

SANATHNAGAR ENTERPRISES LTD.

Lodha Excelus, N.M Joshi Marg, Mahalaxmi, Mumbai 400 011, India

24th September, 2018

To,
The Manager,
Corporate Relations Dept.,
BSE Limited, Phiroze Jeejeebhoy Towers,
Dalal Street, Kala Ghoda, Fort,
Mumbai, 400001

Scrip Code: 509423

Sub : Compliance under Clause 34 of the SEBI Listing Obligations and Disclosure Requirements

Pursuant to the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report of the Company for the financial year 2017-18, approved and adopted by the members of the Company at the 71st Annual General Meeting held on 24th September, 2018.

Kindly take the same in your records and bring to the notice of your members.

Thanking You
Yours Faithfully,

For Sanathnagar Enterprises Limited



Hitesh Marthak
Company Secretary & Compliance officer
Membership No.:- A18203



Encl: As above

SANATHNAGAR ENTERPRISES LIMITED

Annual Report 2017 - 18

In view of green initiatives initiated by the Govt. of India, Ministry of Corporate Affairs, we request you to register your email ID with the Registrar and Share Transfer Agent, if you are holding shares in Physical mode and with your Depository Participant, if you are holding shares in dematerialised form. We also request all shareholders, who hold equity shares in physical mode, to open demat accounts and convert their physical holdings into demat on or before December 5, 2018.

CORPORATE INFORMATION

CIN: L99999MH1947PLC252768

BOARD OF DIRECTORS:

Ms. Purnima Pavle	Non-Independent, Non-Executive
Mr. Babusingh Rajguru	Non-Independent, Non-Executive (up to June 1, 2017)
Mr. Bhushan Shah	Independent Director
Mr. Vinod Shah	Independent Director

KEY MANAGERIAL PERSONNEL:

Mr. Maninder Chhabra	Manager
Mr. Vishal Ghadigaonkar	Chief Financial Officer
Mr. Jitendra Prasad	Company Secretary and Compliance Officer (up to October 11, 2017)
Mr. Hitesh Marthak	Company Secretary and Compliance Officer (w.e.f. November 6, 2017)

REGISTERED OFFICE:

412, Floor - 4, 17G Vardhaman Chambers,
Cawasji Patel Road, Horniman Circle,
Fort, Mumbai – 400001.
Website: www.sanathnagar.in
E-mail: investors.sel@lodhagroup.com
Telephone No.: +9122-23024400
Fax No.: +9122-23024550

BANKERS:

Kotak Mahindra Bank Limited
HDFC Bank Limited

SHARE TRANSFER AGENT:

CIL Securities Limited
214, Raghava Ratna Tower, Chirag Ali Lane,
Hyderabad, Telangana – 500001.
Email: rta@cilsecurities.com
Telephone No.: +91-040-23203155

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NOTICE

Notice is hereby given that the 71st Annual General Meeting of the Members of Sanathnagar Enterprises Limited will be held on Monday, September 24, 2018 at 12.00 noon at 8th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai 400 011 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018 together with the Reports of the Board of Directors' and Auditors' thereon and in this regards, pass the following resolution:

“**RESOLVED THAT** the Audited Financial Statements of the Company including the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year ended on that date together with the Reports of the Board of Directors' and Auditors' thereon be and are hereby received, considered and adopted.”

2. To appoint a Director in place of Ms. Purnima Pavle (DIN: 06705133), who retires by rotation and being eligible, offers herself for re-appointment and in this regards, pass the following resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Ms. Purnima Pavle (DIN :06705133), who retires by rotation at this Meeting and being eligible has offered herself for re-appointment, be and is hereby reappointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS

3. To consider ratification of the remuneration of the Cost Auditor for FY 2017-18 and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, the aggregate remuneration of Rs. 50,000 (Rupees Fifty Thousand only) excluding out of pocket expenses and taxes, payable to the Cost Auditor, Dushyant C. Dave & Co., Cost Accountant (Firm Registration No. 000611), in connection with the audit of the cost records of the Company for the financial year ending 31st March, 2018 be and is hereby ratified.”

