



SAT
INDUSTRIES
LIMITED



GLOBAL
BUSINESS

25TH ANNUAL REPORT
2009 - 2010

Board of Directors

Ms. SHEHNAZ D. Ali Wholetime Director

Mr. H.K. TURGALIA Wholetime Director

Mr. C.K. THANAWALA Director
(upto 30-06-2009)

Mr. R.C. SONI Director

Mr. VIRENDRA MAURYA Director

Mr. FIROZ ALI JAIPURI Director
(upto 12-09-2009)

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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

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, Panalal 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
Website www.satgroup.in

SALIENT CONSOLIDATED FINANCIAL DATA
(Figures in Rs.)

S.No.	Particulars	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
	PROFIT AND LOSS ACCOUNT					
1	Sales & other income	682,457,538	1833,955,925	1,650,321,436	1,149,200,902	1,070,641,334
2	Profit before depreciation	664,286,395	79,717,056	159,360,780	108,818,839	138,540,211
3	Depreciation	892,511	4,237,356	15,404,831	13,488,366	15,639,371
4	Profit before tax	19,063,654	75,479,700	143,955,949	95,330,473	122,900,840
5	Taxation	(60,786)	2,747,594	3,173,641	2,952,811	617,531
6	Profit after tax	19,124,440	72,732,106	140,782,308	92,377,662	122,283,309
7	Excess Provision of income tax of previous years written back	-	-	-	561,981	-
8	Short Provision of Income Tax of Previous years	(7,664)	-	-	-	-
9	Minority Interest	-	851,002	2,661,419	2,142,435	430,940
10	Net profit for the year	19,116,776	71,881,104	138,120,889	90,797,208	121,852,369
	BALANCE SHEET					
11	Total Assets					
	Gross Fixed Assets	120,147,119	160,548,930	154,681,601	146,556,176	112,745,856
	Net Fixed Assets	61,086,272	67,093,365	62,755,252	70,012,785	49,392,588
	Capital Work in Progress	-	-	910,462	-	-
	Investments	42,275,000	3,000	3,000	10,026,000	9,000
	Current Assets (Net)	880,719,868	1,062,160,356	704,605,287	607,825,915	437,593,979
	Miscellaneous Expenditure not written off	88,800	174,600	91,650	130,241	28,332
	Deferred Tax	760,966	-	-	-	-
	Total Application	984,930,906	1,129,431,321	768,365,651	687,994,941	487,023,899
12	Borrowings	117,716,307	201,353,096	92,426,781	139,172,773	71,577,630
13	Deferred Tax	-	5,819,378	4,731,046	4,018,861	2,128,964
14	Minority Interest	469,861	14,492,440	16,540,858	13,456,130	11,313,695
15	Net Worth					
	Share Capital	78,150,000	78,150,000	73,750,000	69,350,000	64,950,000
	Share Warrant	-	-	18,060,000	20,480,000	-
	Reserves	788,594,738	829,616,407	562,856,966	441,517,177	337,053,610
		866,744,738	907,766,407	654,666,966	531,347,177	402,003,610
16	Total Sources	984,930,906	1,129,431,321	768,365,651	687,994,941	487,023,899
17	Profit before tax/Total Income	2.79%	4.12%	8.72%	8.30%	11.48%
18	Profit After Tax/Total Income	2.80%	3.97%	8.53%	8.04%	11.42%
19	Face value per share	Rs.2/-	Rs. 2/-	Rs.2/-	Rs.2/-	Rs.2/-
20	Earning Per Share	0.49	1.86	3.91	2.62	3.75
21	Gross Block/Total Income	0.18: 1	0.09 : 1	0.09 : 1	0.13 : 1	0.11 : 1
22	Net Block/Total Income	0.09: 1	0.04 : 1	0.04 : 1	0.06 : 1	0.05 : 1
23	Current Ratio	23.72 : 1	19.25 : 1	9.61 : 1	20.07 : 1	5.99 : 1
24	Book value per equity share	22.18	23.23	17.75	15.32	12.38
	(Face value	(Face value	(Face value	(Face value	(Face value	(Face value
	Rs.2/- per share)	Rs.2/- per share)	Rs.2/- per share)	Rs.2/- per share)	Rs.2/- per share)	Rs.2/- per share)
25	Debt / Equity Ratio	0.14 : 1	0.23 : 1	0.15 : 1	0.27 : 1	0.18 : 1

DIRECTORS' REPORT

To The Members of

SAT INDUSTRIES LIMITED

The Directors of your Company have pleasure in presenting their Twenty Fifth Annual Report and the Audited Accounts of the Company for the year ended 31.3.2010.

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)	
	2009-2010	2008-09
Turnover	1170.52	3601.52
Other Income	123.33	0.11
Profit/Loss(-) before Tax, Interest and Depreciation	8.81	4.45
Interest	-	-
Depreciation	8.28	2.38
Profit/(Loss) before Tax	0.53	2.07
Less: Provision for Taxation	(0.61)	1.27
Profit/(Loss) after Tax	1.14	0.80
Profit available for appropriation	1.06	0.80
Surplus carried from	603.35	602.55
Previous year		
Balance carried to Balance Sheet	604.41	603.35
CONSOLIDATED		
Turnover	6685.63	18105.39
Other Income	138.94	234.17
Profit before Tax	190.64	754.8
Less: Provision for Taxation	(0.61)	27.48
Profit after Tax	191.25	727.32
Net Profit for the year	191.17	727.32
Minority Interest	-	8.51
Profit after tax and Minority Int	191.17	718.81
Balance carried from last year	6046.59	5561.86
Balance carried to Balance Sheet ...	8032.94	6046.59

DIVIDEND :

With a view to conserve resources for future expansions etc., your Directors are unable to recommend any dividend for the year 2009-2010..

OPERATIONS :

During the year under review your Company has recorded a turnover of Rs.1170.52 lakhs(pr. yr.Rs. 3601.52 lakhs) registering a decrease of 67.50 % and earned a net profit of Rs. 1.14 Lakhs (Pr.yr. Rs. 0.80 lakhs) after providing for tax of Rs. (0.61) Lakhs (pr.yr. Rs. 1.27 lakhs).

DIRECTORS :

Mr. Harikant Turgalia is to retire by rotation and being eligible has offered himself for re-appointment.

Mr. Virendra Maurya was appointed as additional director on the Board of Directors of the Company with effect from 07-12-2009 and in accordance with the provisions of the section 260 of the Companies Act, 1956 and Articles of Association of the Company he ceases to be director of the Company at the commencement of the ensuing annual general meeting. The Company has received notice under section 257 of the Companies Act,1956 alongwith deposit of Rs. 500/- in respect of Mr. Virendra Maurya proposing his candidature for the office of the director of the Company.

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, 2010 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-400 001 and the listing fees for the year 2009-2010, 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. 110092840/- (pr.Yr.Rs. 360151555/-). Outgo in foreign exchange on accrual basis was Rs. 123420479/- (pr. yr. Rs. 355493605/-).

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, 2010 had three subsidiaries among which Sat Middleeast Limited FZC and Sat E-Com Limited are wholly owned subsidiaries and other is Sat Reality Limited (holding 95.11%).

During the year under review, Sah Polymers Limited ceased to be a subsidiary of your Company following divestment of a part of investment and the present holding in Sah Polymers Limited is 41.29%.

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 exemption received from the Ministry of Corporate Affairs, Government of India vide letter no. 47/134/2010-CL-III dated 04-03-2010 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

H.K. Turgalia
Wholtime Director

Shehnaz D. Ali
Wholtime Director

Place : Mumbai
Dated : 13.08.2010

ANNEXURE 'A' TO THE DIRECTORS REPORT

CORPORATE GOVERNANCE REPORT FOR THE PERIOD APRIL 1, 2009 TO MARCH 31, 2010

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:

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	11	6	YES
Mr. Firoz Ali Jaipuri	Independent Non-Executive	NIL	NIL	11	2	NO
Mr. C.K. Thanawala	Independent Non-Executive	13	NIL	11	0	NO
Mr. H.K. Turgalia	Independent Executive	2	NIL	11	11	YES
Mrs. Shehnaz D. Ali	Promoter Executive	2	NIL	11	11	YES
Mr. Virendra Maurya	Independent Non-Executive	NIL	NIL	11	2	NA

(ii) During the period from April, 2009 to March, 2010, total 11 meetings were held on 21.04.2009, 27.06.2009, 01.07.2009, 31.07.2009, 30.09.2009, 30.10.2009, 06.11.2009, 07-12-2009, 11-01-2010, 30-01-2010 and 09.02.2010. 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 :

- Mr. Ramesh Chandra Soni - Chairman
- Mr. Virendra Maurya and
- 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 2009-10, five meetings of Audit Committee were held on 21.04.2009, 27.06.2009, 31.07.2009, 30.10.2009 and 30.01.2010, one of which was before finalization of Accounts and other before adoption of the quarterly financial results by the Board.

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.

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. Firoze Ali Jaipuri*	5	3
Mr. Virendra Maurya**	5	2

*ceased to be director w.e.f. 12-09-2009 , ** appointed a director w.e.f. 07-12-2009

The meetings of the Audit Committee were also attended by the Statutory Auditors of the Company.

(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 Mourya

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 no meeting of the Committee held.

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, 2010 are as follows :

Name	Salary	Benefits	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	432000	48000	NIL	NIL	NIL	***

Service contract : 5 years with effect from the date of appointment i.e. 01.01.2006

Notice period : Six months either side.

Severance fee : No severance fees.

(vi) BOARD PROCEDURE :

- During the period April 2009 to March, 2010, Eleven 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 :

(a) Management discussion and Analysis

Management Discussion and Analysis is part of this Annual Report.

(b) Disclosures :

- Transactions with the related parties are disclosed in note No.11 of Schedule 'N' "Notes on 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.
- 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
- 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.

(ix) 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 21.04.2009, 27.06.2009, 31.07.2009 , 30.10.2009 and 30.01.2010. 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.

