



Global Business

Board of Directors

Ms. SHEHNAZ D. Ali Wholetime Director

Mr. H.K. TURGALIA Wholetime Director

Mr. R.C. SONI Director

Mr. VIRENDRA MAURYA Director

Mr. SUNIL JAIN Director

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Audit Committee :

- (i) Mr. Ramesh Chandra Soni - Chairman
- (ii) Mr. Virendra Maurya
- (iii) Mr. H. K. Turgaila

Remuneration Committee :

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

Shareholders/Investors Grievance Committee:

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

Bankers

ABN AMRO BANK N.V.
Sakhar Bhavan, 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 :

69-A, Rajgir Chambers, 8th Floor,
12/14, Shahid Bhagat Singh Marg,
Opp. Old Custom House, Fort,
Mumbai - 400 023, (INDIA)
Phone : 91-22-6610 7025 / 6610 7026
Fax : 91-22-66107027
E-mail : sil@vsnl.in / sil@mtnl.net.in
Website www.satgroup.in

SALIENT CONSOLIDATED FINANCIAL DATA

(Figure in ₹)

S. No.	Particulars	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
	PROFIT AND LOSS ACCOUNT					
1	Sales & other income	290,688,096	517,577,357	682,457,538	1,833,955,925	1,650,321,436
2	Profit before depreciation	(624,140,006)	19,141,907	664,286,395	79,717,056	159,360,780
3	Depreciation	704,750	948,815	892,511	4,237,356	15,404,831
4	Profit before tax	(624,844,756)	18,193,092	19,063,654	75,479,700	143,955,949
5	Taxation	52,274	(329,860)	(60,786)	2,747,594	3,173,641
6	Profit after tax	(624,897,030)	18,522,952	19,124,440	72,732,106	140,782,308
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	-	-	-	851,002	2,661,419
10	Net profit for the year	(624,897,030)	18,523,026	19,116,776	71,881,104	138,120,889
	BALANCE SHEET					
11	Total Assets					
	Gross Fixed Assets	5,547,572	120,108,102	120,147,119	160,548,930	154,681,601
	Net Fixed Assets	37,833,771	60,217,958	61,086,272	67,093,365	62,755,252
	Capital Work in Progress	-	-	-	-	910,462
	Investments	-	62,448,342	42,275,000	3,000	3,000
	Current Assets (Net)	334,129,613	844,863,040	880,719,868	1,062,160,356	704,605,287
	Miscellaneous Expenditure not written off	29,600	59,200	88,800	174,600	91,650
	Deferred Tax	1,212,552	1,220,826	760,966	-	-
	Total Application	373,205,536	968,809,366	984,930,906	1,129,431,321	768,365,651
12	Borrowings	1,164,163	25,649,356	117,716,307	201,353,096	92,426,781
13	Deferred Tax	-	-	-	5,819,378	4,731,046
14	Minority Interest	2,351,115	467,805	469,861	14,492,440	16,540,858
15	Net Worth					
	Share Capital	78,150,000	78,150,000	78,150,000	78,150,000	73,750,000
	Share Warrant	33,825,000	33,825,000	-	-	18,060,000
	Reserves & Surplus	257,715,258	830,717,205	788,594,738	829,616,407	562,856,966
		369,690,258	942,692,205	866,744,738	907,766,407	654,666,966
16	Total Sources	373,205,536	968,809,366	984,930,906	1,129,431,321	768,365,651
17	Profit/(Loss) before tax/Total Income	(214.95)%	3.52%	2.79%	4.12%	8.72%
18	Profit/(Loss) After Tax/Total Income	(214.97)%	3.58%	2.80%	3.97%	8.53%
19	Face value per share	Rs.2/-	Rs.2/-	Rs.2/-	Rs.2/-	Rs.2/-
20	Earning Per Share	(15.99)	0.47	0.49	1.86	3.91
21	Gross Block/Total Income	0.02 : 1	0.23 : 1	0.18 : 1	0.09 : 1	0.09 : 1
22	Net Block/Total Income	0.13 : 1	0.12 : 1	0.09 : 1	0.04 : 1	0.04 : 1
23	Current Ratio	3.40 : 1	10.48 : 1	23.72 : 1	19.25 : 1	9.61 : 1
24	Book value per equity share	9.46	24.12	22.18	23.23	17.75
		(Face value Rs.2/- per share)	(Face value Rs.2/- per share)	(Face value Rs.2/- per share)	(Face value Rs.2/- per share)	(Face value Rs.2/- per share)
25	Debt / Equity Ratio	0.003 : 1	0.03 : 1	0.14 : 1	0.23 : 1	0.15 : 1

DIRECTORS' REPORT

To The Members of

SAT INDUSTRIES LIMITED

The Directors of your Company have pleasure in presenting their Twenty Seventh Annual Report and the Audited Accounts of the Company for the year ended 31.3.2012.

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	2011-2012	2010-2011
Turnover	1856.18	2039.58
Other Income	-	-
Profit/Loss(-) before Tax, Interest and Depreciation	11.16	15.87
Interest	1.95	-
Depreciation	7.05	9.49
Profit/(Loss) before Tax	2.16	6.38
Less: Provision for Taxation	0.52	(3.30)
Profit/(Loss) after Tax	1.64	9.68
Profit available for appropriation	1.64	9.68
Surplus carried from Previous year	614.09	604.41
Balance carried to Balance Sheet	615.76	614.09
Consolidated		(₹ in lakhs)
Particulars	2011-2012	2010-2011
Turnover	2906.88	5175.77
Other Income	-	-
Profit before Tax	(6241.40)	181.93
Less: Provision for Taxation	0.52	(3.30)
Profit after Tax	(6241.92)	185.23
Net Profit for the year	(6241.92)	185.23
Balance carried from last year	7582.71	8032.94
Balance carried to Balance Sheet	1151.98	7582.71

DIVIDEND :

With a view to conserve resources for future expansions etc., your Directors are unable to recommend any dividend for the year 2011-2012.

OPERATIONS :

During the year under review your Company has recorded a turnover of Rs.1856.18 lakhs(pr. yr.Rs.2039.58 lakhs) registering an decrease of 8.99 % and earned a net profit of Rs. 1.64 Lakhs (Pr.yr. Rs.9.68 lakhs) after providing for tax of Rs. 0.52 Lakhs (pr.yr. Rs.(3.30) lakhs).

DIRECTORATE :

Mr. Harikant Turgalia and Mr. Virendra Maurya to retire by rotation and being eligible have offered themselves for re-appointment.

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, 2012 under section 58-A of the Companies Act,1956.

LISTING OF SHARES :

The Equity Shares of your Company are listed on the Bombay Stock Exchange Limited , Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 023 and the listing fees for the year 2011-2012, 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. 185618060/- (pr.Yr.Rs. 203957713/-). Outgo in foreign exchange on accrual basis was Rs. 178662650/- (pr. yr. Rs. 196344263/-).

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, 2012 had three subsidiaries among which Sat Middleeast Limited FZC is a wholly owned subsidiary and others are Sat E-Com Limited (holding 62.30%) and Sat Realty Limited (holding 95.11%).

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 subsidiaries 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 companies concerned on any working day during business hours. As directed by the Central Government, the financial data of the subsidiaries

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 certificates to the Company stating that their re-appointment, if made, will be within the limit specified in that behalf in Sub-section (1B) of Section 224 of the Companies Act, 1956.
- (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 228 of the Companies Act, 1956. Your Directors request you to appoint the auditors and fix their remuneration.

AUDITORS' REPORT :

The Auditors' observations are self explanatory and hence do not call for any further clarification under section 217 of the Companies Act, 1956.

