCOUNTS Contd.

NOTE 14 :REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Sale of products [(C.Y. AED 11,824,113) (P.Y. AED 14,099,720)]	19,39,95,857	20,98,08,318
Total	19,39,95,857	20,98,08,318

NOTE 15 :OTHER INCOME

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Income from Content Development	8,16,328	6,12,245
Profit on sale of Assets	-	63,276
Profit on sale of Investments	28,03,320	-
Total	36,19,648	6,75,521

NOTE 16 :EMPLOYEE BENEFITS

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Salary & Wages	44,82,943	35,01,706
Gratuity fund contributions	1,31,729	65,279
Total	46,14,672	35,66,985

NOTE 17 :FINANCE COST

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Interest expense	17,711	1,39,597
Bank Charges and Commission	657	1,734
Total	18,368	1,41,331

NOTES TO ACCOUNTS Contd.
NOTE 18 :OTHER EXPENSES

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Payment to Auditor as:		
a. Statutory auditor	1,66,304	1,98,455
b. Branch auditors	82,034	1,10,876
c. for taxation matter	28,090	28,090
d. for Filing Fees	3,371	-
Advertisement and Publicity	61,057	80,229
Bad Debts Written Off	1,94,36,726	6,80,28,315
Business Promotion Exp.	4,79,425	5,37,869
Conveyance Expenses	1,16,185	92,055
Content Development charges	2,13,500	1,04,000
Direct Expenses	-	1,83,907
Diminution of value in investments	-	3,55,08,720
Depository Charges	61,798	61,798
Electricity Expenses	1,62,768	1,36,457
Filing Fees	3,500	3,500
Discounts	-	13,65,108
Loss on advances	-	5,17,51,120
Hospitality Expenses	4,10,359	2,28,669
Keyman Insurance	1,67,673	1,67,673
Membership and subscriptions	5,056	23,411
Office Expenses	25,68,556	15,79,619
Printing/Stationery Expenses	1,61,788	2,26,315
Professional Charges	2,30,953	3,10,811
Rent	3,78,000	3,44,000
Selling & Distribution expenses	21,70,423	10,63,318
Staff Welfare	19,396	19,378
Telephone & Communication Expenses	8,08,777	8,64,535
Travelling Expenses	2,69,874	9,75,052
Vehicle Running & Maintenance	-	1,80,711
Total	2,80,05,613	16,41,73,991

Note 19:

The outstanding balances of Debtors, Creditors, Loans and advances either debit or credit are subject to confirmation by the parties.

Note 20 :

In the opinion of the management and to the best of their knowledge and belief the value on realisation of loans, advances and other current assets in the ordinary course of the business shall not be less than the amount at which they are stated in Balance Sheet. Further provisions have been made for all known and accrued liabilities.

NOTES TO ACCOUNTS Contd.
Note 21: Related Party Transactions

Disclosure of the relationship and transactions in accordance with Accounting Standard 18- Related Party Disclosures issued by the Institute of Chartered Accountants of India :

Name of the Related Parties	Relationship	Transaction Types
Mr. H.K. Turgalia	Wholetime Director	Salary
Mrs. Shehnaz D. Ali	Wholetime Director	i) Salary ii) Keyman Insurance Premium paid iii) Travel advance given
Sat Invest Pvt. Ltd.	Promoter Company & Major Shareholder	i) TDS paid on behalf ii) Unsecured Loan Taken iii) Purchases done on behalf iv) Fees paid on behalf
Park Continental Ltd.	Shareholder of the Company	i) Unsecured Loan Taken ii) Fees paid on behalf
Aeroflex International Limited	Group Company	Advance given
Sat Middleeast Ltd.	Wholly Owned Subsidiary Company	No transactions during the year
Space Age Polymers Pvt. Ltd.	Shareholder of the Company	i) Unsecured Loan Taken ii) Unsecured Loan Repaid
Genext Students Ltd.	Group Company	Unsecured Loan Taken
Lion Houseware Pvt. Ltd.	Group Company	Advance given
Dawood Investments Pvt. Ltd.	Shareholder of the Company	Advance given
Sat E-Com Ltd.	Group Company (Ceased to be Subsidiary as on 12th June, 2013)	Unsecured Loan Repaid

NATURE	31st March, 2014	31st March, 2013
Remuneration	16,52,986	15,79,250
Keyman Insurance Premium	1,67,673	1,67,673
Unsecured Loan Taken	59,20,000	77,45,708
Unsecured Loan Repaid	80,000	1,05,07,248
Liability transferred	-	8,59,000
Sale of Share	62,29,600	-
Sale of Car	-	50,62,302
Loan Repayment received	84,97,587	78,81,630
Purchases done on behalf	-	24,630
Advance given	92,48,500	5,000
Fees/TDS/ S.A Tax/ Service tax paid on behalf	1,47,869	2,69,806

Note 22: SEGMENT INFORMATION

The Company is principally engaged in the business of international trading in Dubai and there are negligible operations in India and therefore discloser as per AS 17 segment reporting is not applicable to the company.