(x) GENERAL BODY MEETINGS :

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

Annual General Meetings	Date	Time	Location	No. of special resolution passed
22 nd	22.09.2007	9.30 AM	69-A, Rajgir Chambers, 8th Flr.,12/14, Shahid Bhagat Singh Marg, Opp. Old Custom House, Fort, Mumbai-400 023	NIL
23 rd	19.07.2008	9.30 AM	Noble Room, 1 st Floor, Hotel Diplomat, 24-26, B. K. Boman Behram Marg, Apollo Bunder, Mumbai – 400 001	NIL
24 th	12.09.2009	9.30 AM	Umang Hall, Samrat Hotel, Prem Court, J. Tata Road, Mumbai - 400 020	2

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 / reappointment :

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

(xi) POSTAL BALLOT SYSTEM :

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

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

D. MEANS OF COMMUNICATION :

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

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

The results are not sent to the shareholders at their home. The Company has placed its financials on the website www.satgroup.in

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

E. GENERAL SHAREHOLDERS INFORMATION :
(i) Annual General Meeting:

Date and Time : 21.09.2010 at 09.00 AM
Venue : Umang Hall, Samrat Hotel, Prem Court, J. Tata Road, Churchgate, Mumbai - 400 020

(ii) Financial Calendar : Financial Reporting for :

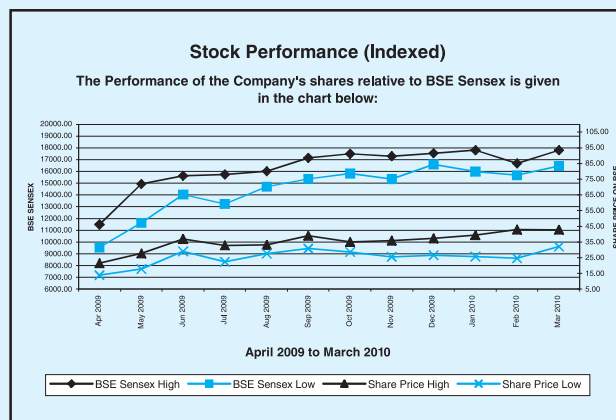
Board meeting for consideration of Accounts for the year ended on 31.03.2010.
Book Closure date : 18-09-2010 to 21-09-2010 (both days inclusive)
Board Meeting for consideration of Unaudited results for the first three quarters of the current financial year viz: April 01,2010 to March 31, 2011 : within forty five days from the end of the quarter as stipulated under the listing agreement with the Stock Exchange.
Board Meeting for consideration of : within sixty days from the end of the last quarter as stipulated under the listing agreement with the 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	Sat Indm

(iv) Market Price Data (Rs.)

Month	High	Low	Month	High	Low
April	21.35	13.70	October	35.00	28.55
May	27.65	17.70	November	35.85	25.45
June	36.90	29.00	December	37.35	26.60
July	32.85	22.30	January	39.40	25.60
August	33.05	27.60	February	42.90	24.60
September	39.00	30.75	March	42.80	32.00

(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 31.03.2010

Shareholding of nominal value of Rs	No. of share holders Rs.	% of Total	share amount in Rs.	% of Share Capital
Upto 5000	1176	83.1684	1153288	1.4757
5001-10000	93	6.5771	762490	0.9757
10001-50000	100	7.0721	2227550	2.8504
50001 - 100000	16	1.1315	1194592	1.5286
100001 & above	29	2.0509	72812080	93.1696
TOTAL	1414	100.000	78150000	100.000

(ix) Shareholding Pattern as on 31.03.2010

Category	No. of shares	% of shareholding
Promoter – Indian	14510000	37.1337
NRI	NIL	NIL
Indian Public	5228305	13.3802
FIIIs/NRIs/OCBs	1100	00.0028
Bodies Corporate	18758442	48.0063
Financial institution	NIL	NIL
Banks	NIL	NIL
Mutual Funds	NIL	NIL
Clearing Members	577153	1.4770
TOTAL	39075000	100.00

(x) Dematerialisation of shares and liquidity

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

Description	ISIN	Depositories
Equity Shares	INE065D01027	NSDL and CDSL

The liquidity of shares is normal.

(xi) Outstanding GDR/ADR/Warrants etc. : NIL

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

(xiii) ADDRESS FOR COMMUNICATION :

SAT INDUSTRIES LIMITED

69-A, RAJGIR CHAMBERS, 8TH FLOOR,
12/14, SHAHID BHAGAT SINGH MARG,
OPP. OLD CUSTOM HOUSE, FORT,
MUMBAI- 400 0023
PHONE : 022-6610 7025
FAX NO. : 022-6610 7027
E-MAIL : sil@vsnl.in
WEBSITE : www.satgroup.com

(xiv) 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, 2010.

Place : Mumbai
Dated : 13-08-2010

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 carries 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. 117051701 /- and the profit earned after providing for depreciation of Rs. 828135/- was Rs 52838/-. To improve the performance the Company is taking all possible steps of cost control and cost reduction. These efforts will results 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, 2010 as stipulated in Clause 49 of the Listing Agreement applicable for the year ended 31st March, 2010, 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 : 13-08-2010

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

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 2010	31st December, 2009	31st March 2010
03. Shares of subsidiary company held on the above date and extent of holding			
(i) Equity Shares :	5,00,000 equity shares of Rs.10/- each 100	100 shares of AED 94520 each (equivalent to Rs.120702040/-) 100	951080 equity shares of Rs. 10/- each 95.11
(ii) Extent of holding (%) :			
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. 3000)	AED 2507653 (equivalent to Rs.32021580/-)	(Rs. 55797)
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. 6000)	AED 6555035 (equivalent to Rs.88755174/-)	(Rs. 62991)

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

- 1) Change in the holding company's interest
- 2) Details of material change
 - i) Fixed assets of the subsidiary
 - ii) Its investments
 - iii) Money lent by it
 - iv) The money borrowed for any purpose other than that of meeting current liabilities

No Change	No Change	No Change
Not Applicable	No material change	Not Applicable
Not Applicable	No Change	Not Applicable
Not Applicable	No material Change	Not Applicable
Not Applicable	No material Change	Not Applicable

For and on behalf of the Board of Directors

Place : Mumbai
Dated : 13-08-2010

Shehnaz D. Ali
Wholetime Director

H.K. Turgalia
Wholetime Director

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

Sr. No.	Particulars	Sat Middle Limited East FZC		Sat Realty Limited	Sat E-Com Limited
		31.12.2009	31.03.2010		
1	Financial year ending on				
2	Currency	AED	INR	INR	INR
3	Share Capital	9452000	120702040	1000000	500000
4	Reserves and Surplus	53987675	689422610	-	463650
5.	Total Assets	71067995	907538296	10043365	5987650
6.	Total Liabilities	7628320	974136464	43365	524000
7.	Turnover (including other income)	62223198	794590238	-	-
8	Profit/(Loss) for the year before taxation	2507563	32021580	(58666)	(3000)
9	Provision for taxation	-	-	-	-
10	Profit/(Loss) after taxation	2507563	32021580	(58666)	(3000)
11	Proposed dividend	-	-	-	-

Sat Middle East Limited FZC- Unit of currency AED. Exchange Rate as at December 31, 2009 AED = Rs.12.77

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 2010, 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.15,157,123/- as at 31st March 2010 and total revenues of NIL 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. which were until 31st December 2009 (9 months) were audited by other auditors and **one quarter ended 31/03/2010** (unaudited) were based on the management accounts, whose financial statements reflect total assets of Rs 865167346 as at 31st March 2010 and total revenue of Rs.553,072,936/- for the year ended 31st March 2010. We also did not audit the financial statements of the branch of the Company in UAE which were until 31st December 2009 (9 months) were audited by other auditors and one quarter ended 31-03-2010 were based on management accounts, whose financial statements reflect total assets of Rs.26,775,337/- as at 31st March 2010 and total revenue of Rs.117,051,701/- for the year then ended. However, **since these financial statements of Sat Middle East Limited and Branch, which were compiled by the management of the Company for the quarter ended 31st March, 2010, were not audited, any adjustments to their balances could have consequential effect on the attached consolidated financial statements.**

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements **except for Sat Middle East**

Ltd., U.A.E. and the branch of Sat Industries Ltd. in U.A.E. whose financial statements for the quarter ended 31st March, 2010 have been compiled by the management of Sat Industries Ltd. 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 **except Sat Middle East Ltd., U.A.E. and the branch of Sat Industries Ltd. in U.A.E. whose financial statements for the quarter ended 31st March, 2010 have been compiled by the management** of Sat Industries Ltd. and its aforesaid subsidiaries, we are of the opinion that **subject to note no.2 regarding non appointment of company secretary, note no.9(a) regarding Company's position on sundry debtors of INR 761,556,450/- out of which substantial amount of INR 757,096,782/- (foreign currency AED 61,753,408/-) is outstanding from various other countries including foreign subsidiary which has been relied upon without any independent verification , note no 14 regarding quantity details which are relating to foreign branch are subject to independent verification, note no. 9(b) regarding loans and advances outstanding of INR 134,401,084/- (foreign currency AED 10,962,568/-) to business associates of subsidiary and outstanding since long and no provision has been made for the same and the effect, if any, on account of qualifications in the respective audit reports and as per note no. F(ii) (d) of accounting policy regarding " Foreign Currency Translation Reserve shown under head "Reserve & Surplus Schedule" which is being reconciled and is not as per the Accounting Standard 11, Effect of Changes in Foreign Exchange Rates issued by the Institute of Chartered Accountants of India.**

- 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 2010.
- the Consolidated Profit and Loss Account 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
- The Consolidated Cash Flow Statement 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

Place : Mumbai
Dated : 13-08-2010

(Deepa Rathi)
Partner

Membership No. 104808
Firm Registration No. 104502W

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2010

(Figure in Rs.)