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 : 14.08.2012 Wholetime Director Wholetime Director



ANNEXURE 'A' TO THE DIRECTORS REPORT

CORPORATE GOVERNANCE REPORT FOR THE PERIOD APRIL 1,2011 TO MARCH 31, 2012

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, 2011 to March, 2012, total 7 meetings were held on 30.04.2011, 12.08.2011, 27.08.2011 , 27.09.2011,12.11.2011, 08.12.2011 and 14.02.2012. 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 Maurya and
- iii. Mr. H.K. 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 2011-12, Five meetings of Audit Committee were held on 30.04.2011, 12.08.2011, 27.08.2011, 12.11.2011 and 14.02.2012, 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	1	NIL	7	5	Yes
Mr. H.K. Turgalia	Independent Executive	3	NIL	7	7	Yes
Mrs. Shehnaz D. Ali	Promoter Executive	3	NIL	7	7	No
Mr. Virendra Maurya	Independent Non-Executive	NIL	NIL	7	5	No
Mr. Sunil Jain	Independent Non-Executive	NIL	NIL	7	5	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	5	5
Mr. H.K. Turgalia	5	5
Mr. Virendra Maurya	5	5

(V) REMUNERATION OF DIRECTORS

(a) 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 Remuneration Committee comprises of the following persons:

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

All the members of the 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 27.09.2011.

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, 2012 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	558000	61000	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 2011 to March, 2012, Seven 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.22 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 three subsidiaries. Out of three two are Indian subsidiaries and one is foreign. As per Clause 49(III) of the Listing Agreement none of the Indian subsidiaries constitutes as Material non-listed Indian Subsidiary.

The minutes of the Board meetings of the subsidiaries are placed before the meetings of the Board of Directors of the Company alongwith a statement showing the significant transactions and arrangements entered into by the subsidiaries.

(viii) SHAREHOLDERS :

(a) Shareholders /Investors Grievance committee :

Shareholders/Investors Grievances 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. H.K. Turgalia
- (iii) Mrs. Shehnaz D. Ali

The committee met five times on 30.04.2011, 12.08.2011, 27.08.2011, 12.11.2011 and 14.02.2012,. 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	5	5
Mrs. Shehnaz D. Ali	5	5
Mr. H.K. Turgalia	5	5

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 annul 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
24th	12.09.2009	09.30AM	Umang Hall, Samrat Hotel, Prem Court, J. Tata Road, Mumbai – 400 020	2
25 th	21.09.2010	09.00AM	Umang Hall, Samrat Hotel, Prem Court, J. Tata Road, Mumbai – 400 020	1
26 th	27.09.2011	9.00AM	Umang Hall, Samrat Hotel, Prem Court, J. Tata Road, Mumbai – 400 020	3

(x) POSTAL BALLOT SYSTEM :

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

Venue : Umang Hall, Samrat Hotel,
Prem Court, J. Tata Road,
Churchgate,
Mumbai – 400 020

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 Wholtime 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

- (ii) Financial Calendar: Financial Reporting for :
Board meeting for: 14.08.2012
consideration of
Accounts for the year
ended on 31.03.2012.

Book Closure date : 26-09-2012 to 29-09-2012
(both days inclusive)

D. MEANS OF COMMUNICATION :

The quaterly/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 : within forty five days from
consideration of Unaudited the end of the quarter as
results for the first three stipulated under the listing
quarters of the current agreement with the Stock
financial year viz: April Exchange.
01,2012 to March 31,2013

Board Meeting for : within sixty days from the
consideration of audited end of the last quarter as
results for the current stipulated under the
financial year ending March listing agreement with the
31,2013 Stock Exchange.

Dividend Payment : Not Applicable

- (iii) Listing At Stock Exchange :

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

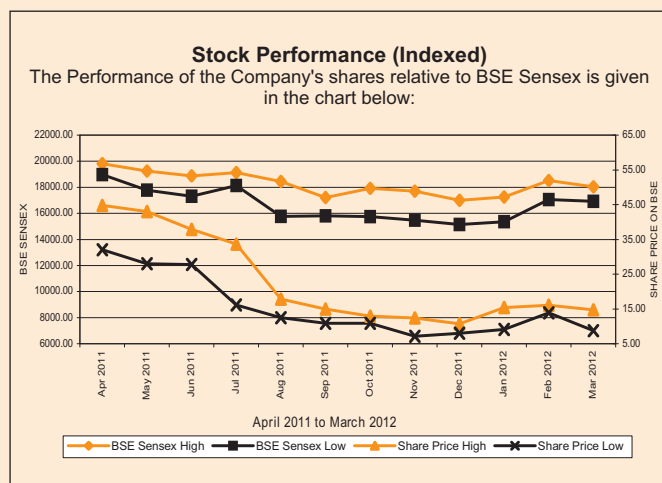
E. GENERAL SHAREHOLDERS INFORMATION :

- (i) Annual General Meeting :

Date and Time : 29.09.2012 at 09.00 AM

(iv) Market Price Data (Rs.)

Month	High	Low	Month	High	Low
April	44.80	32.05	October	12.94	10.85
May	43.00	28.00	November	12.40	7.16
June	37.90	27.75	December	10.75	8.00
July	33.65	16.10	January	15.39	9.12
August	17.80	12.45	February	16.05	13.85
September	15.00	10.85	March	14.75	8.70

(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 31.03.2012

Shareholding of nominal value Rs Rs.	No. of shareholders	% of Total	Share amount in Rs.	% of share capital
Upto 4000	1448	81.1205	1263074	1.6162
4001-6000	61	3.4174	320174	0.4097
6001-10000	84	4.7058	702440	0.8988
10001 - 20000	62	3.4734	968960	1.2399
20001 & above	130	7.2829	74895352	95.8354
TOTAL	1785	100.00	78150000	100.00

(ix) Shareholding Pattern as on 31.03.2012

Category	No. of shares	% of shareholding
Promoter – Indian	14510000	37.1337
NRI	NIL	NIL
Indian Public	7836273	20.0544
FII/NRIs/OCBs	1550	00.0040
Bodies Corporate	16218199	41.5053
Financial institution	NIL	NIL
Banks	NIL	NIL
Mutual Funds	NIL	NIL
Clearing Members	508978	1.3026
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. : 3300000

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

(xiii) ADDRESS FOR COMMUNICATION :

SAT INDUSTRIES LIMITED
69-A, Rajgir Chambers, 8th Floor,
12/14, Shahid Bhagat Singh Marg,
Opp. Old Custom House,
Fort, Mumbai – 400 023

PHONE : 022- 6610 7025

FAX NO. : 022- 6610 7027

E-MAIL : sil@vsnl.in

WEBSITE: www.satgroup.in

E-Mail Address for investors complaints :
investorsgrievances_rediffmail.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

Declaration regarding affirmation of Code of Conduct

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, 2012.

Place : Mumbai

Dated : 14.08.2012

H.K. 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. 185618060/- and the profit earned after providing for depreciation of Rs. 704750/- was Rs 216378/- . 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, 2012 as stipulated in Clause 49 of the Listing Agreement applicable for the year ended 31st March, 2012, 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 : 14-08-2012

**STATEMENT PURSUANT TO SECTION 212(3) OF THE COMPANIES ACT, 1956
RELATING TO THE SUBSIDIARY COMPANIES**



**SAT
INDUSTRIES
LIMITED**

27th Annual Report 2011-2012

01. Name of subsidiary Company	Sat E-Com Ltd.	Sat Middleeast Ltd.- FZC	Sat Realty Ltd.
02. Financial year of subsidiary Company ended on	31st March, 2012	31st March, 2012	31st March, 2012
03. Shares of subsidiary company held on the above date and extent of holding			
(i) Equity Shares	3,11,480 equity shares of Rs.10/- each	100 shares of AED 94520 each (equivalent to Rs.133409309/- *)	951080 equity shares of Rs. 10/- each
(ii) Extent of holding (%)	62.30	100	95.11
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	NIL	NIL
(ii) Not dealt with in the accounts	(Rs. 3309)	AED 47501745 (equivalent to Rs.624999460/-)	(Rs.57782)
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	NIL	NIL
(ii) Not dealt with in the accounts	(Rs.6309)	AED 1093080 (equivalent to Rs.13475272/-)	(Rs.67698)

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

1) Change in the holding company's interest	Decrease from 100% to 62.30%	No Change	No Change
2) Details of material change			
i) Fixed assets of the subsidiary	Not applicable	Not applicable	Not applicable
ii) Its investments	Not applicable	Not applicable	Not applicable
iii) Money lent by it	Not applicable	Not applicable	Not applicable
iv) The money borrowed for any purpose other than that of meeting current liabilities	Not applicable	Not applicable	Not applicable

For and on behalf of the Board of Directors

Shehnaz D. Ali

Wholetime Director

H.K. Turgalia

Wholetime Director

Place : Mumbai

Dated : 14-08-2012

* Conversion rate 1 AED = Rs. 14.1144 as on 31-3-2012

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.