Outstanding Balances at year end

PARTY	31st March, 2014		31st March, 2013	
	Max. Balance	Closing Balance	Max. Balance	Closing Balance
Park Continental Ltd.	5051829 Dr.	2739857 Dr.	8010750 Dr.	1497444 Dr.
Sat E-Com Ltd.	760000 Cr.	Nil	1624000 Cr.	760000 Cr.
Dawood Investments Pvt. Ltd.	2400000 Dr.	2400000 Dr.	Nil	Nil
Shehnaz D. Ali	105100 Cr.	Nil	402190 Cr.	Nil
Aeroflex International Ltd.	258500 Dr.	258500 Dr.	8388000 Cr.	Nil
Lion Houseware Pvt. Ltd.	18043720 Dr.	14893720 Dr.	32523720 Dr.	18043720 Dr.
Genext Students Ltd.	526799 Cr.	500000 Cr.	600000 Dr.	500000 Cr.
Sah Polymers Ltd.	12207 Dr.	Nil	500 Cr.	Nil
Space Age Polymers Pvt. Ltd.	80000 Cr.	Nil	355000 Cr.	Nil
Sat Invest Pvt. Ltd.	21000 Dr.	Nil	15000 Dr.	Nil
Italica Furniture Pvt. Ltd.	1607847 Dr.	Nil	1603000 Dr.	Nil

NOTES TO ACCOUNTS Contd.

Note 23:

The Company's foreign branch and foreign subsidiary situated at U.A.E. is audited by the local auditor for the financial year ended on 31st March, 2014.

Note 24:

The company has not appointed whole-time company secretary as required by the provisions of section 383A of the Companies Act, 1956. The company may face penalty for contravention of the section. However, to appoint a Company Secretary, Company is continuously making efforts and looking for right person but the effort has not been materialized.

Note 25: Earnings Per Share

Particulars	Year ended 31st March 2014	Year ended 31st March 2013
Earning Attributable to Equity Shareholders for Basic EPS	(1,71,96,509)	(15,90,82,232)
Adjusted for the purpose of diluted EPS	NA	NA
Earning Attributable to Equity Shareholders for Diluted EPS		
Weighted Average Equity Shareholders for Basic EPS	3,90,75,000	3,90,75,000
Add: Weighted Average Potential Equity Shares on Conversion of Share Warrant	Nil	Nil
Weighted Average Equity Shareholders for Diluted EPS	3,90,75,000	3,90,75,000
Basic Earning Per Share (a) / (d)	(0.44)	(4.07)
Diluted Earning Per Share (c) / (f)		

Note 26:

The balance sheet has been prepared as per Revised Schedule VI. Hence the figures have been regrouped, reclassified and rearranged wherever necessary.

NOTE 27:

As per the opinion of the Management, the creditors outstanding in the balance sheet except creditors for foreign branch and foreign subsidiary to whom the Company owes dues on account of principal amount together with interest do not fall in the category of Micro, Small & Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, and accordingly no additional disclosures have been made by the management. In the absence of confirmation from the creditors and based on the management explanation as above the facts are relied upon by us.

No comments are offered on the creditors outstanding in the balance sheet of foreign branch and foreign subsidiary of the company as the audit of foreign branch is done by local auditors.

As per our report of even date
For R. Kabra & Co.
Chartered Accountants
FRN: 104502W
Deepa Rathi
Partner
M No.: 104808
Place : Mumbai
Date : 30 May 2014
For and on behalf of the Board
Shehnaz D. Ali
Wholetime Director
H.K Turgalia
Wholetime Director

SIGNIFICANT ACCOUNTING POLICIES OF CONSOLIDATED FINANCIAL STATEMENT

SIGNIFICANT ACCOUNTING POLICIES

(A) The consolidated financial statements are prepared in accordance with Accounting Standards issued by the Institute of Chartered Accountants of India.

(B) PRINCIPLES OF CONSOLIDATION

a. The Consolidated financial statements comprise the financial statement of Sat Industries Limited (The Holding Company) and its subsidiaries. The financial statements of all the Companies are in line with generally accepted accounting principles in India.