PARTICULARS	SCHEDULE	CURRENT YEAR AS AT 31.3.2010	PREVIOUS YEAR AS AT 31.3.2009
1. SOURCE OF FUNDS :-			
1. Shareholders Funds :-			
Share Capital	"A"	78,150,000	78,150,000
Reserve & Surplus	"B"	788,594,738	829,616,407
Minority Interest		469,861	14,492,440
2. LOAN FUNDS :			
Secured Loans	"C"	64,419,817	144,573,379
Unsecured Loans	"D"	53,296,490	56,779,717
Deferred Tax Liability (Net)		-	5,819,378
TOTAL		984,930,906	1,129,431,321
2. APPLICATION OF FUNDS :-			
1. Fixed Assets :			
a. Gross Block	"E"	120,147,119	160,548,930
b. Less Depreciation		59,060,847	93,455,565
c. Net Block		61,086,272	67,093,365
2. Investment :	"F"	42,275,000	3,000
3. Current Assets, Loans and Advances	"G"		
a. Inventory		-	22,647,410
b. Sundry Debtors		761,556,450	775,701,927
c. Cash and Bank Balance		6,922,111	53,384,923
d. Loans and Advances		151,000,110	268,614,009
.....		919,478,671	1,120,348,269
Less : Current Liabilities & Provisions	"H"	38,758,803	58,187,913
Net Current Assets		880,719,868	1,062,160,356
4. Deferred Tax Assets		760,966	-
5. Miscellaneous Expenditure			
(to the extent not written off or adjusted)	"I"	88,800	174,600
TOTAL		984,930,906	1,129,431,321

SIGNIFICANT ACCOUNTING POLICIES &
NOTES ON ACCOUNTS

"R"

This is the Consolidated Balance Sheet referred to in our report of even date

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

For and on behalf of the Board

(DEEPA RATHI)

Partner

Membership No. 104808

Firm Registration No. 104502W

SHEHNAZ D. Ali

Wholetime Director

H.K. TURGALIA

Wholetime Director

Place : Mumbai

Dated : 13-08-2010

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

(Figure in Rs.)

PARTICULARS	SCHEDULE	CURRENT YEAR AS AT 31.3.2010	PREVIOUS YEAR AS AT 31.3.2009
INCOME :			
Sales (Net of Excise Duty)	"J"	668,563,103	1,810,539,224
Other Income	"K"	13,894,435	23,416,701
Increase / (Decrease) in Stock	"L"	-	(1,792,679)
Total		682,457,538	1,832,163,245
EXPENDITURE :			
Purchases / Cost of Material Consumed	"M"	632,574,241	1,641,794,991
Manufacturing Expenses	"N"	-	23,756,564
Employee Cost	"O"	6,094,478	13,879,248
Operating & other expenses	"P"	22,269,326	55,681,329
Depreciation (Including Goodwill W/off)		892,511	4,237,356
Interest	"Q"	1,563,328	17,613,028
Excise Duty provided on stock		-	(278,970)
Total		663,393,884	1,756,683,545
PROFITS :			
Profit before Income Tax		19,063,654	75,479,700
Less : Provision for Taxation			
i) Current tax		8,000	1,533,450
ii) Deferred tax		(68,786)	1,088,332
iii) Fringe Benefits tax		-	125,812
Net Profit after Tax (Before adjustment for Minority Interest)		19,124,440	72,732,106
Less : Short Provision of Income Tax		(7,664)	-
		19,116,776	72,732,106
Less: Minority Int.		-	851,002
Net Profit for the year		19,116,776	71,881,104
Less: Foreign Currency Translation Reserve Adjustment		179,517,513	23,408,591
Add: Balance carried from last year after regrouping		604,659,456	556,186,943
Balance carried to Balance Sheet		803,293,745	604,659,456
EARNING PER SHARE			
BASIC Earning per		0.49	1.86
Face Value per share		2.00	2.00

SIGNIFICANT ACCOUNTING POLICIES &
NOTES ON ACCOUNTS "R"

This is the Consolidated Profit & Loss account referred to in our report of even date.

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

For and on behalf of the Board

(DEEPA RATHI)

Partner

Membership No. 104808

Firm Registration No. 104502W

Place : Mumbai

Dated : 13-08-2010

SHEHNAZ D. Ali

Wholetime Director

H.K. TURGALIA

Wholetime Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2010

(Amount in Rupees)

	Year ended 31-03-2010	Year ended 31-03-2009
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax & Extra Ordinary Items	19,063,654	75,479,700
Adjustments for :		
Depreciation (Including Goodwill W. Off)	892,511	4,237,356
Provision for Gratuity	-432,255	533,831
Provision for Income Tax	8,000	-
Provision for Deffered Tax	-68,786	-
Short Provision of Income Tax	7,664	-
Profit on sale of Investment	-10,749,650	-
Provision for Leave Encashment	-120,696	(4,725)
Deferred Revenue Expenditure and Preliminary Exp. W.Off	85,800	65,050
Interest and tax penalty	-	20,528
Interest Income	-	(36,240)
Interest Paid	1,563,328	17,613,028
Loss /(Profit) on sale of fixed assets	-83,251	1,428,925
Operating Profit before working capital changes	10,166,319	99,337,453
Adjustments for :		
Trade & Other Receivables	129,199,737	(289,698,619)
Inventories	22,647,410	6,750,468
Trade & Other Payable	-14,402,470	(25,635,598)
Cash Generated from Operations	147,610,996	(209,246,296)
Gratuity	-127,070	-
Direct Tax Paid	-811,987	(1,515,927)
Fringe Benefits Tax Paid	-	(124,906)
Interest and tax penalty	-	(20,528)
Interest on income tax	-	(128,100)
Net Cash Flow from Operating Activities	146,671,939	211,035,757
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-3,630,128	(10,104,394)
Sale of Fixed Assets	289,500	637,702
Purchase of Investments	-21,135,000	-
Share Application Money	-3,200,000	-
Minority interest	-	(1,896,104)
Sale of Investments	32,248,950	-
Interest Received	-	36,240
Interest paid	-1,563,328	(17,484,928)
Adjustment Due to SAH POLYMERS no longer Subsidiary	-60,716,770	-
Net inflow/(outflow) in Investing Activities	-57,706,776	(28,811,484)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Secured Loans (Net)	-80,153,562	89,641,835
Share capital, Share warrants, Share premium	-	6,140,000
Preliminary Expenses	-	(148,000)
Proceeds from Unsecured Loans	-3,483,227	19,661,029
Net inflow/(outflow) in Financing Activities	-83,636,789	115,294,864
D) Change in Foreign Currency Translation Reserve arising on Consolidation	-51,791,186	166,868,125
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C+D)	-46,462,812	
Cash and Cash equivalents at the beginning	53,384,923	3,862,279
Cash and Cash equivalents at the close	6,922,111	53,384,923

Note : Previous year figures have been regrouped, rearranged to make them comparable.

For **R. KABRA & CO.**
Chartered Accountants
(DEEPA RATHI)
Partner
Membership No. 104808
Firm Registration No. 104502W
Place : Mumbai
Dated : 13-08-2010

For and on behalf of the Board

SHEHNAZ D. Ali
Wholetime Director

H.K. TURGALIA
Wholetime Director

SCHEDULE FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2010

PARTICULARS	(Figure in Rupees)	
	Current Year 31-03-2010	Previous Year 31-03-2009
<u>SCHEDULE "A"</u>		
<u>SHARE CAPITAL :</u>		
Authorised :		
50000000 Equity Shares of Rs.2/- each	100,000,000	100,000,000
.....	100,000,000	100,000,000
ISSUED & SUBSCRIBED		
39075000 (P.Y. 39075000) Equity Shares of Rs.2/- each fully paid up of which 31250000 Equity Shares of Rs.2 each fully paid up issued on Swap Basis to Shareholders of Sat E-Com Ltd., a wholly owned Subsidiary company	78,150,000	78,150,000
.....	78,150,000	78,150,000
<u>SCHEDULE "B"</u>		
<u>RESERVE AND SURPLUS</u>		
a) General Reserve	4,800,254	3,326,062
b) Profit & Loss A/c	803,293,745	604,659,456
c) Share Premium	59,400,000	59,400,000
c) Capital Reserve	19,341	9,840,792
.....	867,513,340	677,226,310
Add : Foreign Currency Translation Reserve	(78,918,602)	152,390,097
.....	788,594,738	829,616,407
<u>SCHEDULE "C"</u>		
<u>SECURED LOAN</u>		
Kotak Mahindra	2,758,527	512,446
(Secured against hypothecation of car)		
Working capital from UCO Bank	-	24,856,136
(secured against hypothecation of stock, books, debts		
and plant & machinery, space & guaranteed		
by directors)		
UCO Bank Term Loan	-	17,569,527
(Secured against EMTD of land & building of factory at E 260-261, MIA: Madri, Udaipur)		
Local Bills Discount	45,759,592	30,063,169
Trust Receipt	15,901,698	71,293,887
ICICI Bank car Loan	-	278,214
.....	64,419,817	144,573,379
<u>SCHEDULE "D"</u>		
<u>UNSECURED LOAN :</u>		
Loans from corporate bodies	53,296,490	56,679,972
Loans from Directors		99,745
Total	53,296,490	56,779,717

SCHEDULE 'E'
FIXED ASSETS CONSOLIDATED

Schedules Forming part of the Consolidated Balance Sheet as on 31-03-2010

		GROSS BLOCK				DEPRECIATION				NET BLOCK	
PARTICULARS	%	BALANCE AS ON 1-4-2009	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	BALANCE AS ON 31.03.2010	BALANCE AS ON 1-4-2009	PROVIDED DURING THE YEAR	DEDUCTION DURING THE YEAR	TOTAL UPTO 31-3-2010	AS ON 31.03.2010	AS ON 31.03.2009
Goodwill		57,060,890	57,500,000	-	114,560,890	57,060,890	-	-	57,060,890	57,500,000	-
FURNITURE & FIXTURE	18.10	1,322	-	-	1,322	1,296	5	-	1,301	21	26
OFFICE EQUIPMENT *	13.91	316,298	-	-	316,298	128,724	84,910	-	213,634	102,664	93,600
COMPUTERS	40.00	206,307	-	-	206,307	150,948	22,144	-	173,092	33,215	55,359
CARS	25.89	2,204,825	3,630,128	772,651	5,062,302	1,392,880	785,452	566,402	1,611,930	3,450,372	811,945
CURRENT YEAR (TOTAL)		59,789,642	61,130,128	772,651	120,147,119	58,734,738	892,511	566,402	59,060,847	61,086,272	960,930
PREVIOUS YEAR (TOTAL)		2,073,450	514,738	-	2,588,188	1,401,688	225,570	-	1,627,258	960,930	671,762

SCHEDULE FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2010

(Figure in Rupees)