S r . No.	Particulars	Sat Middle East Limited FZC		Sat Realty Ltd.	Sat E-Com Ltd.
1	Financial year ending on	31.03.2012		31.03.2012	31.03.2012
2	Currency	AED	INR	INR	INR
3	Share Capital	9452000	133409309	10000000	5000000
4	Reserves and Surplus	7542495	106457791	(432007)	454032
5	Total Assets	23632321	333556032	9628213	5760650
6	Total Liabilities	6637826	93688932	60220	306618
7	Turnover (including other income)	7985623	105070036	-	-
8	Profit/(Loss) for the year before taxation	(47501745)	(624999460)	(57782)	(3309)
9	Provision for taxation	-	-	-	-
10	Profit/(Loss) after taxation	(47501745)	(624999460)	(57782)	(3309)
11	Proposed dividend	-	-	-	-

Sat Middle East Limited FZC - Unit of currency AED. Exchange Rate as at March 31, 2012 AED = Rs.14.1144 for assets and liabilities and Rs. 13.1574 for turnover and profit.

R. KABRA & CO.

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

AUDITORS' REPORT

The Members,
Sat Industries Limited
Mumbai,

We have audited the attached Balance Sheet of Sat Industries Limited, as at 31st March, 2012 the Profit and Loss Statement for the year ended on that date and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In accordance with the provision of section 227 of Companies act, 1956, we report that as required by the Companies (Auditor's Report) order, 2003 issued by the central government in terms of section 227 (4A) of The Companies Act 1956 and on the basis of such checks as considered appropriate and in terms of the information and explanation given to us, we give in the annexure, a statement on the matters specified in paragraph 4 & 5 of the said order to the extent applicable to the company.

Further to our comments in the Annexure referred above, we report that:

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, the Company has kept proper books of account as required by law, so far as appear from our examination of such books of account.
- (c) The Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt with by this report are in agreement with the books of account of the company and for Company's foreign branch financial statement for the year ended on 31st March, 2012, we have relied

upon the local auditors who have carried out audit for the year ended as on that date.

- (d) In our opinion, the balance sheet, profit & loss Statement and the cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (e) On the basis of written representations received from the directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the explanations given to us the said accounts read together with, **note no.9.1 regarding non provision for diminution in value of investments in subsidiary companies, note no. 12.1 regarding Company's position on sundry debtors of INR 47,957,683/- out of which substantial amount of INR 44,345,765/- (foreign currency AED 3,141,881/-) is outstanding from its foreign branch and the period of outstanding of debtors from the foreign branch has been relied upon by us without any independent verification Note 28 regarding particulars of traded goods including quantity details which are relating to foreign branch are subject to independent verification, and note no.25 regarding non appointment of company secretary,** and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India –
 - (i) In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (ii) In so far as it relates to the Statement of Profit and Loss of the profit of the Company for the year ended on that date and
 - (iii) In the case of the Statement of Cash Flow, of the cash flows for the year ended on that date.

For R.KABRA & CO.
Chartered Accountants

(DEEPA RATHI)
Partner

Place : Mumbai
Dated: 14-08-2012

Membership No. 104808
Firm Registration No. 104502W

Annexure 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
- (ii) **There is no inventory held locally in India during the current year. The inventory is held at the foreign branch which is audited by other auditors and we are not able to comment on the same regarding a reasonable intervals of physical verification, the reasonability of procedures of physical verification followed by the management in relation to the size of the company and nature of business and proper maintenance of records of inventory and the material discrepancies with physical verification.**
- (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 2 maximum outstanding during the year is Rs. 35,914,470/-and balance number of parties are 2 as on 31/03/12 is Rs.34,519,470/-.
- (b) The 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 are 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 under section 301 of the Act. The number of parties are 8, maximum outstanding during the year is Rs.31,022,530 and balance number of parties are 5 as on 31/03/12 is Rs.4,410,000/-.
- (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 the information and explanation given to us, the transactions entered into 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 said clause 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 2012 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 does not have any accumulated losses at the end of the financial year and it has not 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 arise.
- (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
Dated: 14-08-2012**

**Membership No. 104808
Firm Registration No. 104502W**



BALANCE SHEET AS AT 31st MARCH, 2012

Particulars	Note No	As at 31st March 2012	As at 31st March 2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
a. Share Capital	1	78,150,000	78,150,000
b. Reserves and Surplus	2	134,515,771	128,855,327
c. Money received against share warrants	3	33,825,000	33,825,000
(2) Non-Current Liabilities			
a. Long-term borrowings	4	2,488,163	3,111,012
(3) Current Liabilities			
a. Short-term borrowings	5	5,032,852	25,897,344
b. Other current liabilities	6	792,347	554,686
c. Short-term provisions	7	44,000	130,000
Total		254,848,133	270,523,369
II. Assets			
(1) Non-current assets			
a. Fixed assets			
(i) Tangible assets	8	2,013,771	2,717,958
b. Non-current investments	9	165,158,523	227,798,523
c. Deferred tax assets (net)	10	1,212,552	1,220,826
d. Long term loans and advances	11	158,520	119,000
(2) Current assets			
a. Trade receivables	12	47,957,683	38,006,086
b. Cash and cash equivalents	13	3,382,257	328,079
c. Short-term loans and advances	14	34,964,827	332,897
Significant Accounting Policies & Notes to Accounts	1 to 28		
Total		254,848,133	270,523,369

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 : 14/08/2012

Shehnaz D. Ali

Wholetime Director

H.K Turgalia

Wholetime Director



PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No	As at 31st March 2012	As at 31st March 2011
I. Revenue from operations	15	185,618,060	203,957,713
II. Total Revenue		185,618,060	203,957,713
III. Expenses:			
Purchase of Stock-in-Trade		175,923,727	192,410,095
Employee benefit expense	16	2,836,297	2,583,554
Financial costs	17	194,625	286,436
Depreciation and amortization expense		704,750	948,815
Other expenses	18	5,742,283	7,091,070
IV. Total Expenses		185,401,682	203,319,970
V. Profit before tax	(II - IV)	216,378	637,743
VI. Tax expense:			
(1) Current tax		44,000	130,000
(2) Deferred tax		8,274	(459,860)
VII. Profit/(Loss) for the period (V-VI)		164,103	967,603
VIII. Earning per equity share:			
(1) Basic		0.004	0.025
(2) Diluted		-	0.024
Significant Accounting Policies & Notes to Accounts	1 to 28		

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 : 14/08/2012

Shehnaz D. Ali
Wholetime Director

H.K Turgalia
Wholetime Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2012

Particulars	(Amount in ₹)	
	Year ended 31-03-2012	Year ended 31-03-2011
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax	216,378	637,743
Adjustments for :		
Depreciation	704,750	948,815
Loss on sale of Fixed Assets		-
Operating Profit before working capital changes	921,128	1,586,558
Adjustments for :		
Trade & Other Receivables	(10,103,577)	(5,325,659)
Trade & Other Payables	237,660	(752,586)
Cash Generated from Operations	(8,944,789)	(4,491,687)
Gratuity payment		-
Direct Taxes Paid	(126,578)	(7,926)
Net Cash Flow from Operating Activities	(9,071,367)	(4,499,613)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets		(101,907)
Sale of Fixed Assets		
Acquisition of Companies		
Purchase of Investments		
Share Application Money		3,200,000
Sale of Investments	62,640,000	
Net inflow/(outflow) in Investing Activities	62,640,000	3,098,093
C) CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Secured Loan	(648,554)	(640,259)
Repayment of Unsecured Loan	(20,838,787)	(31,862,003)
Proceeds against Share Warrants	(34,519,470)	33,825,000
Net inflow/(outflow) in Financing Activities	(56,006,811)	1,322,738
D) Foreign Exchange Translation Reserve Adjustment	5,492,356	93,271
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C+D)	3,054,178	14,489
Cash and Cash equivalents at the beginning	328,079	313,590
Cash and Cash equivalents at the close	3,382,257	328,079