4. To consider ratification of the remuneration of the Cost Auditor for FY 2018-19 and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, the aggregate remuneration of Rs. 50,000 (Rupees Fifty Thousand only) excluding out of pocket expenses and taxes, payable to the Cost Auditor, Dushyant C. Dave & Co., Cost Accountant (Firm Registration No. 000611), in connection with the audit of the cost records of the Company for the financial year ending 31st March, 2019 be and is hereby ratified.”

**For and on behalf of Board
Sanathnagar Enterprises Limited
Sd/-
Hitesh Marthak
Company Secretary
Membership No.: A18203**

Date: May 18, 2018

Place: Mumbai

Registered Office:

412, Floor-4, 17G, Vardhaman Chamber,
Cawasji Patel Road, Horniman Circle, Fort, Mumbai-400001.

CIN L99999MH1947PLC252768

Telephone No. : +9122-23024400

Fax No. : +9122-23024550

Website : www.sanathnagar.in

E-mail : investors.sel@lodhagroup.com

Notes:

1) The relative Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in regard to the businesses as set out in Item No. 3 & 4 above and the relevant details of the Director seeking re-appointment/appointment as required by Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and as required under Secretarial Standards - 2 on General Meetings issued by the Institute of Company Secretaries of India, are annexed hereto.

2) A MEMBER ENTITLED TO ATTEND AND VOTE AT IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed, stamped and signed, not later than 48 hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

3) A proxy form is annexed to this notice of the Meeting. The holder of the proxy shall prove his identity at the time of attending the Meeting.

4) Every member entitled to vote at the Annual General Meeting of the Company can inspect the proxies lodged at the Company at any time during the normal business hours of the Company during the period beginning twenty-four (24) hours before the time fixed for the commencement of the Annual General Meeting and ending on the conclusion of the meeting. However, a prior notice of not less than three (3) days in writing of the intention to inspect the proxies lodged shall be required to be provided to the Company.

5) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representatives authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.

6) This Notice is also being sent with Annual Report along with attendance slip, proxy form and route map of the venue of the Meeting.

7) Members/Proxies should fill the Attendance Slip for attending the Meeting and bring their Attendance Slips along with their copy of the Annual Report at the Meeting.

8) In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

9) Members who hold shares in dematerialised form are requested to write their DP ID and Client ID number(s) and those who hold share(s) in physical form are requested to write their Folio Number(s) in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.

10) Members holding shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to write to the Company's Registrar and Share Transfer agent, CIL Securities Ltd., 214, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad - 500 001, Tel No: 91 - 040 - 23203155, Email Id: rta@cilsecurities.in enclosing their original share certificate to enable them to consolidate the holdings into one folio.

11) The Register of Members and Share Transfer Books of the Company would remain closed from Tuesday, September 18, 2018 to Monday, September 24, 2018 (both days inclusive) in terms of the provisions of Section 91 of the Companies Act, 2013.

12) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.

13) Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office /Corporate Office of the Company on all working days, excluding Saturday, Sunday and public holidays between 11.00 a.m. and 1.00 p.m. The aforesaid documents will also be available for inspection at the Meeting.

- 14) In terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, a Company may give notice through electronic mode addressing to the person entitled to receive such e-mail as per the records of the Company or as provided by the depository, provided that the Company shall provide an advance opportunity atleast once in a financial year, to the member to register his e-mail address and changes therein and such request may be made by only those members who have not got their email id recorded or to update a fresh email id and not from the members whose e-mail ids are already registered. In view of the above, the Company hereby requests members who have not updated their email IDs to update the same with their respective Depository Participant(s) or the CIL Securities Limited, Registrar and Transfer Agent (R&T) of the Company. Further, Members holding shares in electronic mode are also requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the R & T of the Company quoting their folio number(s).
- 15) Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS) and Electronic Clearing Service (ECS) mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's record which will help the Company and the Company's Registrars and Transfer Agents, CIL Securities Limited (RTA) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes either to the Company or to RTA.
- 16) The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to CIL Securities Limited, Registrar and Share Transfer Agent of the Company.
- 17) Members desiring any information relating to the financial statements are requested to write to the Company well in advance so as to enable the management to keep the information ready.
- 18) Members holding shares of the Company as on Monday, September 17, 2018 (cut-off date), shall be entitled to vote at the Annual General Meeting of the Company. A person who is not a member as on the cut-off date should treat this notice for information purpose only.
- 19) The Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which will include remote e-voting as prescribed by the Companies (Management and Administration) Rules, 2014 as presently in force and the business set out in the Notice will be transacted through such voting. Information and instructions including details of User ID and password relating to such e-voting are provided in the E-voting Instructions Letter (annexed separately) which forms part of the Notice.