PARTICULARS	Current Year 31-03-2010	Previous Year 31-03-2009
SCHEDULE "F"		
INVESTMENT (AT COST)		
Government Securities		
National Savings Certificate	-	3,000
(Pledged with commercial taxes dept.)		
19537500 shares of Rs.2/- each of Sah Polymers Ltd.	39,075,000	-
Share Application Money in Sahil Polytex Pvt. Ltd.	3,200,000	-
TOTAL	42,275,000	3,000
SCHEDULE "G"		
CURRENT ASSETS, LOANS AND ADVANCES :		
CURRENT ASSETS :		
A. Sundry Debtors		
(Unsecured Considered good)		
(I) Over six months	-	11,685,793
(II) Less than six months	761,556,450	764,016,134
.....	761,556,450	775,701,927
B. Cash and Bank Balance		
Cash in hand	401,840	469,160
Bank Balance with Scheduled Banks		
In current Account	1,259,837	3,648,182
Fixed Deposit (including accrued interest	-	48,719,539
Rs.Nil (Pr.Yr. Rs.Nil/-)		
Non Scheduled Banks		
Bank Balance with Foreign Banks		
a) Habib Bank AG Zurich	-	245,729
Maximum Balance during the year Rs.4857515/-		
b) Barclays Bank	5,251,129	123,616
Maximum Balance during the year Rs.3364777/-		
c) HSBC Bank Middleeast Ltd.	9,305	178,696
Maximum Balance Rs.4982861/-		
.....	6,922,111	53,384,923
C. LOANS AND ADVANCES :		
(Amount recoverable in cash or in kind or for value to be received)		
(Unsecured, considered good)		
a) Sundry Advances & Deposits		
i) Advances & Deposits - others	150,463,741	263,910,130
ii) Loans & Advances to employees	160,000	74,000
iii) Prepaid Expenses	13,247	309,541
iv) Security and other deposits	210,872	1,608,449
v) Advance to Suppliers	-	-
b) Advance payment of taxes including FBT	152,250	2,711,889
.....	151,000,110	268,614,009

SCHEDULE FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2010

(Amount in Rupees)

	Current Year 31-03-2010	Previous Year 31-03-2009
D. INVENTORY :		
Raw Material	-	7,812,328
Work in Progress	-	12,996,352
Finished Goods	-	1,035,800
Wastage	-	27,201
Stores	-	775,729
.....	-	22,647,410
Total Current Assets (A+B+C+D)	919,478,671	1,120,348,269
SCHEDULE "H"		
CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES :		
1) Sundry Creditors	8,243,670	40,635,824
2) Other Liabilities	4,995,937	12,289,830
3) Sundry Creditors for Trade due to SSI	-	-
4) Bank OD		
Habib Bank AG Zurich	25,283,577	-
(Maximum Balance during the year Rs. 48,57,515/-)		
.....	38,523,184	52,925,654
B. PROVISIONS :		
Provision for tax	8,000	4,247,028
Provision for Fringe Benefit Tax	-	174,988
Provision for Gratuity	227,619	719,547
Provision for Leave Encashment	-	120,696
.....	235,619	5,262,259
TOTAL (A+B)	38,758,803	58,187,913
SCHEDULE "I"		
MISCELLANEOUS EXPENDITURE		
(to the extent not written off)		
Preliminary Expenses	88,800	232,300
Less: Written Off	-	57,700
.....	88,800	174,600
Deferred Revenue Expenditure	-	7,350
Less: Written off	-	7,350
.....	-	-
.....	88,800	174,600
Schedules forming part of the Profit and Loss Account for the year ended 31-03-2010		
SCHEDULE "J"		
SALES		
Local Sales (Net of Excise Duty & Cess)	-	1,450,387,669
Export Sales (Branch & Foreign Subsidiary)	668,563,103	360,151,555
.....	668,563,103	1,810,539,224

SCHEDULE FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2010

(Amount in Rupees)

	Current Year 31-03-2010	Previous Year 31-03-2009
<u>SCHEDULE "K"</u>		
<u>OTHER INCOME</u>		
Misc Income	13,894,435	21,389,745
Exchange Rate Difference gain (Net)	-	-
Income from Commission	-	-
Interest	-	36,240
Subsidy -	-	1,990,716
Total	13,894,435	23,416,701
<u>SCHEDULE "L"</u>		
<u>INCREASE/(DECREASE) IN STOCK</u>		
Closing stock of finished goods	-	1,063,001
Less Stock of finished goods as on 1-04-2008	-	2,855,680
.....	-	(1,792,679)
<u>SCHEDULE "M"</u>		
<u>PURCHASES / COST OF MATERIAL CONSUMED</u>		
Purchase Others	632,574,241	1,306,342,874
.....	-	335,452,117
.....	632,574,241	1,641,794,991
<u>SCHEDULE "N"</u>		
<u>MANUFACTURING EXPENSES</u>		
Manufacturing Expenses	-	23,756,564
.....	-	23,756,564
<u>SCHEDULE "O"</u>		
<u>EMPLOYEE COSTS</u>		
Directors Remuneration	1,379,500	1,424,000
Salary & Bonus	4,714,978	12,073,504
Other perquisites	-	381,744
.....	6,094,478	13,879,248
<u>SCHEDULE "P"</u>		
<u>OPERATING & OTHER EXPENSES :</u>		
Advertisement and Publicity	40,472	318,373
Auditors Remuneration :	342,573	355,955
Bad Debts Written Off	6,416,410	-
Bank Charges and Commission	929,055	1,298,364
Business Promotion Exp.	243,732	6,389
Car Hire Charges	258,588	32,033
Carriage outward	-	1,260,709
Clearing, Forwarding & Freight	-	-
Conveyance Expenses	66,572	68,035
Commission on sales	-	682,146
Credit Rating Expenses	-	125,000
Deewali Expenses	-	88,501
Depository Charges	33,090	22,173
Domain Name Registration Charges	1,600	8,500
Deferred Revenue Expenditure	-	7,350
Economic Rent and Service Charges	-	31,300

SCHEDULE FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2010

(Amount in Rupees)

	Current Year 31-03-2010	Previous Year 31-03-2009
Electricity & Water Expenses	346,048	492,039
Exchange Rate Difference Loss (Net)	27,521	201,610
Fees and Taxes	-	55,628
Festival Expenses	19,344	-
Filing fees	15,800	6,500
Finance Charges	219,366	70,315
General Expenses	-	139,764
Gratuity	35,615	23,373
Hospitality Expenses	113,843	-
Insurance	-	285,295
Interest and tax penalty	-	20,528
Internet access Charges	35,456	39,282
Keyman Insurance	167,673	167,673
Legal & Professional Charges	252,679	323,762
Listing Fees	73,320	71,180
Light and Water	-	17,139
Loss on sale of Fixed Assets	-	1,428,925
Membership and subscriptions	32,020	4,571
Miscellaneous Expenses	3,058	-
Office Expenses	2,694,563	2,274,264
Postage and Telegram	-	19,040
Printing/Stationery Expenses	264,234	487,517
Preliminary Expenses	29,600	57,700
Rent	891,500	1,429,274
Rebate ,Claim and Discount	-	1,100,790
Sales Promotion	-	1,168
Security services	-	183,147
Selling Expenses	6,996,002	39,554,057
Subscription	-	10,000
Telephone Expenses	952,774	1,280,495
Travelling Expenses	211,325	682,862
Vehicle Running & Maintenance	555,493	948,603
TOTAL	22,269,326	55,681,329
SCHEDULE "Q"		
INTEREST		
Interest on		
Team Loan	-	3,341,387
Working Capital	1,563,328	14,102,752
Others	-	168,889
.....	1,563,328	17,613,028

SCHEDULE 'R'
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 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 time with generally accepted accounting principles in India.

Companies Included In Consolidation	Country of Incorporation	Proportion of Ownership	Reporting Period	Consolidated Period with Parent
1. Sat E-Com Limited	India	100%	12 months	12 months
2. Sat Middle East Limited	UAE	100%	12 months	12 months
3. Sat Realty Limited	India	95.11%	12 months	12 months

b. The financial statements of the holding company and its subsidiaries have been consolidated 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 31-12-2009. For the purpose of consolidation, the accounts have been prepared by the management as on 31-03-2010 covering 12 months of year, on the basis of audited balance sheet as at 31-12-2009 and making adjustments therein for three month period i.e. 1st January, 2010 to 31st March, 2010 which are unaudited figures. Financial statements figures are converted into rupees on the basis of closing rate of foreign currency as on 31-03-2010.

(D) CONSOLIDATION OF FOREIGN BRANCH

a. The holding company's foreign branch situated at U.A.E. is audited by the local auditor for the financial year ended on 31st December, 2009. Foreign branch's financial statement for the quarter ended 31st March, 2010 are certified by the management and the same have relied upon by auditors.

b. The consolidation of the accounts of foreign branch in the books of accounts are considered as non- integral operations.

(E) OTHER SIGNIFICANT ACCOUNTING POLICIES

Most of the accounting policies of the holding Company and that of the subsidiaries (except depreciation in the subsidiary companies) are similar, except the inventory valuation which is as under :

Sat Middle East Limited	: Weighted Average Method
Sat Industries Limited	: FIFO Method
Sat Realty Limited	: NA
Sat E-Com Limited	: NA

(F) 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 31,53,629/- 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 :

- a) Revenue and Expenses : Average Exchange rate prevailing during the year.
- b) Current Assets & Current Liabilities : Exchange rate prevailing at the end of the year.
- c) Fixed Assets : Historical Exchange rate prevailing at the time of purchase.
- d) The foreign currency translation reserve adjustment of Rs 179,517,513 represents difference of opening net assets at closing rate and adjusted in consolidated profit and loss appropriation account subject to further reconciliation pending and therefore Accounting Standard 11 is not complied as a whole.

(G) Amortisation: Intangible assets are written off over a period of five years.

(H) Minority interest's share of net profit of consolidated subsidiary for the year is identified and adjusted against the income in order to arrive at the net income attributable to shareholders of the Company.

(I) Minority interest's share of net profit/loss of consolidated subsidiaries for the year is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's Shareholders.

NOTES ON ACCOUNTS:

1) Contingent Liability: NIL

2) The Company has not appointed wholtime 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, The Company is continuously making efforts and looking for right person but the effort has not been materialised.

3) Deferred Tax as per AS-22 is provided as under;

During the year Sah Polymers Limited is no longer a subsidiary and therefore deferred tax provision to the extent of Rs. 65,11,558/- as per the opening balance is not taken in the Consolidated Balance Sheet :

	Year ended 31-03-2010	Year ended 31-03-2009
i) Deferred tax (Assets)\ Liabilities	(760,966)	5,819,378
Deferred tax (Assets)\ Liabilities	(760,966)	5,819,378

4) 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.