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 : 14/08/2012

Shehnaz D. Ali

Wholtime Director

H.K Turgalia

Wholtime Director



Notes To Accounts

NOTE 1: SHARE CAPITAL

Particulars	As at 31 March 2012		As at 31 March 2011	
	No. of Shares	Amount	No. of Shares	Amount
Authorised				
Equity Shares of 2/- each	50,000,000	100,000,000	50,000,000	100,000,000
	50,000,000	100,000,000	50,000,000	100,000,000
Issued				
Equity Shares of 2/- each fully paid up	39,075,000	78,150,000	39,075,000	78,150,000
Total	39,075,000	78,150,000	39,075,000	78,150,000

Reconciliation for No. of shares outstanding during the year

Particulars	As at 31st March 2012		As at 31st March 2011	
	No. of Shares	Amt	No. of Shares	Amt
Shares outstanding at the beginning of the year	39,075,000	78,150,000	39,075,000	78,150,000
Shares Issued during the year				
Shares bought back during the year				
Shares outstanding at the end of the year	39,075,000	78,150,000	39,075,000	78,150,000

Details of shareholders holding more than 5%

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1. Sat Invest Private Limited	14,150,000	37.13%	14,150,000	37.13%
2. Dawood Investment Private Limited	7,700,000	19.71%	7,800,000	19.97%
3. Space Age Polymers Private Limited	4,649,600	11.90%	6,679,300	17.09%

NOTE : 2

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.



Notes To Accounts (Contd.)

Note 3 : RESERVES AND SURPLUS

Particulars	As at 31 March 2012	As at 31 March 2011
a. General Reserves		
Opening Balance	4,800,254	4,800,254
(+) Current Year Transfer	Nil	Nil
Closing Balance	4,800,254	4,800,254
b. Securities Premium Account		
Opening Balance	59,400,000	59,400,000
Add : Securities premium credited on Share issue	Nil	Nil
Closing Balance	59,400,000	59,400,000
c. Foreign Currency Translation Reserve		
Opening Balance	3,246,900	3,153,629
(-) Written Back in Current Year	(3,246,900)	(3,153,629)
(+) Current Year Transfer	8,739,819	3,246,900
Closing Balance	8,739,819	3,246,900
d. Surplus		
Opening balance	61,408,173	60,440,496
(+) Net Profit/(Net Loss) For the current year	164,103	967,603
(+) Short/Excess Provision for Income Tax	3,422	74
Closing Balance	61,575,698	61,408,173
Total	134,515,771	128,855,327

NOTE 4 : LONG TERM BORROWINGS

Particulars	As at 31 March 2012	As at 31 March 2011
Secured Loan		
(a) Kotak Mahindra Prime Ltd (Car Loan)	846,862	1,469,711
Unsecured Loan		
(a) Intercompany Loans	1,641,301	1,641,301
Total	2,488,163	3,111,012

The above car loan is of two cars having repayment schedule of 30 and 24 months respectively



Notes To Accounts (Contd.)

NOTE 5 : SHORT TERM BORROWINGS

Particulars	As at 31 March 2012	As at 31 March 2011
Secured loan		
a. Kotak Mahindra Prime Ltd (Car Loan)	622,852	648,557
Unsecured Loan		
a. Loans from related parties	4,410,000	25,248,787
Total	5,032,852	25,897,344

NOTE 6 : OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2012	As at 31 March 2011
a. Salary Payable	181,399	158,178
b. Other Liabilities	610,948	396,508
Total	792,347	554,686

NOTE 7 : SHORT TERM PROVISIONS

Particulars	As at 31 March 2012	As at 31 March 2011
a. Provision for Tax	44,000	130,000
Total	44,000	130,000



Notes To Accounts (Contd.)

NOTE : 8 FIXED ASSETS

Fixed Assets	Gross Block		Accumulated Depreciation			Net Block	
	Balance as at 1st April 2011	Balance as at 31st March 2012	Balance as at 1st April 2011	Depreciation charge for the year	Deduction	Balance as at 1st April 2011	Balance as at 31st March 2012
Tangible Assets							
Computers	293,214	293,214	215,236	31,191	-	77,978	46,787
Furniture and Fixtures	1,322	1,322	1,305	3	-	17	14
Vehicles	5,062,302	5,062,302	2,505,231	662,026	-	2,557,071	1,895,045
Office equipment	190,734	190,734	107,278	11,530	-	82,892	71,926
Current Year Total	5,547,572	5,547,572	2,829,050	704,750	-	2,717,958	2,013,771
Previous Year Total	5,445,665	5,547,572	1,935,581	948,815	54,782	3,564,866	2,717,958

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 2012	As at 31 March 2011
a. Investment in Equity instruments	165,158,523	227,798,523
Total	165,158,523	227,798,523
Value of unquoted investment	165,158,523	227,798,523

Details of Other Investments							
Name of the Body Corporate	Subsidiary / Associate	No. of Shares / Units		Extent of Holding (%)		Amount	
		2012	2011	2012	2011	2012	2011
(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Investment in Equity Instruments							
Shares of Sat E-Com Ltd. of Rs.10/- each	Subsidiary	311,480	500,000	62.3	100	38,935,000	62,500,000
Shares of Sat Middleeast Ltd. of AED 94520/- each	Subsidiary	100	100	100	100	116,712,723	116,712,723
Shares of Sah Polymers Ltd. of Rs.10/- each	Associate	-	3,907,500	0	41.29	-	39,075,000
Shares of Sat Realty Ltd. of Rs.10/- each	Subsidiary	951,080	951,080	95.11	95.11	9,510,800	9,510,800
Total						165,158,523	227,798,523

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 Out of the investments held of 5,00,000 (100%) equity shares in Sat E-Com Ltd. which were purchased on swap basis against the shares of Sat Industries Ltd., 1,88,520 (37.70%) equity shares are sold at Rs. 11 per share in January, 2012

Note 9.3 Sah Polymers Ltd. is no longer an associate company because the investments held in it of 39,07,500 equity shares have been sold in January, 2012 at Rs. 15.50 per share.

NOTE 10 : DEFERRED TAX ASSETS

Particulars	As at 31 March 2012	As at 31 March 2011
Deferred tax Asset Related to Fixed assets	300,005	192,611
Deferred Tax Related to Losses	912,547	1,028,215
Total	1,212,552	1,220,826

Particulars	As at 31 March 2012	As at 31 March 2011
Deferred Tax Asset at the beginning of the year	1,220,826	760,966
Add: Current year Deferred Tax Asset	-	459,860
Less: Current year Deferred Tax Liability	(8,274)	
Total	1,212,552	1,220,826



Notes To Accounts (Contd.)