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 (the Act), the following Statement sets out all material facts relating to the business mentioned under Item No. 3 & 4 of the accompanying Notice.

ITEM NO. 3:

The Board of Directors of the Company; on the recommendation of the Audit Committee approved the appointment and aggregate remuneration of Rs. 50,000 (Rupees Fifty Thousand only) excluding out of pocket expenses and taxes, payable to the Cost Auditor, Dushyant C. Dave & Co., Cost Accountant (Firm Registration No. 000611) for the financial year ended March 31, 2018 in their meeting held on 23rd May, 2017 for auditing the cost records of the Company.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to Cost Auditor is required to be ratified by the members of the Company. Accordingly, the consent of the members is sought on the Ordinary Resolution as set out in item No. 3 of the Notice.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the resolution at item No. 3.

The Board recommends the Resolution at item No. 3 for approval of the Members.

ITEM NO. 4:

The Board of Directors of the Company; on the recommendation of the Audit Committee approved the appointment and aggregate remuneration of Rs. 50,000 (Rupees Fifty Thousand only) excluding out of pocket expenses and taxes, payable to the Cost Auditor, Dushyant C. Dave & Co., Cost Accountant (Firm Registration No. 000611) for the financial year ended March 31, 2019 in their meeting held on 18th May, 2018 for auditing the cost records of the Company.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to Cost Auditor is required to be ratified by the members of the Company. Accordingly, the consent of the members is sought on the Ordinary Resolution as set out in item No. 4 of the Notice.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the resolution at item No. 4.

The Board recommends the Resolution at item No. 4 for approval of the Members.

**For and on behalf of Board
Sanathnagar Enterprises Limited**

**Sd/-
Hitesh Marthak
Company Secretary
Membership No. : A18203**

Date: May 18, 2018

Place: Mumbai

Registered Office:

412, Floor-4, 17G, Vardhaman Chamber,
Cawasji Patel Road, Horniman Circle, Fort, Mumbai-400001
CIN L99999MH1947PLC252768
Telephone No. : +9122-23024400
Fax No. : +9122-23024550
Website : www.sanathnagar.in
E-mail : investors.sel@lodhagroup.com