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

6) Previous years figures have been rearranged, regrouped to make them comparable.

7) Since there is no commission payable to directors, the mode of computation of net profit as required U/S 198 & 349 of the Companies Act, 1956 is not given.

8) Important note of Sat Middleeast Ltd., U.A.E.

a) Contingent Liabilities: At 31st December, 2009, the Company had contingent liabilities in respect of bank guarantees entered into the normal course of business from which it is anticipated that no material liabilities will arise. The Company has given guarantees amounting to AED 5000 (31st December 2008 – AED 5000) to third parties.

c) Commitments :

Capital Commitments: At 31 December 2009 there were no outstanding commitments (31 December 2008: AED Nil).

Purchase commitments: At 31 December 2009 the Company had no outstanding purchase commitments (31 December 2008: AED Nil).

9) a) The Company's position on consolidation for sundry debtors includes substantial trade and other receivables of INR757,096,782/- (foreign currency AED 61,753,408) (Previous Year INR 705,600,798/- AED 51177962)

from various other countries including the country in which its subsidiary operates (UAE) and outstanding period is not verifiable, however considered good for recovery and no provision is called for on account of doubtful or bad debts.

- b) Likewise, loans and advances in consolidation of INR 134,401,084/- (foreign currency AED10,962,568) (Previous Year INR 230,903,462/- AED 16,747,669) mainly consist from its subsidiary at UAE and consist of amount advanced to business associates which are expected to be collected within one year as per management but still not recovered and considered good for recovery with no provision called for doubtful or bad loans or advances.
- 10) As per the opinion of the Management, the creditors outstanding in the balance sheet except creditors for foreign branch and foreign subsidiaries are since previous year and as per the management there are no creditors which are Micro, Small & Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest 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 the auditors.
- a) No comments are offered on the creditors outstanding in the balance sheet of foreign branch and foreign subsidiaries of the company as the audit of foreign branch and foreign subsidiaries is done by local auditors. We have relied upon the audit report and notes to accounts of their respective auditors.
- b) No comments are offered on the creditors outstanding in the balance sheet of foreign branch and foreign subsidiaries of the company as the audit of foreign branch and foreign subsidiaries is done by local auditors. We have relied upon the audit report and notes to accounts of their respective auditors.

11) Auditors Remuneration
(Figure in Rs.)

	2009-10	2008-09
Holding Company's Audit Fees	75000	75000
Branch Audit Fees	78000	82723
Subsidiary Company's Audit Fees	153500	172159
Tax Audit Fees	25000	30000
Service Tax	11073	12618
	342573	3,72,500

12) Interest in Joint Venture Company / Jointly controlled operations as per Accounting Standard 27 is as below:

- i) The Company is holding 1,95,37,500 (face value Rs 2 per share) (Previous Year 27,54,930 face value Rs10 per share) equity shares [41.29% equity as on 31.03.10 (Previous Year 57.90%)] in the Joint Venture Company M/s. Sah Polymers Limited which is in to manufacturing and trading activity.
- ii) The Company's proportionate share in the assets, liabilities, income and expenses of its Joint Venture Company Sah Polymers Ltd is 41.29% (Previous Year 57.90%) of the below total:

(Rs. in Lacs)

PARTICULARS	FY 2010	FY 2009
BALANCE SHEET		
SOURCE OF FUNDS		
Equity Share Capital	9,46,40,000	4,88,65,000
Reserves & Surplus	3,70,49,121	2,31,68,177
Loan Funds		
Secured Loans	3,93,42,741	4,27,03,877
Deferred Tax Liability	80,88,399	65,11,558
	17,91,20,261	12,12,48,612
APPLICATION OF FUNDS		
Fixed Assets		
Gross Block	9,23,62,137	7,78,57,274
Less: Accumulated Depreciation	(1,56,64,610)	(1,15,22,321)

Net Block	7,66,97,527	6,63,34,953
Capital work in progress	1,47,651	0
Investment	2,01,03,000	3,000
Current Assets, Loans & Advances		
Inventories	2,67,74,328	2,26,47,410
Debtors	2,40,49,351	1,92,18,837
Loans & Advances	3,94,62,542	35,83,590
Cash & Bank Balance	29,50,110	1,98,00,380
Less: Current Liabilities & Provisions		
Sundry Creditors	70,13,313	59,75,816
Provisions & Payable	40,79,035	44,19,942
Net Current Assets		
Miscellaneous Expenditure	28,100	56,200
(To the extent not W/off or adjusted)		
	17,91,20,261	12,12,48,612

PROFIT & LOSS ACCOUNT	FY 2010	FY 2009
INCOME		
Sales	26,16,44,711	23,70,63,151
Less- Excise Duty	(2,04,73,301)	(2,72,20,577)
Other Income	63,65,936	22,73,077
Increase /Decrease in stock	1,42,768	(17,92,679)
	24,76,80,114	21,03,22,971
EXPENDITURE		
Cost of material consumed	16,97,63,588	15,81,01,208
Manufacturing Expenses	3,32,70,131	2,37,56,563
Personnel expenses	58,60,026	54,67,343
Administrative Expenses	1,28,44,720	62,52,324
Interest	50,65,752	66,30,103
Depreciation	4,142,290	36,77,942
Excise duty provided on stock	31,674	(2,78,970)
Net PROFIT Before Tax	1,67,01,932	67,16,457
Provision For Taxation/ Deferred Tax	55,50,987	26,20,256
Net PROFIT After Tax	1,11,50,945	40,96,201
Add : Profit brought forward	2,31,68,177	1,90,71,976
Profit carried forward to next year	3,43,19,122	2,31,68,177

13) **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 Party	Nature of relationship	Transaction Types
Mr. H.K. Turgalia Mrs. Shehnaz D. Ali	Wholetime Director Wholetime Director	Remuneration a) Remuneration b) Keyman Insurance Premium paid c) Unsecured Loan Taken
Sat Invest Pvt. Ltd.	Promoter Company & Major Shareholder	1. Rent Payment 2. Preferential Share Allotment 3. Unsecured Loan Taken 4. Advance Against Share Warrant
Park Continental Ltd. Sah Polymers Ltd. Sat Realty Ltd. Sat Middleeast Ltd. Space Age Polymers Pvt. Ltd. Dawood Investments Pvt. Ltd.	Shareholder of the Company Subsidiary Company Subsidiary Company Wholly Owned Subsidiary Company Shareholder of the Company Shareholder of the Company	Unsecured Loan Taken Advance for Equity Shares & Investments Investment Investment Unsecured Loan Taken Unsecured Loan Taken

Volume of Transactions :

(Rs.)

NATURE	31st March, 2010	31st March, 2009
Remuneration	1,379,500	10,40,000
Keyman Insurance Premium	1,67,673	1,67,673
Rent Payment	Nil	1,90,560
Preferential Shares Allotment	Nil	2,42,00,000
Unsecured Loan Taken	8,236,569	5,14,77,539
Unsecured Loan Repaid	18,469,846	-
Sale of Share	32,248,950	-
Advance for Equity Shares	Nil	12,85,000
Advance against Share Warrant	39,000,000	61,40,000
Investment	22,960,000	4,14,05,000

Amount Outstanding

PARTY	31st March, 2010	31st March, 2009
Sat Invest Pvt. Ltd.	29,583,990	3,58,33,472
Park Continental Ltd.	20,018,000	1,52,62,000
Shehnaz D. Ali	-	99,745
Space Age Polymers Pvt. Ltd.	25,000	26,65,000
Dawood Investments Pvt. Ltd.	3,169,500	24,19,500
Sat Realty Ltd.	2,034,000	-

GEOGRAPHICAL SEGMENTS:

The following table shows the distribution of the segment revenues

(Figure in Rs.)

	Current Year	Previous Year
India Region (Domestic)	12,332,901	210,333,671
Middle East Asia/Hongkong/Europe	670,124,637	1,621,829,574
Total	682,457,538	1,832,163,245

14) The quantity details of inventory for foreign branch of the Company are subject to verification and relied upon as per the information provided by the management.

15) Consolidated Earning per Share:

Sr. No.	Particulars	Year ended 31st March 2010	Year ended 31st March 2009
a)	Earning Attributable to Equity Shareholders for Basic EPS	Rs. 19,116,776	Rs. 71,881,104
b)	Adjusted for the purpose of diluted EPS	NA	NA
c)	Earning Attributable to Equity Shareholders for Diluted EPS	Rs. 19,116,776	Rs. 71,881,104
d)	Weighted Average Equity Shareholders for Basic EPS	39075000	39075000
e)	Add: Potential Equity Shares on Conversion of Share Warrant	NA	NA
f)	Weighted Average Equity Shareholders for Diluted EPS	NA	NA
g)	Basic Earning Per Share (c) / (d)	Rs. 0.49	Rs. 1.861
h)	Diluted Earning Per Share (c) /(f)	NA	NA

As there are no potential equity shareholders, diluted earning per share are not calculated for the current year.

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

For and on behalf of the Board

(DEEPA RATHI)

Partner
Membership No. 104808
Firm Registration No. 104502W

SHEHNAZ D. Ali
Wholetime Director

H.K. TURGALIA
Wholetime Director

Place : Mumbai
Dated : 13-08-2010

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, 2010 the annexed Profit and Loss Account for the year ended on that date and also the Cash Flow Statement for the year ended on that date.. 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.

1. As required by the Companies (Auditors Report) Order, 2003 and amendment thereto issued by the Central Government, in terms of Section 227(4A) of the Companies Act 1956, We enclose in the annexure a statement on the matters specified in the para 4 & 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 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 Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and for Company's foreign branch financial statement upto 31st Dec., 09, we have relied upon the local auditors who have carried out audit for the year ended 31st December '09 **and for unaudited quarter ended on 31st March '10, we have relied upon the**

management certification.