Deferred tax asset is recognised only when there is a virtual certainty of earning profits in the future periods. We have not recognised Deferred Tax Asset on long term capital losses on sale of associate (M/s Sah Polymers) and subsidiary (M/s Sat E - Com Ltd.) companies as there is no certainty of earning future capital gains

NOTE 11 :LONG TERM LOANS & ADVANCES

Particulars	As at 31 March 2012	As at 31 March 2011
a. Security Deposits	158,520	119,000
Total	158,520	119,000.00

NOTE 12 :TRADE RECEIVABLES

Particulars	As at 31 March 2012	As at 31 March 2011
Trade receivables outstanding for a period less than six months Unsecured, considered good (Refer Note 12.1)	44,345,765	34,394,168
	44,345,765	34,394,168
Trade receivables outstanding for a period exceeding six months Unsecured, considered good	3,611,918	3,611,918
	3,611,918	3,611,918
Total	47,957,683	38,006,086

NOTE 12.1

The total outstanding of sundry debtors as on year end is Rs. 47,957,683/- (P.Y. Rs. 38,006,086) out of which substantial amount of debtors of Rs. 44,345,765/- (P.Y. Rs. 34,394,168) (foreign currency AED 3141881/- (P.Y AED 2,787,168) 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 2012	As at 31 March 2011
a. Balances with banks		
With Schedule banks	438,969	306,977
HSBC Bank Middleeast	2,464,078	1,960
b. Cash on hand (As been Certified by Managment)	479,210	19,142
Total	3,382,257	328,079

NOTE 13.1

Out of the above balances, Rs. 24,64,078/- 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 2012	As at 31 March 2011
a. Loans and Advances		
Related Parties	34,544,430	-
b. Advances to Employees	238,000	144,000
c. Prepaid expenses	-	6,500
d. FBT receivable		
A.Y. 2005-06	3,000	3,000
A.Y. 2007-08	15,989	15,989
e. TDS Advance payment - A.Y. 2010-11	152,250	152,250
f. Other Advances	11,158	11,158
Total	34,964,827	332,897

NOTE 15 :REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Overseas Branch Sales	185,618,060	203,957,713
Total	185,618,060	203,957,713

NOTE 16 : EMPLOYEE BENEFITS

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Salary & Bonus	2,736,801	2,443,756
Gratuity fund contributions	99,496	139,798
Total	2,836,297	2,583,554

NOTE 17 : FINANCE COST

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Interest expense	193,478	268,273
Bank Charges and Commission	1,147	18,163
Total	194,625	286,436

Notes To Accounts (Contd.)
NOTE 18 : OTHER EXPENSES

Particulars	As at 31 March 2012	As at 31 March 2011
Payment to Auditor as:		
a. Statutory auditor	84,270	82,725
b. Branch auditors	98,680	99,332
c. for taxation matter	138,390	27,575
d. for management & other services	9,376	29,231
Advertisement and Publicity	49,595	42,638
Business Promotion Exp.	419,788	425,049
Conveyance Expenses	91,961	81,833
Other Direct Expenses	415,879	-
Depository Charges	60,665	104,785
Electricity Expenses	102,278	120,439
Filing Fees	12,500	14,600
Hospitality Expenses	289,019	181,203
Keyman Insurance	167,673	167,673
Loss on sale of Investments	30	-
Membership and subscriptions	33,132	42,559
Office Expenses	951,653	990,482
Printing/Stationery Expenses	264,517	245,284
Professional Charges	80,913	476,631
Rent	322,000	310,000
Selling & Distribution expenses	740,998	2,113,226
Staff Welfare	19,023	-
Telephone & Communication Expenses	615,773	801,810
Travelling Expenses	615,206	538,548
Vehicle Running & Maintenance	158,964	195,447
Total	5,742,283	7,091,070

NOTE 19

- 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 20

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.

Notes To Accounts (Contd.)

NOTE 21

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 22 : 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) Unsecured Loan Taken iv) Unsecured Loan Repayment v) 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 iii) Sale of Share
Sat Realty Ltd.	Subsidiary Company	Fees paid on behalf
Sat Middleeast Ltd.	Wholly Owned Subsidiary Company	No transactions during the year
Space Age Polymers Pvt. Ltd.	Shareholder of the Company	Unsecured Loan Taken
Lion Houseware Pvt. Ltd.	Group Company	Advance given
Dawood Investments Pvt. Ltd.	Shareholder of the Company	Unsecured Loan Taken
Sat E-Com Ltd.	Subsidiary Company	Advance given

Volume of Transaction

NATURE	31st March, 2012	31st March, 2011
Remuneration	1,519,000	1,439,250
Keyman Insurance Premium	1,67,673	1,67,673
Unsecured Loan Taken	7,488,126	13,166,679
Unsecured Loan Repaid	361,530	45,028,682
Sale of Share	29,566,250	Nil
Advance against Share Warrant	-	33,825,000
Purchases done on behalf	174,625	Nil
Advance given	34,520,470	Nil
Travel advance given to Director	24,960	Nil
Fees/TDS paid on behalf	19,258	Nil



Notes To Accounts (Contd.)

Outstanding Balances at year end

PARTY	31st March, 2012	31st March, 2011
Sat Invest Pvt. Ltd.	Nil	155000 (Cr.)
Park Continental Ltd.	1995750 (Dr.)	20828000 (Cr.)
Shehnaz D. Ali	4,24,960 (Cr.)	391,787 (Cr.)
Sat E - com	1624000 (Cr.)	Nil
Space Age Polymers Pvt. Ltd.	355000 (Cr.)	15,000 (Cr.)
Lion Houseware Pvt. Ltd.	34519470 (Dr.)	Nil
Sat Realty Ltd.	2031000 (Cr.)	2,034,000 (Cr.)

NOTE 23 : 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 24

The Company's foreign branch situated at U.A.E. is audited by the local auditor for the financial year ended on 31st March, 2012.

NOTE 25

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 26 : Earning Per Share

Particulars	Year ended 31st March 2012	Year ended 31st March 2011
Earning Attributable to Equity Shareholders for basic EPS	167,525	967,677
Adjusted for the purpose of diluted EPS	NA	NA
Earning Attributable to Equity Shareholders for Diluted EPS		967,677
Weighted Average Equity Shareholders for Basic EPS	39,075,000	39,075,000
Add: Weighted Average Potential Equity Shares on Conversion of Share Warrant	Nil	1,256,712
Weighted Average Equity Shareholders for Diluted EPS	39,075,000	40,331,712
Basic Earning Per Share (a) / (d)	0.004	0.025
Diluted Earning Per Share (c) / (f)	-	0.024

NOTE 27:

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.	P.Y.
	178,662,650	196,344,263
	178,662,650	196,344,263



Notes To Accounts (Contd.)

c) Earnings in foreign currency (UAE Branch)

C.Y.	P.Y.
185,618,060	203,957,713
185,618,060	203,957,713

d) FOB Value of exports

NIL

NOTE 28:

Information pursuant to Para 5(ii) and Para 5(iii) of the General Information to Statement of Profit & Loss:

Particulars of traded goods purchased, sold and inventory position is not available for the UAE Branch and also further the quantity details are not available and they are subject to further verification and relied upon as per the independent verification done by the foreign branch auditors.

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 : 14/08/2012

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) 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 TO THE BOARD OF DIRECTORS OF SAT INDUSTRIES LTD. ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SAT INDUSTRIES LTD. AND ITS SUBSIDIARIES

We have examined the attached consolidated balance sheet of Sat Industries Ltd. and its subsidiaries as at 31st March 2012, the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year then ended.

These Consolidated financial statements are the responsibility of the Sat Industries Ltd's management. Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with the generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of Indian subsidiaries, namely Sat Realty Ltd. and Sat E-Com Limited whose financial statements reflect total assets of Rs.9,628,213 /- and Rs. 5,760,650/- respectively as at 31st March 2012 and total revenues of NIL for both 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 Foreign Subsidiary i.e. Sat Middle East Ltd whose financial statements reflect total assets of Rs.333,556,032/- as at 31st March 2012 and total revenues of Rs 105,070,036/- 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.46,855,037/- as at 31st March 2012 and total revenues of Rs 185,618,060/- 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 branch, is based solely on the report of the 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 issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and its subsidiaries included in the consolidated financial statements.