Annexure 1

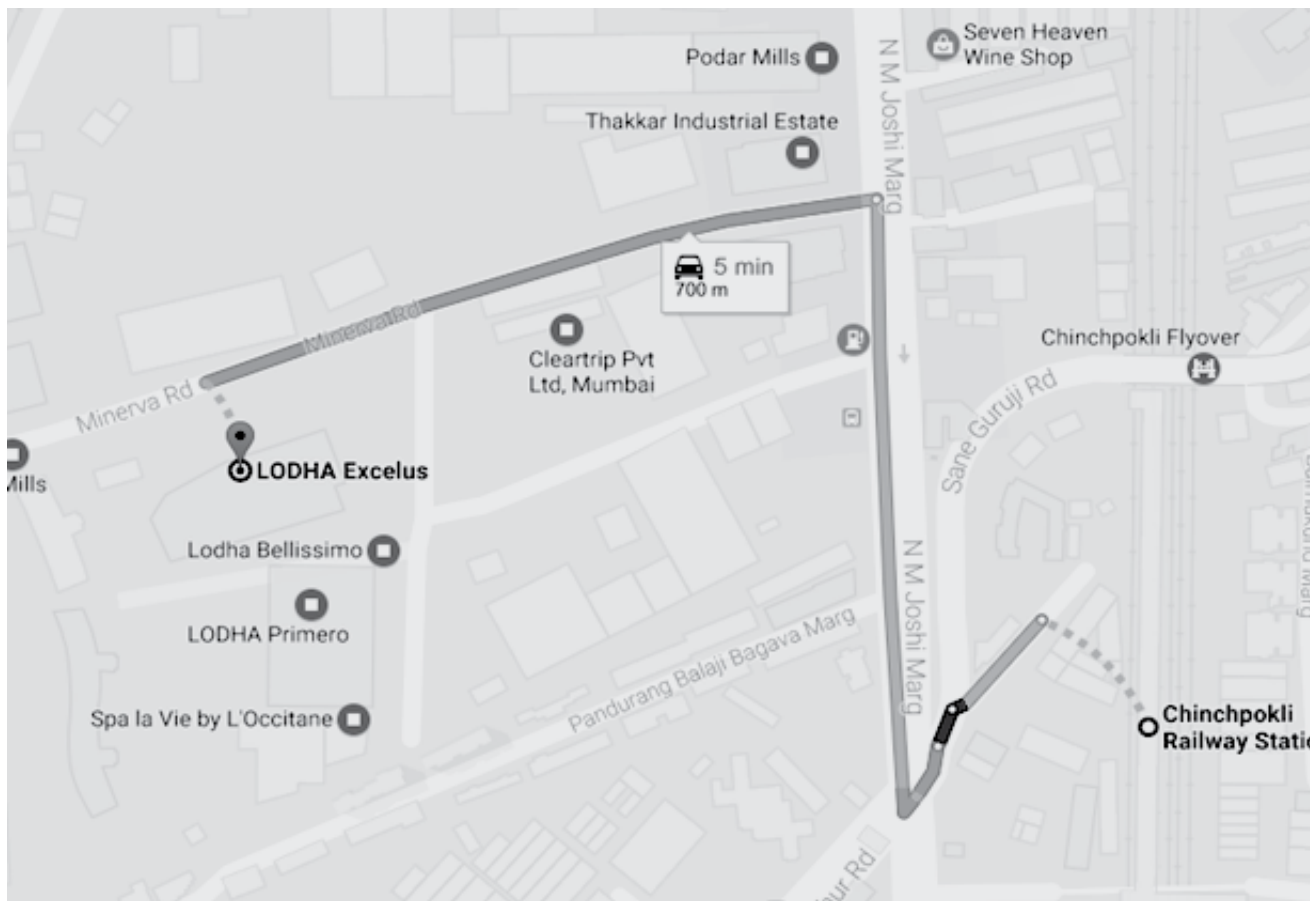
DISCLOSURE RELATING TO DIRECTORS PURSUANT TO LISTING REGULATIONS AND SECRETARIAL STANDARDS

Name of the Director	Ms. Purnima Pavle (DIN: 06705133)
Date of Birth	August 3, 1974
Qualification	Chartered Accountant
Experience	Ms. Purnima Pavle has overall 20 years of experience in the field of Accounting and Finance. She was previously associated with Grauer & Weil (I) Ltd and HCC Ltd.
Terms & Conditions of appointment	As per provisions of Companies Act, 2013 and SEBI Listing Regulations
Remuneration last drawn & Sought to be paid	N.A.
Date of Appointment on the Board	September 30, 2014
Directorships held in other companies as on March 31, 2018	Adinath Builders Private Limited Anantnath Constructions And Farms Private Limited Shreeniwas Cotton Mills Limited Siddhnath Residential Paradise Private Limited
Memberships of committees across companies (includes only Audit & Stakeholders Relationship Committee) as on March 31, 2018	Nil
Shareholding in the Company (Equity)	Nil
Relationship with other Directors/ Manager/Key Managerial Personnel	None
Number of Board meetings attended during the year 2017-18	4

ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING

Address : Lodha Excelus, Apollo Mills Compound, N M Joshi Marg, Mahalaxmi, Mumbai 400 011

Landmark : Apollo Mills Compound



BOARD'S REPORT

Dear Members,

The Directors are pleased to present the 71st Annual Report of the Company along with the audited financial statements for the financial year ended March 31, 2018.

FINANCIAL HIGHLIGHTS

(Rs. in lakhs)

Particulars	2017-18	2016-17
Revenue from operations	488.29	10,430.97
Total Income	615.83	10,614.59
Finance costs	6.76	950.75
Total Expenditure	763.06	9,931.30
Profit before tax	(147.23)	683.29
Tax Expenses	(24.96)	249.37
Other Comprehensive Income under IND AS	0.13	0.94
Total Comprehensive Income	(172.06)	434.86

REVIEW OF PERFORMANCE AND FUTURE OUTLOOK:

Revenue from operations reduced by 95% to Rs 488.29 lakhs during the financial year 2017-18 from Rs 10,430.97 lakhs during financial year 2016-17. Finance costs reduced to Rs 6.76 lakhs during the financial year 2017-18 from Rs 950.75 lakhs during financial year 2016-17. The Company incurred a loss of Rs 172.06 crore during financial year 2017-18, mainly on account of completion of the project.