- (d) In our opinion, the balance sheet, profit & loss account 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, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 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 with **note no. 16 regarding non appointment of company secretary, note no.15 for consolidation of unaudited & management certified financial statements for March '10 quarter of foreign branch, note no.9 regarding non provision for diminution in value of investments in subsidiaries companies and note no. 3 regarding Company's position on sundry debtors of INR 31,134,510/- out of which substantial amount of INR 26,674,842/- (foreign currency AED 2,175,762/-) is outstanding from its foreign branch which has been relied upon without any independent verification, note no 11 regarding quantity details which are relating to foreign branch are subject to independent verification** and read together with the 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, 2010;
 - (ii) In so far as it relates to the Profit and Loss Account, of the profit of the Company for the year ended on that date and
 - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Place : Mumbai
Dated: 13-08-2010

(DEEPA RATHI)
Partner
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
(c) Though fixed assets have been disposed off during the year, however it has not affected going concern.
- (ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the management.
(b) The procedures of physical verification of inventory followed by the management as explained to us are reasonable and adequate in relation to the size of the company and the nature of its business although at the end of the year there are no inventories.
(c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) In our opinion and according to the information and explanation given to us, the Company has not granted unsecured loans to companies, firms or other parties covered in the register maintained U/s 301 of the Act during the year, so the clause iii (b), (c) and (d) of the order is not applicable.
(e) 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 5, maximum outstanding during the year is Rs.84,109,352/- and balance as on 31/03/10 is Rs.52,796,490/-.
(f) The terms and conditions of unsecured loans taken are prima facie not prejudicial to the interest of the company.
(g) Regular repayment of the interest free principal amount of unsecured loans are not applicable as it is repayable on demand.
- (iv) In our opinion and according to the information and explanation given to us, the company has an adequate internal control procedure commensurate with the size and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.
- (v) (a) In our opinion and according to the information and explanation given to us, the company is in the **process of updating the register for transactions** that need to be entered into a register in pursuance of section 301 of the Act;
(b) As per information and explanation given to us, the transactions entered with the parties covered u/s 301 of The Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanation given to us, the clause (vi) of the order is not applicable to the Company, as the company has not accepted any public deposit.
- (vii) In our opinion, the Company has an internal audit system **through internal controls, however 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 2010 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 arises.
- (xii) The clause (xii) of the order is not applicable to the company, as the company has not granted loans and advances on the basis of security.
- (xiii) The clause (xiii) of the order is not applicable to the Company, as the company is not a chit fund/nidhi company.
- (xiv) The Company has invested in subsidiaries's 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) The Company has not issued any debentures during the year, the question of security or charge created does not arises.
- (xx) The Company has not raised money through public issue but increase in share capital is due to conversion of share warrants during the year.
- (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

Place : Mumbai
Dated: 13-08-2010

(DEEPA RATHI)
Partner

Membership No. 104808
Firm Registration No. 104502W

BALANCE SHEET AS AT 31st MARCH 2010

(Figure in Rs.)

PARTICULARS	SCHEDULE	CURRENT YEAR AS AT 31.3.2010	PREVIOUS YEAR AS AT 31.3.2009
1. SOURCE OF FUNDS :-			
1. Shareholders Funds :-			
Share Capital "A"		78,150,000	78,150,000
Reserve & Surplus "B"		127,794,379	131,378,228
2. LOAN FUNDS :			
Secured Loans "C"		2,758,527	512,446
Unsecured Loans "D"		52,796,490	56,279,717
TOTAL		261,499,396	266,320,391
2. APPLICATION OF FUNDS :-			
1. Fixed Assets :			
a. Gross Block "E"		5,500,447	2,642,970
b. Less Depreciation		1,935,581	1,673,848
c. Net Block		3,564,866	969,122
2. Investment : "F"		230,998,523	228,162,823
3. Current Assets, Loans and Advances "G"			
a. Sundry Debtors		31,134,510	50,882,292
b. Cash and Bank Balance		313,590	350,415
c. Loans and Advances		1,997,814	2,023,687
.....		33,445,914	53,256,394
Less : Current Liabilities & Provisions "H"		7,270,873	16,760,128
Net Current Assets.		26,175,041	36,496,266
4. Deferred Tax Assets		760,966	692,180
TOTAL		261,499,396	266,320,391

SIGNIFICANT ACCOUNTING POLICIES &
NOTES ON ACCOUNTS "N"

As per our Annexed Report of even date

 For **R. KABRA & CO.**

Chartered Accountants

For and on behalf of the Board

(DEEPA RATHI)

Partner

Membership No. 104808

Firm Registration No. 104502W

Place : Mumbai

Dated : 13-08-2010

SHEHNAZ D. Ali

Wholetime Director

H.K. TURGALIA

Wholetime Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

(Figure in Rs.)

PARTICULARS	SCHEDULE	CURRENT YEAR AS AT 31.3.2010	PREVIOUS YEAR AS AT 31.3.2009
INCOME :			
Sales	"I"	117,051,701	360,151,555
Other Income	"j"	12,332,901	10,700
Total		129,384,602	360,162,255
EXPENDITURE :			
Purchases	"K"	110,092,840	335,452,117
Employee Cost	"L"	3,582,072	4,676,884
Operating & other expenses	"M"	14,828,717	19,588,100
Depreciation		828,135	238,034
Total		129,331,764	359,955,135
Profit for the year before Taxation		52,838	207,120
Less : Provision for Taxation			
i) Current tax		8,000	75,000
ii) Deferred tax		(68,786)	(9,724)
iii) Fringe Benefits Tax		-	62,062
Profit after Taxation		113,624	79,782
Short Provision of Income Tax (AY 2007-08)		(7,664)	-
Balance carried to Balance Sheet		105,960	79,782
EARNING PER SHARE			
BASIC & DILUTED Earning per share		0.003	0.002
Face Value per share		Rs. 2/-	Rs. 2/-

SIGNIFICANT ACCOUNTING POLICIES &
NOTES ON ACCOUNTS "N"

As per our Annexed Report of even date

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

For and on behalf of the Board

(DEEPA RATHI)
Partner
Membership No. 104808
Firm Registration No. 104502W

SHEHNAZ D. Ali
Wholetime Director

H.K. TURGALIA
Wholetime Director

 Place : Mumbai
Dated : 13-08-2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2010

(Amount in Rupees)

	Year ended 31-03-2010	Year ended 31-03-2009
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax & Extra Ordinary Items	52,838	207,120
Adjustments for :		
Depreciation	828,135	238,034
Provision for Gratuity	-	23,373
Deferred Revenue Expenditure W.Off	-	-
Interest and Tax Penalty	-	20,528
Investments	-	-
Interest (Net)	-	-
Profit on Sale of investment	(10,749,650)	-
Foreign Exchange Fluctuation	-	-
Profit on sale of Fixed Assets	(83,251)	-
Operating Profit before working capital changes	(9,951,928)	489,055
Adjustments for :		
Trade & Other Receivables	19,862,731	(12,040,444)
Trade & Other Payable	(8,654,938)	3,021,209
Cash Generated from Operations	1,255,865	(8,530,180)
Interest Paid	-	-
Gratuity	(127,070)	-
Direct Tax Paid	(811,987)	(78,829)
Fringe Benefits Tax	-	(67,946)
Cash Flow before Extraordinary Items	316,808	(8,676,955)
Extra Ordinary Items - Deferred Revenue Expenses	-	-
Extra Ordinary Items - Interest Tax & Penalty	-	(20,528)
Net Cash Flow from Operating Activities	316,808	(8,697,483)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,630,128)	(514,738)
Sale of Fixed Assets	289,500	-
Acquisition of Companies	-	-
Purchase of Investments	(21,135,000)	(23,615,000)
Share application money	(3,200,000)	-
Sale of Investments	32,248,950	-
Net inflow/(outflow) in Investing Activities	4,573,322	(24,129,738)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	-	6,140,000
Proceeds from Unsecured Loans & Secured Loan	2,246,081	19,867,514
Repayment of Unsecured Loan	(3,483,227)	-
Dividend Paid	-	-
Net inflow/(outflow) in Financing Activities	(1,237,146)	26,007,514
Foreign Exchange Translation Reserve	(3,689,809)	6,843,438
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(36,825)	23,731
Cash and Cash equivalents at the beginning	350,415	326,684
Cash and Cash equivalents at the close	313,590	350,415

Note: 1) Previous years figures have been regrouped, rearranged to make them comparable.

2) Cash Flow Statement has been prepared on 'Indirect Method'

 For **R. KABRA & CO.**

Chartered Accountants

(DEEPA RATHI)

Partner

Membership No. 104808

Firm Registration No. 104502W

Place : Mumbai

Dated : 13-08-2010

For and on behalf of the Board

SHEHNAZ D. Ali

Wholetime Director

H.K. TURGALIA

Wholetime Director

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2010

(Figure in Rs.)

	Current Year 31-03-2010	Previous Year 31-03-2009
<u>SCHEDULE "A"</u>		
<u>SHARE CAPITAL :</u>		
Authorised :		
50000000 Equity Shares of Rs.2/- each	100,000,000	100,000,000
	100,000,000	100,000,000
ISSUED AND SUBSCRIBED		
39075000 (P.Y. 39075000) Equity Shares of Rs.2/- each fully paid up of which 31250000 Equity Shares of Rs.2 each fully paid up issued on Swap Basis to Shareholders of Sat E-Com Ltd., a wholly owned Subsidiary company.	78,150,000	78,150,000
	78,150,000	78,150,000
<u>SCHEDULE "B"</u>		
<u>RESERVE AND SURPLUS</u>		
(a) GENERAL RESERVES :		
Opening Balance	4,800,254	4,800,254
Total	4,800,254	4,800,254
(b) SHARE PREMIUM		
Opening Balance	59,400,000	39,600,000
Add: During the year	-	19,800,000
Total	59,400,000	59,400,000
(c) PROFIT & LOSS ACCOUNT		
Opening Balance	60,334,536	60,254,754
Add: During the year	105,960	79,782
.....	60,440,496	60,334,536
Add: Foreign Currency Translation Reserve	3,153,629	6,843,438
Total (a + b +c)	127,794,379	131,378,228
<u>SCHEDULE "C"</u>		
<u>SECURED LOAN :</u>		
Kotak Mahindra Primus Ltd.	2,758,527	512,446
(Secured against Hypothecation of car)		
.....	2,758,527	512,446
<u>SCHEDULE "D"</u>		
<u>UNSECURED LOAN :</u>		
From corporate bodies	52,796,490	56,179,972
From a Director	-	99,745
Total	52,796,490	56,279,717