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 the company and subsidiaries and **subject to the assumptions and on the basis of consolidation as disclosed in the notes to accounts and subject to the qualifications mentioned as below:**

For Sat Industries Limited (Holding Company)

Note No. as per Notes to Accounts and Significant Accounting Policies relating to the Holding Company	Matter
Note No. 8.1	Non – provision of diminution in the value of investments of subsidiaries
Note No. 10	Loans and advances given of Rs. 94,912,477 which includes an outstanding amount of Rs. 84,919,189/- (foreign currency AED 6,016,493/-) to business associates of Sat Middleeast Ltd. a subsidiary and outstanding since long and no provision has been made for the same.
Note No. 11.1	Company's position on trade receivables of INR 296,237,502/- out of which substantial amount of INR 248,279,819/- (foreign currency AED 17,590,533/-) is outstanding from the subsidiary Sat Middleeast Ltd. and substantial amount of Rs. 44,345,765/- (foreign currency AED 3,141,881/-) outstanding from the branch of the holding company.

Note No. 11.2	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 less than and more than six months have been relied upon the management certificate.
Note No. 24	Non appointment of company secretary
Note No. 27	Particulars of traded goods including quantity details which are relating to foreign branch and foreign subsidiary are not disclosed as per the information pursuant to Para 5(ii) and Para 5(iii) of the General Information to the Statement of Profit & Loss.
Accounting policy No. C (ii)	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.

Further qualifications as per the standalone balance sheet of Sat Middleeast Ltd , the Subsidiary of the Company are mentioned below:

Sr. No.	Matter
1	Absence of direct confirmation from the bankers for bank borrowings amounting to Rs. 93,486,531/- (AED 6,623,486/-)
2	As at the end of the financial year, a sum of Rs 248,279,819/- (AED 17,590,533) was due from customers in respect of trade receivables. The Management of the Company has given us a written assurance that the amounts are recoverable and therefore no allowance for doubtful debt is required to be made in respect of this amount. However, in the absence of documentary evidence of the recoverability, we are unable to perform other audit procedures to satisfy ourselves on the ability of the customers to repay the dues. Accordingly we were unable to satisfy ourselves as to the recoverability of this Rs. 248,279,819/- (AED 17,590,533) receivable by the Company.
3	Absence of direct confirmation from the bankers for bank balances included in 'Cash & Cash Equivalents' amounting to Rs. 114,256/- (AED 8,095/-)

The aggregate impact of all above qualifications, except where ever stated is not ascertainable, we are of the opinion that the said consolidated financial statements read together with the Notes to Accounts give a true and fair view in conformity with the accounting principles **except those mentioned above and the individual balance sheets of the holding company and subsidiary** generally accepted in India.

a) The Consolidated Balance Sheet gives a true and fair

- view of the consolidated state of affairs of Sat Industries Ltd. and its subsidiaries as at 31st March 2012.
- b) the Consolidated Statement of Profit and Loss gives a true and fair view of the consolidated results of operations of Sat Industries Ltd. and its subsidiaries for the year then ended and
- c) The Consolidated Statement of Cash Flows gives a true and fair view of the consolidated cash flows of Sat Industries Ltd. and its subsidiaries for the year ended on that date.

For R. KABRA & Co.
Chartered Accountants

(Deepa Rathi)
Partner

Place: Mumbai
Dated: 14/08/2012

Membership No. 104808
Firm Registration No. 104502W



CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2012

PARTICULARS	NOTE NO	(Figure in ₹)	
		CURRENT YEAR AS AT 31ST MARCH 2012	PREVIOUS YEAR AS AT 31ST MARCH 2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds :-			
(a) Share Capital	1	78,150,000	78,150,000
(b) Reserves and Surplus	2	257,715,258	830,717,205
(c) Money received against share warrants		33,825,000	33,825,000
(2) Minority Interest		2,351,115	467,805
(3) Non-Current Liabilities			
(a) Long-term borrowings	3	1,164,163	3,411,012
(4) Current Liabilities			
(a) Short-term borrowings	4	98,519,383	114,122,317
(b) Other current liabilities	5	1,061,586	724,639
(c) Short-term provisions	6	44,000	130,000
Total		472,830,505	1,061,547,978
II. Assets			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	7	37,833,771	60,217,958
(b) Non-current investments	8	-	62,448,342
(c) Deferred tax assets (net)	9	1,212,552	1,220,826
(d) Long term loans and advances	10	94,912,477	207,107,320
2 Current assets			
(a) Trade receivables	11	296,237,502	721,351,327
(b) Cash and cash equivalents	12	3,535,908	1,981,240
(c) Short-term loans and advances	13	39,068,695	7,161,765
(d) Other current assets	14	29,600	59,200
Significant Accounting Policies & Notes to Accounts	1 to 28		
Total		472,830,505	1,061,547,978

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 : 14/08/2012

Shehnaz D. Ali

Wholetime Director

H.K Turgalia

Wholetime Director



CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS	NOTE NO	(Figure in ₹)	
		CURRENT YEAR AS AT 31ST MARCH 2012	PREVIOUS YEAR AS AT 31ST MARCH 2011
I. Revenue from operations	15	290,688,096	517,577,357
II. Total Revenue		290,688,096	517,577,357
III. Expenses:			
Purchase of Stock-in-Trade		279,440,716	480,375,587
Employee benefit expense	16	3,783,630	3,957,129
Financial costs	17	202,953	1,099,564
Depreciation and amortization expense		704,750	948,815
Other expenses	18	631,400,803	13,003,170
IV. Total Expenses		915,532,852	499,384,265
V. Profit before tax	(II - IV)	(624,844,756)	18,193,092
VI. Tax expense:			
(1) Current tax		44,000	130,000
(2) Deferred tax		8,274	(459,860)
VII. Profit/(Loss) for the period (V-VI)		(624,897,030)	18,522,952
VIII. Earning per equity share:			
(1) Basic		-15.99	0.47
(2) Diluted		-	0.46
Significant Accounting Policies & Notes to Accounts	1 to 28		

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 : 14/08/2012

Shehnaz D. Ali
Wholetime Director

H.K Turgalia
Wholetime Director

CASH FLOW STATEMENT For the Year 31ST MARCH 2012

	Year ended 2011-12	(Amount in ₹) Year ended 2010-11
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	-624,844,756	1,81,93,092
Adjustments for:		
Depreciation	704,750	948,815
Financial Charges costs	202,953	1,073,321
Income from Associate	-	-4,035,449
Preliminary Expenses w/off	29,600	29,600
Loss on sale of Investments	30	-
Operating Profit before working capital changes	-623,907,423	16,209,379
Adjustment for Changes in Working Capital:		
Decrease/(Increase) in Trade Receivables	425,113,825	40,205,123
Decrease/(Increase) in Other Current & Non-Current Assets	29,600	-
Decrease/(Increase) in Long Term & Short Term Loans & Advances	80,287,913	-59,590,986
Increase/(Decrease) in Trade Payables & Other Current Liabilities	336,947	55,677,557
Cash Generated from Operations	-118,139,138	52,501,073
Income Taxes Refund / (Paid)	-126,578	7,926
Net Cash Inflow /(Out Flow) from Operation (A)	-118,265,716	52,508,999
B CASH FLOW FROM INVESTING ACTIVITIES:		
Sale of Investments	62,448,312	-
Share Application Money Refund Received	-	3,200,000
Purchase of fixed assets	-	-101,907
Sale of fixed assets	-	85,782
Interest Income	-	-
Net Cash Inflow/(Outflow) from investing Activities (B)	62,448,312	3,183,875
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings (net)	-2,246,849	-30,157,189
Proceeds from Short- term Borrowings	-15,602,934	-61,909,762
Share Capital, Share Warrants and Share Premium	-	33,825,000
Interest Paid	-202,953	-1,073,321
Net Cash Inflow /(Out Flow) from Financing Activities (C)	-18,052,736	-58,241,951
D CHANGE IN FOREIGN CURRENCY TRANSLATION RESERVE ARISING ON CONSOLIDATION	75,424,808	2,859,335
Net Increase/Decrease in cash & Cash equivalents (A+B+C+D)	1,554,668	310,258
Cash and Cash equivalents as at 31.03.2011	1,981,240	1,670,982
Cash and Cash equivalents as at 31.03.2012	3,535,908	1,981,240