DIVIDEND AND RESERVES

On account of losses during the year, the Board of Directors do not recommend any dividend for the financial year under review. Also, no amount is proposed to be transferred to reserves during the year.

CORPORATE MILESTONES

- 1) The suspension in trading of the Company's securities was revoked by BSE Limited on April 25, 2018 which was effective from May 3, 2018.
- 2) In order to achieve minimum public shareholding ("MPS") by the Company, Siddhnath Residential Paradise Private Limited, a promoter of the Company ("Promoter") undertook an Offer For Sale ("OFS") of 5,45,540 equity shares of Rs. 10/- each, representing 17.32% of the share capital of the Company. Pursuant to the OFS, your Company is now compliant with the MPS norms and is also in compliance with the requirements of Regulation 38 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). Post OFS, the public shareholding of your Company has increased from 7.68% to 25% whereas the promoter shareholding has reduced from 92.32% to 75%.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013 ('the Act') and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of the Annual Return is annexed as **Annexure I**.

CHANGES IN SHARE CAPITAL

During the financial year 2017-18, there has been no change in the authorised and paid-up share capital of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Babusingh Rajguru (DIN: 02696937) has stepped down from the directorship of the Company effective June 1, 2017. The Board places on record its appreciation for the services rendered by him during his tenure as a director.

Pursuant to Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Purnima Pavle (DIN: 06705133) retires by rotation and being eligible has offered herself for re-appointment. Necessary resolution for her re-appointment forms part of the accompanying Annual General Meeting notice. She has confirmed that she is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

A detailed profile describing the skills / expertise and other qualifications of Ms. Purnima Pavle has been provided in the Explanatory Statement annexed to the Notice which may be taken as forming a part of this Report. The Board recommends and seeks your support for her re-appointment.

During the year, Mr. Jitendra Prasad resigned as the Company Secretary & Compliance Officer of your Company with effect from the close of business hours of October 11, 2017. Mr. Hitesh Marthak was appointed as the Company Secretary & Compliance Officer effective November 6, 2017.

In terms of Section 203 of the Act, the following are the Key Managerial Personnel of the Company:

- Mr. Maninder Chhabra, Manager
- Mr. Vishal Ghadigaonkar, Chief Financial Officer
- Mr. Hitesh Marthak, Company Secretary

The Company has received declarations under section 149 of the Act from all independent directors confirming that they meet the criteria of independence prescribed under the Act and the Listing Regulations.

None of the Non-Executive Directors had any pecuniary relationships or transactions with the Company which may have potential conflict with the interests of the Company at large.

BOARD AND COMMITTEES OF THE BOARD

Board meetings

The Company has a well organised system for seeking board approval which facilitates and provides room for sound decision making by the Board and its Committees. The Board/Committee meetings are pre-scheduled and an annual calendar of Board and Committee meetings is circulated to the Directors well in advance to enable them to plan their schedules and to ensure their meaningful participation in the meetings. The detailed agenda is circulated to the Board members seven days ahead of the meeting. To address specific urgent needs, the Board's approval is taken at a specially convened meeting or by circular resolution, in which case it is ratified in the subsequent Board meeting. All agenda items are backed by comprehensive background information to enable the Board to take informed decisions.

The Board meets at least once in a quarter to review the quarterly performance of the Company and other items on the agenda. Additional meetings are held, whenever necessary.

During the year under review, 4 (four) Board meetings were held and the gap between two meetings did not exceed 120 days. These were held on May 23, 2017, August 8, 2017, November 6, 2017 and February 6, 2018.

Attendance of Directors during FY 2017-18:

Sr. No.	Name of Director(s)	Category of Directorship	Number of Meetings which the director was entitled to attend	Number of Meetings attended
1.	Ms. Purnima Pavle	Non-Independent, Non-Executive	4	4
2.	Mr. Babusingh Rajguru ¹	Non-Independent, Non-Executive	1	1
3.	Mr. Bhushan Shah	Independent, Non-Executive	4	4
4.	Mr. Vinod Shah	Independent, Non-Executive	4	4

1. Resigned from the Board w.e.f. June 1, 2017.

Post meeting follow up mechanism

Important decisions taken at Board / Committee meetings are communicated to the concerned departments / divisions promptly. An action taken/status report on the decisions of the previous meeting(s) is placed at the next meeting of the Board for information and further recommended action(s), if any.