**SCHEDULE 'E'
FIXED ASSETS**
Schedules Forming part of the Balance Sheet as on 31-03-2010

(Figure in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	BALANCE AS ON 1.4.2009	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	BALANCE AS ON 31.03.2010	UP TO 01.04.2009	PROVIDED DURING THE YEAR	DEDUCTION TOTAL	AS ON 31.03.2010	AS ON 31.03.2009
FURNITURE & FIXTURE	1,322	-	-	1,322	1,296	5	-	21	26
OFFICE EQUIPMENT *	230,516	-	-	230,516	128,724	20,534	-	81,258	93,600
COMPUTERS	206,307	-	-	206,307	150,948	22,144	-	33,215	55,359
CARS	2,204,825	3,630,128	772,651	5,062,302	1,392,880	785,452	566,402	3,450,372	811,945
CURRENT YEAR (TOTAL)	2,642,970	3,630,128	772,651	5,500,447	1,673,848	828,135	566,402	3,564,866	960,930
PREVIOUS YEAR (TOTAL)	2,073,450	514,738	-	2,588,188	1,401,688	225,570	-	960,930	671,762

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2010

	(Figure in Rs.)	
	Current Year	Previous Year
	31-03-2010	31-03-2009
SCHEDULE "F"		
INVESTMENT (AT COST)		
1. SHARES (UNQUOTED)		
a. 500000 Equity shares of Rs.10/- each of Sat E-Com Ltd (wholly owned subsidiary) fully paid up.	62,500,000	62,500,000
b. 100 (P.Y. 100) Equity shares of AED 94520/- each of Sat Middleeast Ltd, UAE (wholly owned subsidiary) fully paid up	116,712,723	116,712,723
c. 19537500 shares of Rs.2/- each (P.Y. 3815430 shares of Rs.10/- each) of Sah Polymers Ltd. fully paid up	39,075,000	38,154,300
d. 951080 (P.Y. 951080) shares of Rs.10/- each of Sat Realty Ltd (Subsidiary) fully paid up	9,510,800	9,510,800
2. SHARES APPLICATION MONEY IN SAH POLYMERS LTD.,	-	1,285,000
3. SHARE APPLICATION MONEY IN SAHIL POLYTEX PVT. LTD.	3,200,000	-
TOTAL	230,998,523	228,162,823
Aggregate amount of unquoted shares	227,798,523	226,877,823
SCHEDULE "G"		
CURRENT ASSETS, LOANS AND ADVANCES :		
CURRENT ASSETS :		
A. Sundry Debtors		
(Unsecured Considered good)		
(I) Over six months	-	9,070,430
(II) Others	31,134,510	41,811,862
.....	311,34,510	50,882,292
B. Cash and Bank Balance		
Cash in hand	115,463	126,816
Bank Balance with Scheduled Banks		
In current Account	188,822	44,903
Non Scheduled Bank	9,305	178,696
HSBC Bank Middleeast Ltd.		
(Maximum Balance during the year Rs.49,82,861/-)	313,590	350,415
C. LOANS AND ADVANCES :		
(Unsecured, considered good)		
Amount recoverable in cash or in kind or for value to be received		
a) Sundry Advances & Deposits		
i) Advances - others	1,672,317	1,870,372
ii) Loans & Advances to employees	160,000	74,000
iii) Prepaid Expenses	13,247	16,141
b) Advance payment of taxes including FBT	152,250	63,174
.....	1,997,814	2,023,687
Total Current Assets (A+B+C)	33,445,914	53,256,394

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2010

	(Amount in Rupees)	
	Current Year 31-03-2010	Previous Year 31-03-2009
<u>SCHEDULE "H"</u>		
<u>CURRENT LIABILITIES AND PROVISIONS</u>		
<u>CURRENT LIABILITIES :</u>		
A) 1) Sundry Creditors for Goods, Services & Expenses		
1) Sundry creditors	2,425,796	11,842,535
2) Other Liabilities	4,837,077	4,075,276
.....	7,262,873	15,917,811
B) PROVISIONS :		
Provision for tax	8,000	652,948
Fringe Benefit Tax	-	62,062
Provision for Gratuity	-	127,307
.....	8,000	842,317
TOTAL (A+B)	7,270,873	16,760,128
Schedules forming part of the Profit and Loss Account for the year ended 31-03-2008		
<u>SCHEDULE "I"</u>		
<u>SALES</u>		
Overseas Branch Sales	117,051,701	360,151,555
.....	117,051,701	360,151,555
<u>SCHEDULE "J"</u>		
<u>OTHER INCOME</u>		
Income from Sale of Investments	10,749,650	10,700
Income from Sale of Fixed Assets	83,251	-
Income from Commission	1,500,000	-
Total	12,332,901	10,700
<u>SCHEDULE "K"</u>		
<u>PURCHASES</u>		
Overseas Branch Purchase	110,092,840	335,452,117
.....	110,092,840	335,452,117
<u>SCHEDULE "L"</u>		
<u>EMPLOYEE COSTS</u>		
Directors Remuneration	1,379,500	1,040,000
Salary & Bonus	2,202,572	3,636,884
.....	3,582,072	4,676,884

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2010

(Amount in Rupees)

Current Year	Previous Year
31-03-2010	31-03-2009

SCHEDULE "M"
OPERATING & OTHER EXPENSES :

Advertisement and Publicity	40,472	293,873
Auditors Remuneration	188,300	193,023
Bad Debts written off	6,416,410	-
Bank Charges and Commission	1,347	5,838
Business Promotion Exp.	243,732	6,389
Car Hire Charges	258,588	32,033
Conveyance Expenses	66,572	68,035
Depository Charges	33,090	22,173
Domain Name Registration Exp.	1,600	8,500
Electricity Expenses	346,048	492,039
Festival Expenses	19,344	-
Filing Fees	8,300	3,500
Finance Charges	219,366	90,843
Gratuity	35,615	23,373
Hospitality Expenses	113,843	-
Internet Access Charges	35,456	39,282
Keyman Insurance	167,673	167,673
Listing Fees	73,320	71,180
Membership and subscriptions	32,020	4,571
Misc. Expenses	3,058	-
Office Expenses	1,557,076	729,459
Printing/Stationery Expenses	216,225	353,919
Professional Charges	244,406	146,741
Rent	300,000	746,808
Selling & Distribution expenses	2,933,151	14,741,481
Telephone Expenses	784,866	1,116,433
Travelling Expenses	211,325	61,459
Vehicle Running & Maintenance	277,514	169,475
TOTAL	14,828,717	19,588,100

SCHEDULE 'N' :
**SIGNIFICANT ACCOUNTING POLICIES & NOTES
ON ACCOUNTS**
SIGNIFICANT ACCOUNTING POLICIES
1) METHOD OF ACCOUNTING

- a) The financial statements are prepared on the historical cost convention and in accordance with the generally accepted accounting principles.
- b) The Company follows accrual system of accounting in the preparation of accounts.
- c) 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.

2) FIXED ASSETS

Fixed Assets are stated at cost inclusive of incidental expenses.

3) DEPRECIATION

Depreciation is charged on a pro-rata basis on a 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 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

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit & loss account in which an asset is identified as impaired.

5) INVESTMENTS

Long term investments are carried at Cost. Any decline in the value of the said investment, other than a temporary decline, is recognised and charged to profit and loss account.

6) REVENUE RECOGNITION

- a) Sales are recognised on despatch of goods to customers

7) FOREIGN EXCHANGE TRANSACTIONS

- a) The reporting currency of the Company is Indian Rupee.
- b) The foreign branch which is considered as non-integral operation, their financial statements are converted in Indian Rupees at the following exchange rates:
 - 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 purchase date(historical date).
- iv) Remittance to branch : At the original rate when the remittance was done at the time of its inception
- v) The resultant translation exchange differences are accumulated in the Foreign Currency Translation Reserve.

8) RETIREMENT BENEFITS

- a) As per the management of the Company, in accordance with The Payment of Gratuity Act, 1972, the Act is not applicable to the Company since the number of Indian employees are within the limit as prescribed by the Act but the Company has voluntarily taken policy of Gratuity with Life Insurance Corporation of India for future payment of gratuity to employees.
- b) The company do not have the policy of leave encashment and the annual leave entitled by employee requires to be availed otherwise it will be lapsed.
- c) 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.

**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

The earning considered in ascertaining the Company's EPS comprises the net profit after tax (and included the post tax effect of any extra ordinary items). The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

11) TAXATION

Tax expenses for the year, comprising current tax and deferred tax is included in determining the net profit for the year. A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted tax rates. Deferred tax assets are recognised only if

there is reasonable certainty that they will be realised and reviewed for the appropriation of their respective carrying values at each balance sheet date.

12) SEGMENT ACCOUNTING

The accounting policies to the reportable segment are the same as those used in the preparation of financial statements as set above.

Segment revenues and expenses includes amounts which can be directly identifiable to the segment or allocable on a reasonable basis.

Segment assets include all operating assets used by the segment and consist primarily of debtors and fixed assets. Segment liabilities include all operating liabilities and consist primarily of creditors.

13) JOINT VENTURE

The interest in Joint Venture/ jointly controlled operations are disclosed as per Accounting Standard-27, with no effect of the profits or losses and assets and liabilities thereof in the financial statements.

14) 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.

NOTES ON ACCOUNTS:

1) 1) Contingent Liability: NIL

2) Deferred tax asset for the year is as under : (Figure in Rs.)

	Year ended 31-03-2010	Year ended 31-03-2009
i) Deferred tax assets due to difference in depreciation as per Companies Act and Income Tax Act.	68,786	9,724
Deferred tax assets	68,786	9,724

3) The total outstanding of sundry debtors as on year end is Rs. 31,134,510/- (P.Y. Rs.50,882,292) out of which substantial amount of debtors of Rs. 26,674,842/- (P.Y. Rs.41,811,862) (foreign currency AED 2,175,762 (P.Y Rs.3,032,658) is outstanding from its foreign branch for which confirmations are awaited.

4) a) 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.

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

5) a) 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 the auditors.

b) 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.

6) Figures relating to previous year have been regrouped/rearranged wherever necessary.

7) Since there is no commission payable to directors, the mode of computation of net profit as required U/S 198 & 349 of the Companies Act, 1956 is not given.