Companies Included In Consolidation	Country of Incorporation	Proportion of Ownership	Reporting Period	Consolidated Period with Parent	Relationship
1. Sat Middle East Limited	UAE	100%	12 months	12 months	Subsidiary

b. During the year the company has sold the investment held in its subsidiary SAT E-Com Ltd. in June 2013 and therefore SAT E-Com Ltd. is no longer a subsidiary of the Company.

c. The financial statements of the holding company and its subsidiaries have been consolidated as per AS 21 Consolidated Financial Statement by eliminating in full the intra-group balances and intra-group transactions including sales and expenses. The unrealised profits resulting from intra-group transactions that are included in the carrying amount of fixed assets, inventory are also eliminated in full and assets are shown net of unrealised profits.

d. Consolidation of Foreign Subsidiary

Foreign Subsidiary accounts viz. Sat Middle East Ltd. have been audited by local auditor by adopting international GAAP for the year ended as on 31-03-2014. The consolidation of the accounts of foreign subsidiary in the books of accounts are considered as non- integral operations

e. Consolidation of foreign Branch

The holding company's foreign branch situated at U.A.E. is audited by the local auditor for the financial year ended on 31-03-2014. The consolidation of the accounts of foreign branch in the books of accounts are considered as non-integral operations.

(C) i) 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 recognized in the financial statement as goodwill or capital reserve, as the case may be.

ii) The holding company has during the year credited amount of Rs 17,818,499/- (P.Y. 33,796,837/-) to Foreign Currency Translation Reserve. In case of foreign subsidiary, "Sat Middle East Limited" and the foreign branch of the holding company the operations are non-integral and their financial statements are converted in Indian Rupees at the following exchange rates:

Sr. No.	Particulars	Rate
i)	Revenue and Expenses	Average Exchange Rate prevailing during the year
ii)	Current Assets & Current Liabilities	Exchange rate prevailing at the end of the year.
iii)	Fixed Assets	Exchange rate prevailing at the end of the year
iv)	Remittance to branch at the time of its inception	At the original rate when the remittance was done

(D) **Amortisation:** Intangible assets are written off over a period of five year.

(F) OTHER SIGNIFICANT ACCOUNTING POLICIES

Most of the accounting policies of the holding Company and that of the subsidiaries are similar except depreciation in the subsidiary companies

If undelivered please return to :
SAT INDUSTRIES LIMITED

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41, B- Wing, Mittal Tower,
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Mumbai- 400 021. (INDIA)
Phone : 91-22-6610 7025
Fax : 91-22-6610 7027
E-mail : sil@mtnl.net.in
Web : www.satgroup.in

FORM B

1.	Name of the Company	Sat Industries Limited
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit qualification	Subject to independent verification of Sundry Debtors of Foreign Branch and non appointment of Company Secretary.
4.	Frequency of qualification	Note No 12.1 since 2009 Note No. 26 since 2002
5.	Draw attention to relevant notes In the annual financial statements and management response to the qualification in the directors report	<p>Note No. 12.1 (page no. 24 of annual Report) →</p> <p>The Company's position on total sundry debtors of INR 22,229,993/- out of which substantial amount of INR 18,618,075/- (foreign currency AED 1,144,664/- is outstanding of its foreign branch and the period of outstanding of debtors has been relied upon by us without any independent verification and also the foreign debtors have been written off to the extent of INR 17,221,808 (AED 1,049,675) which are subject to independent verification.</p> <p>Management Response :</p> <p>The accounts of the foreign branch has been audited by an independent Auditors of the host country and the report of him has been given for consideration to the Statutory Auditors of the Company. The auditors of the foreign branch has not qualified on this issue in his audit report.</p> <p>Note No. 26 (page no. 28 of Annual Report) →</p> <p>Non appointment of Company Secretary.</p> <p>Management Response :</p> <p>It has been responded at page no. 3 of the Annual Report in Directors' Report under head "Company Secretary". The Company is taking steps to resolve the same at the earliest.</p>



6.	Additional comments from the board/audit committee chair	There is no additional comment to offer from the Board / audit committee chairman.
7.	Signed by – <ul style="list-style-type: none"> • CEO/Managing Director* • CFO** • Auditor of the Company • Audit committee Chairman 	<p style="text-align: center;"><i>For SAT INDUSTRIES LIMITED</i></p> <p style="text-align: center;"><i>Hari Kant Turgalia</i> (HARIKANT TURGALIA) WHOLETIME DIRECTOR</p> <p style="text-align: center;"><i>For R. Kabra & Co.</i></p> <p style="text-align: center;"><i>Jeevan</i> Partner. MN No. 104358</p> <p style="text-align: center;"><i>Rani</i></p>

Note : * Since there is no CEO/Managing Director in the Company signed by Wholetime Director of the Company.

** There is no CFO in the Company.