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 : 14/08/2012

Shehnaz D. Ali

Wholetime Director

H.K Turgalia

Wholetime Director



NOTES TO ACCOUNTS

NOTE 1: SHARE CAPITAL

Particulars	As at 31 March 2012		As at 31 March 2011	
	No. of Shares	Amount	No. of Shares	Amount
Authorised				
Equity Shares of 2/- each	50,000,000	100,000,000	50,000,000	100,000,000
	50,000,000	100,000,000	50,000,000	100,000,000
Issued				
Equity Shares of 2/- each fully paid up	39,075,000	78,150,000	39,075,000	78,150,000
Total	39,075,000	78,150,000	39,075,000	78,150,000

Reconciliation for No. of shares outstanding during the year

Particulars	As at 31st March, 2012		As at 31 March 2011	
	Equity Shares		Equity Shares	
	No. of Shares	Amt	No. of Shares	Amt
Shares outstanding at the beginning of the year	39,075,000	78,150,000	39,075,000	78,150,000
Shares Issued during the year				
Shares bought back during the year				
Shares outstanding at the end of the year	39,075,000	78,150,000	39,075,000	78,150,000

Details of shareholders holding more than 5%

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
1. Sat Invest Private Limited	14,150,000	37.13%	14,150,000	37.13%
2. Dawood Investment Private Limited	7,700,000	19.71%	7,800,000	19.97%
3. Space Age Polymers Private Limited	4,649,600	11.90%	6,679,300	17.09%

Note 2 : RESERVES AND SURPLUS

Particulars	As at 31 March 2012	As at 31 March 2011
a. General Reserves		
Opening Balance	4,800,254	4,800,254
(+) Current Year Transfer	Nil	Nil
Closing Balance	4,800,254	4,800,254
b. Capital Reserves		
Opening Balance	5,186,869	5,186,869
(+) Current Year Transfer		
(-) Written Back in Current Year	(5,186,869)	
Closing Balance	-	5,186,869



NOTES TO ACCOUNTS Contd.

c. Securities Premium Account		
Opening Balance	59,400,000	59,400,000
Add : Securities premium credited on Share issue	Nil	Nil
Closing Balance	59,400,000	59,400,000
d. Foreign Currency Translation Reserve		
Opening Balance	3,058,597	
(-) Written Back in Current Year	(3,058,597)	
(+) Current Year Transfer	78,342,941	3,058,597
Closing Balance	78,342,941	3,058,597
e. Surplus		
Opening balance	740,065,671	803,293,745
(+) Net Profit/(Net Loss) For the current year	(624,897,030)	18,522,952
(+) Short/Excess Provision for Income Tax	3,422	74
Foreign currency	-	(77,715,651)
Income from Associates	-	14,170,365
Closing Balance	115,172,063	758,271,485
Total	257,715,258	830,717,205

Note 2.1:

In the current year the capital reserve on consolidation is written back since the share in the associate company i.e. Sah Polymers Ltd. is entirely sold.

NOTE 3:LONG TERM BORROWINGS

Particulars	As at 31 March 2012	As at 31 March 2011
Secured Loan		
(a) Kotak Mahindra Prime Ltd (Car Loan)	846,862	1,469,711
Unsecured Loan		
(a) Loans from others	317,301	1,941,301
Total	1,164,163	3,411,012

Note 3.1:

The loan from Kotak Mahindra Prime Ltd. is taken against the car and is outstanding of ₹ 846,862 for the period above 12 months



NOTES TO ACCOUNTS Contd.

NOTE 4 : SHORT TERM BORROWINGS

Particulars	As at 31 March 2012	As at 31 March 2011
Secured loan		
a. Kotak Mahindra Prime Ltd (Car Loan)	622,852	648,557
Unsecured Loan		
a. Loans from related parties	4,410,000	25,248,787
b. Bank Overdraft	93,486,531	88,224,973
Total	98,519,383	114,122,317

Note 4.1:

The loan from Kotak Mahindra Prime Ltd. is taken against the car and is outstanding of Rs. 622,852 for the period less than 12 months

Note 4.2:

In the absence of direct information from bankers relating to bank overdraft the auditors of the foreign company are unable to confirm the existence and the accuracy of the same.

NOTE 5 : OTHER CURRENT LIABILITIES

Particulars	As at 31 March 2012	As at 31 March 2011
(a) Salary payable	181,399	201,544
(b) Other Liabilities	880,187	523,095
Total	1,061,586	724,639

NOTE 6 : SHORT TERM PROVISIONS

Particulars	As at 31 March 2012	As at 31 March 2011
a. Provision for Tax	44,000	130,000
Total	44,000	130,000



NOTES TO ACCOUNTS Contd.

Note 7: FIXED ASSETS

Fixed Assets	Gross Block					Accumulated Depreciation				Net Block	
	Balance as at 1 April 2011	Additions/ (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	Balance as at 31 March 2012	Balance as at 1 April 2011	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 March 2012	Balance as at 1 April 2011
a Tangible Assets											
Goodwill											3,58,20,000
Computers	2,93,214	-	-	-	2,93,214	2,15,236	31,191	-	-	2,46,427	5,75,00,000
Furniture and Fixtures	1,322	-	-	-	1,322	1,305	3	-	-	1,308	77,978
Vehicles	50,62,302	-	-	-	50,62,302	25,05,231	6,62,026	-	-	31,67,257	17
Office equipment	1,90,734	-	-	-	1,90,734	1,07,278	11,530	-	-	1,18,808	25,57,071
Total	55,47,572	-	-	-	55,47,572	28,29,050	7,04,750	-	-	35,33,800	6,02,18,522
Total	55,47,572	-	-	-	55,47,572	28,29,050	7,04,750	-	-	35,33,800	6,02,18,522
											3,78,33,772



NOTES TO ACCOUNTS Contd.

Note 8: NON CURRENT INVESTMENTS

Particulars	As at 31 March 2012	As at 31 March 2011
Other Investments		
(a) Investment in Equity instruments	-	62,448,342
Total	-	62,448,342
Aggregate amount of unquoted investments	-	39,075,000

Details of Other Investments

Details of Other Investments											
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount		" Whether stated at Cost Yes / No "
(1)	(2)	(3)	2,012 (4)	2,011 (5)	(6)	(7)	2,012 (8)	2,011 (9)	2,012 (10)	2,011 (11)	(12)
	Shares of Sat E-Com Ltd. of Rs.10/- each		-	-					-	-	Yes
	Shares of Sat Middleeast Ltd. of AED 94520/- each		-	-					-	-	Yes
	Shares of Sah Polymers Ltd. of Rs.10/- each		-	3,907,500					-	39,075,000	Yes
	Shares of Sat Realty Ltd. of Rs.10/- each		-	-					-	-	Yes
	Add: Capital Reserve								-	5,167,528	
	Add: Accumulated income from Associate for previous years								-	14,170,365	
	Add: Accumulated income from Associate for current year								-	4,035,449	
	Total								-	62,448,342	

Note 8.1 Even though no yeild 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 the management, these are long term and do not require provisioning.

Note 8.2 Out of the investments held of 5,00,000 (100%) equity shares in Sat E-Com Ltd. which were purchased on swap basis against the shares of Sat Industries Ltd. 1,88,520 (37.70%) equity shares were sold at Rs. 11 per share in January, 2012.

Note 8.3 Sah Polymers Ltd. is no longer an associate company because the investments held in it of 39,07,500 equity shares have been sold in January, 2012 at Rs. 15.50 per share.



NOTES TO ACCOUNTS Contd.