8) Auditors Remuneration

	2009-10	2008-09
Statutory Audit Fees	75,000	75,000
Tax Audit Fees	25,000	25,000
Branch Audit Fees	78,000	82,723
Service Tax	10,300	10,300
	1,88,300	1,93,023
	=====	=====

9) The company has the following investment in the subsidiaries:-

Sr. No	Name	Amount (Rs) (current year)	% holding	of Amount (Rs) (previous year)	% of holding
1	Sat E-Com Ltd	6,25,00,000	100	6,25,00,000	100
2	Sat Middle East Ltd	11,67,12,723	100	11,67,12,723	100
3	Sat Reality Ltd	95,10,800	95.108	95,10,800	95.108
4	Sah Polymers Ltd				
	a) In Equity share	3,90,75,000	41.29	2,75,49,300	57.90
	b) In application money			1,01,55,000	

Even though no yield is received from these subsidiary 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 do not require provisioning.

Sah polymers Ltd is no longer a subsidiary company since the investment have been sold off to certain extent & currently the percentage of holding of share is reduced to 41.29% (P.Y. 57.90%) but it will continued to be jointly controlled operations.

10) Interest in Joint Venture Company / Jointly controlled operations as per Accounting Standard 27 is as below:

- The Company is holding 1,95,37,500 (face value Rs 2 per share) (Previous Year 2,75,49,30 face value Rs 10 per share) equity shares [41.29% equity as on 31.03.10 (Previous Year 57.90%)] in the Joint Venture Company M/s. Sah Polymers Limited which is in to manufacturing and trading activity.
- The Company's proportionate share in the assets, liabilities, income and expenses of its Joint Venture Company Sah Polymers Ltd is 41.29% (Previous Year 57.90%) of the below total:

(Rs. in Lacs)

PARTICULARS	FY 2010	FY 2009
BALANCE SHEET		
SOURCE OF FUNDS		
Equity Share Capital	9,46,40,000	4,88,65,000
Reserves & Surplus	3,70,49,121	2,31,68,177
Loan Funds		
Secured Loans	3,93,42,741	4,27,03,877
Deferred Tax Liability	80,88,399	65,11,558
	17,91,20,261	12,12,48,612
APPLICATION OF FUNDS		
Fixed Assets		
Gross Block	9,23,62,137	7,78,57,274
Less: Accumulated Depreciation	(1,56,64,610)	(1,15,22,321)
Net Block	7,66,97,527	6,63,34,953
Capital work in progress	1,47,651	0

Investment	2,01,03,000	3,000
Current Assets, Loans & Advances		
Inventories		
Debtors	2,67,74,328	2,26,47,410
Loans & Advances	2,40,49,351	1,92,18,837
	3,94,62,542	35,83,590
	29,50,110	1,98,00,380
Cash & Bank Balance		
Less: Current Liabilities & Provisions		
Sundry Creditors	70,13,313	59,75,816
Provisions & Payable	40,79,035	44,19,942
Net Current Assets		
Miscellaneous Expenditure	28,100	56,200
(To the extent not W/off or adjusted)		
	17,91,20,261	12,12,48,612

PARTICULARS	FY 2010	FY 2009
PROFIT & LOSS ACCOUNT		
INCOME		
Sales	26,16,44,711	23,70,63,151
Less- Excise Duty	(2,04,73,301)	(2,72,20,577)
Other Income	63,65,936	22,73,077
Increase /Decrease in stock	1,42,768	(17,92,679)
	24,76,80,114	21,03,22,971
EXPENDITURE		
Cost of material consumed	16,97,63,588	15,81,01,208
Manufacturing Expenses	3,32,70,131	2,37,56,563
Personnel expenses	58,60,026	54,67,343
Administrative Expenses	1,28,44,720	62,52,324
Interest	50,65,752	66,30,103
Depreciation	41,42,290	36,77,942
Excise duty provided on stock	31,674	(2,78,970)
Net PROFIT Before Tax	1,67,01,932	67,16,457
Provision For Taxation/ Deferred Tax	55,50,987	26,20,256
Net PROFIT After Tax	1,11,50,945	40,96,201
Add : Profit brought forward	2,31,68,177	1,90,71,976
Profit carried forward to next year	3,43,19,122	2,31,68,177

11) Additional information pursuant to paragraphs nos. 3 & 4 of part II of Schedule VI of the Companies Act, 1956 as certified by the management.

		Opening Stock		Purchase		Sales		Closing Stock	
	ITEM (UOM)	Qty	Amt (Rs.)	Qty	Amt (Rs.)	Qty	Amt (Rs.)	Qty	Amt (Rs.)
A	Steel/Galume	-	-	-	-	-	-	-	-
	Coils(MT)	-	-	3,030.30	110,092,840	6,798.90	117,051,701	-	-
	(Previous Year)	-	-	(6,798.90)	(335,452,117)	(6,798.90)	(360,151,555)	-	-
C	<u>Earning in Foreign Currency (UAE Branch)</u>				Current Year		Previous Year		
	FOB value of export (on accrual basis)				Rs. 110,092,840		Rs.360,151,555		
D	Expenses in Foreign Currency (UAE Branch)				Rs. 123,420,479		Rs.355,493,605		

The quantity details as mentioned above are relating to UAE branch and therefore details are subject to verification and are relied upon as per the information provided by the management.

- 12) 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 Party	Nature of relationship	Transaction Types
Mr. H.K. Turgalia	Wholetime Director	Remuneration
Mrs. Shehnaz D. Ali	Wholetime Director	Remuneration
Sat Invest Pvt. Ltd.	Promoter Company & Major Shareholder	b) Keyman Insurance Premium paid c) Unsecured Loan Taken 1. Rent Payment 2. Preferential Share Allotment 3. Unsecured Loan Taken 4. Advance Against Share Warrant
Park Continental Ltd.	Shareholder of the Company	Unsecured Loan Taken
Sah Polymers Ltd.	Subsidiary Company	Advance for Equity Shares & Investments
Sat Realty Ltd.	Subsidiary Company	Investment
Sat Middleeast Ltd.	Wholly Owned Subsidiary Company	Investment
Space Age Polymers Pvt. Ltd.	Shareholder of the Company	Unsecured Loan Taken
Dawood Investments Pvt. Ltd.	Shareholder of the Company	Unsecured Loan Taken

Volume of Transactions :

(Rs.)

NATURE	31st March, 2010	31st March, 2009
Remuneration	1,379,500	10,40,000
Keyman Insurance Premium	1,67,673	1,67,673
Rent Payment	Nil	1,90,560
Preferential Shares Allotment	Nil	2,42,00,000
Unsecured Loan Taken	8,236,569	5,14,77,539
Unsecured Loan Repaid	18,469,846	-
Sale of Share	32,248,950	-
Advance for Equity Shares	Nil	12,85,000
Advance against Share Warrant	39,000,000	61,40,000
Investment	22,960,000	4,14,05,000

Amount Outstanding

PARTY	31st March, 2010	31st March, 2009
Sat Invest Pvt. Ltd.	29,583,990	3,58,33,472
Park Continental Ltd.	20,018,000	1,52,62,000
Shehnaz D. Ali	-	99,745
Space Age Polymers Pvt. Ltd.	25,000	26,65,000
Dawood Investments Pvt. Ltd.	3,169,500	24,19,500
Sat Realty Ltd.	2,034,000	-

13) SEGMENT INFORMATION

The Company is principally engaged in the business of international trading. There is no other segment, hence primary segment information as required by the AS-17 is not disclosed.

GEOGRAPHICAL SEGMENTS:

The following table shows the distribution of the segment revenues

(Figure in Rs.)

	Current Year	Previous Year
India Region (Domestic)	12,332,901	-
UAE	<u>1,17,051,701</u>	<u>355,493,605</u>

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

15) The Company's foreign branch situated at U.A.E. is audited by the local auditor for the financial year ended on 31st December, 2009. Foreign branch's financial statement for the quarter ended 31st March, 2010 are certified by the management and the same have been relied upon by auditors.

16) 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 materialised.

17) Earning per Share:

S.No.	Particulars	Year ended 31st March 2010	Year ended 31st March 2009
a)	Earning Attributable to Equity Shareholders for Basic EPS	Rs 105,960	Rs 79,782
b)	Adjusted for the purpose of diluted EPS	NA	NIL
c)	Earning Attributable to Equity Shareholders for Diluted EPS	Rs 105,960	Rs 79,782
d)	Weighted Average Equity Shareholders for Basic EPS	39,075,000	39,075,000
e)	Add: Potential Equity Shares on Conversion of Share Warrant	NA	NA
f)	Weighted Average Equity Shareholders for Diluted EPS	NA	NA
g)	Basic Earning Per Share (c) /(d)	Re 0.003	Re 0.002
h)	Diluted Earning Per Share (c) /(f)	NA	NA

As there are no potential equity shareholders, diluted earning per share are not calculated for the current year.

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

For and on behalf of the Board

(DEEPA RATHI)
Partner
Membership No. 104808
Firm Registration No. 104502W

SHEHNAZ D. Ali
Wholetime Director

H.K. TURGALIA
Wholetime Director

Place : Mumbai
Dated : 13-08-2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE & REGISTRATION DETAILS

I Registration No.: 34632
 Balance Sheet Date : 31-03-2010
 State Code : 11

II CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSAND)

Public Issue : NIL
 Bonus Issue : NIL
 Right Issue NIL
 Private Placement : NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSAND)

TOTAL LIABILITIES	261,499	TOTAL ASSETS	261,499
<u>SOURCES OF FUNDS :</u>		<u>APPLICATION OF FUNDS</u>	
Paid-up Capital	78,150	Net Fixed Assets	3,565
Reserve & Surplus	127,794	Investment	230,998
Secured Loans	2,759	Net Current Assets	26,175
Unsecured Loans	52,796	Deferred Tax	761

IV PERFORMANCE OF THE COMPANY (AMOUNT IN RS. THOUSAND)

Total Income:	129385	Total Expenditure :	129332
Profit/(Loss) Before Tax :	53	Profit/(Loss) After Tax :	114
Earning Per Share in Rs.	0.001	Dividend Rate (%) :	NIL

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

Item Code No. (ITC Code) :	N.A.
Product Description :	GENERAL TRADING

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

For and on behalf of the Board

(DEEPA RATHI)
 Partner
 Membership No. 104808
 Firm Registration No. 104502W

SHEHNAZ D. Ali
 Wholetime Director

H.K. TURGALIA
 Wholetime Director

Place : Mumbai
 Dated : 13-08-2010

If undelivered please return to :
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