Independent Directors' Meeting

In compliance with Schedule IV to the Act (Code for Independent Directors) and the Listing Regulations, the Independent Directors of the Company met separately during the financial year 2017-18.

Committees of the Board

The Board of Directors has formed various Committees of the Board with a view to facilitate smooth and quick decision-making and also for compliance of various statutory requirements in this regard. Each Committee has the authority to engage outside experts, advisors and counsels to assist in its function, if deemed necessary. Minutes of proceedings of Committee meetings are circulated to the members for approval and placed before the next Board meeting for noting, once they are signed.

The legal provision of constitution of Risk Management Committee is not applicable to the Company.

Audit Committee

The Audit Committee comprises Mr. Bhushan Shah, Mr. Vinod Shah and Ms. Purnima Pavle. Mr. Bhushan Shah has been designated as Chairman of the Audit Committee. All members are financially literate and bring in expertise in the fields of finance, economics, development, strategy and management.

The Committee met four times during the year. These meetings were held on May 23, 2017, August 8, 2017, November 6, 2017 and February 6, 2018. All committee members attended all the meetings.

Nomination & Remuneration (NR) Committee

The Nomination and Remuneration Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations read with Section 178 of the Act. The terms of reference of the NR Committee is in consonance with Regulation 19(4) read with Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Act. The Committee presently comprises of Mr. Bhushan Shah as Chairman and Mr. Vinod Shah and Ms. Purnima Pavle as members.

The Committee met twice during the year on May 23, 2017 and November 6, 2017. All committee members attended both the meetings.

Corporate Social Responsibility Committee

The Corporate Social Responsibility committee comprises of Ms. Purnima Pavle as Chairman and Mr. Bhushan Shah and Mr. Vinod Shah as members. The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by formulating and monitoring implementation of the 'Corporate Social Responsibility Policy.

During the year, the Committee met once on May 23, 2017. All committee members attended the meeting.

Details required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in CSR Report appended as **Annexure II** to this Report. The CSR Policy of the Company is also annexed to this Report as **Annexure III** of this Report.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of Mr. Bhushan Shah as Chairman and Mr. Vinod Shah and Ms. Purnima Pavle as members. The Committee met four times during the year. The meetings were held on May 23, 2017, August 8, 2017, November 6, 2017 and February 6, 2018. All committee members attended all the meetings.

BOARD EVALUATION

The Board of Directors carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and the SEBI Listing regulations. Performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the board after seeking inputs from the committee members.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings.

In a separate meeting of independent directors, performance of non-independent directors and the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

POLICY ON NOMINATION & REMUNERATION OF DIRECTORS, KMPS & OTHER EMPLOYEES

The Nomination and Remuneration Committee of the Company has laid down a policy to enable the selection, appointment and remuneration of Directors and the Senior Management of the Company. The Policy also outlines the basis for determining qualifications, positive attributes, expertise and independence of a director and sets out to ensure that the interests of the executives are aligned with the Company's long term interests by setting performance benchmarks and devising remuneration policies to help the Company retain and attract experienced and qualified executives at the Senior Management level.

The policy on Directors' appointment and remuneration for Directors, Key Managerial Personnel and Senior Management Personnel including policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors is attached as **Annexure IV**.

AUDITORS & AUDITORS' REPORT

Statutory Auditors

MSKA & Associates (F.K.A. MZSK & Associates), Chartered Accountants (Firm Registration No. 105047W), the statutory auditors of your Company, hold office until the conclusion of the 74th AGM to be held in the year 2021.

As per Companies (Amendment) Act, 2017, the Company is not required to seek ratification of its members in respect of appointment of its statutory auditors for a term of 5 years. In line with the statutory amendment, the Company will no longer seek ratification for appointment of MSKA & Associates, the statutory auditors of your Company for a term as stated above.

Auditors' Report

The Auditor's Report does not contain any qualifications, reservations or adverse remarks.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Shraavan A. Gupta & Associates, Practicing Company Secretary was appointed as Secretarial Auditor to conduct a secretarial audit of records and documents of the Company for financial year 2017-18.