NOTE 9 : DEFERRED TAX ASSETS

Particulars	As at 31 March 2012	As at 31 March 2011
Deferred tax Asset Related to Fixed assets	300,005	192,611
Deferred Tax Related to Losses	912,547	1,028,215
Total	1,212,552	1,220,826

Particulars	As at 31 March 2012	As at 31 March 2011
Deferred Tax Asset at the beginning of the year	1,220,826	760,966
Add: Current year Deferred Tax Asset	-	459,860
Less: Current year Deferred Tax Liability	(8,274)	
Total	1,212,552	1,220,826

Deferred tax asset is recognised only when there is a virtual certainty of earning profits in the future periods. We have not recognised Deferred Tax Asset on long term capital losses on sale of associate (M/s Sah Polymers) and subsidiary (M/s Sat E - Com Ltd.) companies as there is no certainty of earning future capital gains

NOTE 10 :LONG TERM LOANS & ADVANCES

Particulars	As at 31 March 2012	As at 31 March 2011
a. Other loans and advances Unsecured, considered good	94,912,477	207,107,320
Total	94,912,477	207,107,320

Loans and advances given of Rs. 94,912,477 which includes an outstanding amount of Rs. 84,919,189/- (foreign currency AED 6,016,493/-) 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 2012	As at 31 March 2011
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	292,625,584	717,739,409
	292,625,584	717,739,409
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	3,611,918	3,611,918
	3,611,918	3,611,918
Total	296,237,502	721,351,327



NOTES TO ACCOUNTS Contd.

Note 11.1

Company's position on trade receivables of INR 296,237,502/- out of which substantial amount of INR 248,279,819/- (foreign currency AED 17,590,533/-) is outstanding from the subsidiary Sat Middleeast Ltd. and substantial amount of Rs. 44,345,765/- (foreign currency AED 3,141,881/-) outstanding from the branch of the holding company.

Note 11.2

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

NOTE 12 :CASH AND CASH EQUIVALENTS

Particulars	As at 31 March 2012	As at 31 March 2011
a. Balances with banks	2,933,109	1,846,327
b. Cash on hand (As been Certified by Managment)	602,799	134,913
Total	3,535,908	1,981,240

In the absence of direct information from bankers relating to bank balances the auditors of the foreign company are unable to confirm the existence and the accuracy of the same.

NOTE 13 :SHORT TERM LOANS AND ADVANCES

Particulars	As at 31 March 2012	As at 31 March 2011
a. Loans & advances to related parties	34,519,470	1,625,000
a. Loans & advances to others	4,103,868	5,203,868
b. Loans & advances to Employees	238,000	144,000
c. Prepaid expenses	-	6,500
d. TDS Advance payments	152,250	152,250
e. FBT Receivable	18,989	18,989
f. Others	36,118	11,158
Total	39,068,695	7,161,765

NOTE 14 :OTHER CURRENT ASSETS

Particulars	As at 31 March 2012	As at 31 March 2011
a. Preliminary Expenses to the extent not written off	29,600	59,200
Total	29,600	59,200

NOTE 15 :REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Sale of products	290,688,096	513,541,908
Share of income from associate	-	4,035,449
Total	290,688,096	517,577,357



NOTES TO ACCOUNTS Contd.

NOTE 16 :EMPLOYEE BENEFITS

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Salary & Wages	3,684,134	3,817,331
Gratuity fund contributions	99,496	139,798
Total	3,783,630	3,957,129

NOTE 17 :FINANCE COST

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Interest expense	193,478	268,273
Interest on Working Capital	-	805,048
Bank Charges and Commission	9,475	26,243
Total	202,953	1,099,564

NOTE 18 :OTHER EXPENSES

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Payment to Auditor as:		
a. Statutory auditor	194,687	345,379
b. Branch auditors	98,680	-
c. for taxation matter	138,390	-
d. for management & other services	9,376	-
Advertisement and Publicity	49,595	42,638
Business Promotion Exp.	419,788	425,049
Conveyance Expenses	91,961	81,833
Direct Expenses	415,879	-
Depository Charges	60,665	104,785
Electricity Expenses	102,278	120,439
Filing Fees	15,500	28,600
Bad debts	386,898,334	-
Discounts	172,850,198	-
Loss on advances	64,570,072	-
Hospitality Expenses	289,019	181,203
Keyman Insurance	167,673	167,673
Loss on sale of Investments	30	-
Membership and subscriptions	33,132	42,559
Miscellaneous Expenses	29,600	29,600
Office Expenses	1,263,737	2,214,737
Printing/Stationery Expenses	264,517	245,284
Professional Charges	89,340	516,607
Rent	322,000	682,495
Selling & Distribution expenses	1,617,386	6,238,484
Staff Welfare	19,023	-
Telephone & Communication Expenses	615,773	801,810
Travelling Expenses	615,206	538,548
Vehicle Running & Maintenance	158,964	195,447
Total	631,400,803	13,003,170

NOTES TO ACCOUNTS Contd.
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.

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) Unsecured Loan Taken iv) Unsecured Loan Repayment
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 iii) Sale of Share
Sat Realty Ltd.	Subsidiary Company	Fees paid on behalf
Sat Middleeast Ltd.	Wholly Owned Subsidiary Company	No transactions during the year
Space Age Polymers Pvt. Ltd.	Shareholder of the Company	Unsecured Loan Taken
Dawood Investments Pvt. Ltd.	Shareholder of the Company	Unsecured Loan Taken
Lion Houseware Pvt Ltd	Associate Company	Advance given
Sat E-Com Ltd.	Subsidiary Company	Advance given

Volume of Transaction

NATURE	31st March, 2012	31st March, 2011
Remuneration	1,519,000	1,439,250
Keyman Insurance Premium	1,67,673	1,67,673
Unsecured Loan Taken	7,488,126	13,166,679
Unsecured Loan Repaid	361,530	45,028,682
Sale of Share	29,566,250	Nil
Advance against Share Warrant	Nil	33,825,000
Purchases done on behalf	174,625	Nil
Travel advance given	24,960	Nil
Advance given	34,520,470	Nil
Fees/TDS paid on behalf	19,258	Nil

NOTES TO ACCOUNTS Contd.

Outstanding Balances at year end

PARTY	31st March, 2012	31st March, 2011
Sat Invest Pvt. Ltd.	Nil	155000 (Cr.)
Park Continental Ltd.	1995750 (Dr.)	20828000 (Cr.)
Shehnaz D. Ali	424960 (Cr.)	391,787 (Cr.)
Sat E - com Ltd.	1624000 (Cr.)	Nil
Space Age Polymers Pvt. Ltd.	355000 (Cr.)	15,000 (Cr.)
Lion Houseware Pvt Ltd	34519470 (Dr.)	Nil
Sat Realty Ltd.	2031000 (Cr.)	2,034,000 (Cr.)

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.

Note 23:

The Company's foreign branch situated at U.A.E. is audited by the local auditor for the financial year ended on 31st March, 2012.

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 2012	Year ended 31st March 2011
Earning Attributable to Equity Shareholders for Basic EPS	(624,897,030)	18,523,026
Adjusted for the purpose of diluted EPS	NA	NA
Earning Attributable to Equity Shareholders for Diluted EPS		18,523,026
Weighted Average Equity Shareholders for Basic EPS	39,075,000	39,075,000
Add: Weighted Average Potential Equity Shares on Conversion of Share Warrant	Nil	1,256,712
Weighted Average Equity Shareholders for Diluted EPS	39,075,000	40,331,712
Basic Earning Per Share (a) /(d)	(15.99)	0.47
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:

Information pursuant to Para 5(ii) and Para 5(iii) of the General Information to Statement of Profit & Loss:

Particulars of traded goods purchased, sold and inventory position is not available for the UAE Branch as well as the subsidiary company in UAE and also further the quantity details are not available and they are subject to further verification and relied upon as per the independent verification done by the foreign branch auditors.



NOTES TO ACCOUNTS Contd.

NOTE 28:

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.

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 : 14/08/2012

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 E-Com Limited	India	62.30%	12 months	12 months	Subsidiary
2. Sat Middle East Limited	UAE	100%	12 months	12 months	Subsidiary
3. Sat Realty Limited	India	95.11%	12 months	12 months	Subsidiary

- b. 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.

c. 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 31-03-2012. The consolidation of the accounts of foreign subsidiary in the books of accounts are considered as non- integral operations

d. 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 31-03-2012. 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 78,317,500/- 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.

- (E) Minority interest's share is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

(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 :
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