Secretarial Auditor's Report

The Secretarial Audit Report confirms that the Company has generally complied with the provisions of the Act, Rules, Regulation, Guidelines and Secretarial Standards and carries no adverse remarks.

The Secretarial Audit Report is provided in **Annexure V**.

Cost Auditor and Cost Audit Report

Mr. Dushyant C. Dave, Cost Accountant was appointed as Cost auditor to audit the cost records of the Company for financial year 2017-18. In accordance with the requirement of the Central Government and pursuant to Section 148 of the Act, your Company carries out an audit of cost accounts relating to real estate development activities every year.

The Cost Audit Report and the Compliance Report of your Company for FY 2016-17 was filed on October 13, 2017 with the Ministry of Corporate Affairs through Extensive Business Reporting Language (XBRL).

INTERNAL AUDIT

Pursuant to Section 138 of the Companies Act, 2013, the Company appointed Mr. Pradeep Mandaliya, Chartered Accountant as Head Internal Auditor. The audit carried out by him is on quarterly basis. The report issued by the Internal Auditor is reviewed in the Audit Committee meetings and appropriate action is taken.

LOANS, GUARANTEES, SECURITIES AND INVESTMENTS

The Company is providing "infrastructural facilities" as defined in Schedule VI of the Companies Act 2013 and therefore the provisions of Section 186 are not applicable to the extent of any loan made, guarantee given or security provided by the Company in terms of exemption provided u/s 186. Particulars of investments made by the Company are provided in the financial statements which may be read in conjunction with this Report.

RELATED PARTY TRANSACTIONS

The transactions/contracts/arrangements, falling within the purview of provisions of Section 188(1) of the Companies Act, 2013, entered by the Company with related parties as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review, were in the ordinary course of business and have been transacted at arm's length basis.

Further there are no transactions/contracts/arrangements entered by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year 2017-18, that are required to be reported in Form AOC-2 and as such; it does not form part of the Report.

HOLDING COMPANY, SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES

The Company continues to be a subsidiary of Siddhnath Residential Paradise Private Limited which in turn is a subsidiary of Lodha Developers Limited. The ultimate holding Company of the Company is Sambhavnath Infrabuild and Farms Private Limited. During the year, under review, the Company did not have any subsidiary, joint ventures or associate companies.

MANAGEMENT AND INTERNAL CONTROLS

Risk Management

Your Company has robust process in place to identify key risks and to prioritize relevant action plans to mitigate these risks. Your Company has adopted a Risk Management policy which is based on three pillars: Business Risk Assessment, Operational Controls Assessment and Policy Compliance processes. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

Internal Controls and their adequacy

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of operations. These systems are routinely tested and certified by the Statutory as well as the Internal Auditor and cover all offices, sites and key business areas. Significant audit observations and follow up actions thereon are reported to the Board/ Audit Committee. The Board / Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk

management policies and systems. These systems provide a reasonable assurance in respect of financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention & detection of frauds, accuracy & completeness of accounting records and ensuring compliance with corporate policies.

VIGIL MECHANISM

Your Company provides a common platform to its employees and directors for complaint handling in the form of whistle-blowing (vigil) mechanism. The Company has established a vigil mechanism process by adopting a Vigil Mechanism / Whistle Blower Policy for directors and employees. This policy outlines the procedures for reporting, handling, investigating and deciding on the course of action to be taken in case inappropriate conduct / behaviour is/are noticed, reported or suspected. The Policy provides for adequate safeguards against victimization of persons who use the mechanism and has a process for providing direct access to the Ombudsman in appropriate or exceptional cases.

The employees of the Company have the right to report their concern or grievance to the Chairman of the Audit Committee. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Vigil Mechanism / Whistle Blower Policy is posted on the Company's website www.sanathnagar.in.

DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) 2014 is attached as **Annexure VI**.

The provisions of Section 197(12) of the Act read with rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended do not apply as there are no employees who draw remuneration in excess of the limits set out in the said Rules.

DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in **Annexure VII** to this report.

During the financial year 2017-18, the Company neither earned any foreign exchange in terms of actual inflows nor is there any foreign exchange outgo in terms of actual outflows.

CORPORATE GOVERNANCE REPORT

As the paid up equity share capital and networth of the Company are both below the limits specified in Regulation 15 of the Listing Regulations, the Company is not required to furnish a report on corporate governance and therefore the same does not form part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34 read with Schedule V of the Listing Regulations is given separately which may be taken as forming a part of this Report.

GENERAL

Your Directors state that for the financial year ended March 31, 2018, no disclosure is required in respect of the following items and accordingly confirm as under:

- a. The Company has neither revised the financial statements nor the report of Board of Directors.
- b. No cases were filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- c. There are no material changes or commitments affecting the financial position of the Company between March 31, 2018 and the date of this report.
- d. The Company has not accepted any deposits during financial year 2017-18.
- e. No instance of fraud has been reported to Board of Directors of the Company by the Auditors or any other person.
- f. There are no significant or material for which orders were passed by the Regulators/Courts/Tribunals which impact the going concern status and Company's operations in future.
- g. During the financial year 2017-18, there is no change in the nature of the business of the Company.

- h. There has been no issue of equity shares with differential rights as to dividend, voting or otherwise during the financial year 2017-18.
- i. The Company has not issued any shares (including sweat equity shares) to employees of the Company under any scheme during the financial year 2017-18.
- j. None of the employees have exercised voting rights indirectly in respect of shares purchased under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- a. in the preparation of the annual accounts for the year ended March 31, 2018, read with the requirements set out under Schedule III to the Act, have been followed and there has been no material departures;
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors had prepared the annual accounts on a going concern basis;
- e. the directors had laid down internal financial controls to be followed by the company and that such internal financial control are adequate and were operating effectively; and
- f. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

On behalf of the Directors of the Company, we would like to place on record our deep appreciation to our shareholders, customers, business partners, vendors, bankers, financial institutions and academic institutions and other stakeholders who have contributed to the growth and performance of your Company.

For and on behalf of the Board
Sanathnagar Enterprises Limited

Date : May 18, 2018
Place : Mumbai

Purnima Pavle
(Director)
DIN: 06705133

Bhushan Shah
(Director)
DIN: 07484485

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2018
OF
SANATHNAGAR ENTERPRISES LIMITED

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

Particulars	Details
CIN	: L99999MH1947PLC252768
Registration Date	: 18/06/1947
Name of the Company	: Sanathnagar Enterprises Limited
Category of the Company	: Company Limited By Shares
Sub-Category of the Company	: Indian Non-Government Company
Address of the Registered Office	: 412, Floor-4, 17G, Vardhama Chamber, Cawasji Patel Road, Horniman Circle, Fort, Mumbai-400001.
Contact Details	: 022 – 23024400
Whether listed company	: Yes
Name of Registrar & Transfer Agents	: CIL Securities Limited
Address of Registrar & Transfer Agents	: 214, Raghava Ratna Tower, Chirag Ali Lane, Hyderabad, Telangana – 500001 Andhra Pradesh, India.
Contact Details of Registrar & Transfer Agents	: +91 - 040 – 23203155

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Construction and development of real estate and allied activities	410	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Holding Company					
Sr. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Siddhnath Residential Paradise Private Limited 412, Floor – 4, 17G, Vardhaman Chamber, Cawasji Patel Road, Horniman Circle, Fort, Mumbai – 400001	U70109MH2007 PTC166867	Holding Company	89.99%	2(46)

During the year under review, the Company did not have any subsidiaries, joint venture and associate companies.

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF	18,105	-	18,105	0.58	18,105	-	18,105	0.58	NIL
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	53,985	28,35,947	28,89,932	91.74%	53,985	28,35,947	28,89,932	91.74%	NIL
(e) Banks / FI	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	72,090	28,35,947	29,08,037	92.32%	72,090	28,35,947	29,08,037	92.32%	NIL
(2) Foreign									
(a) NRIs Individuals	-	-	-	-	-	-	-	-	-
(b) Other –Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	72,090	28,35,947	29,08,037	92.32%	72,090	28,35,947	29,08,037	92.32%	NIL
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	-	4,644	4,644	0.15	-	4,644	4,644	0.15	NIL
(b) Banks / FI	8,100	14,797	22,897	0.73	8,100	14,797	22,897	0.73	NIL
(c) Central Govt/ State Govt(s)	-	32,496	32,496	1.03	-	32,496	32,496	1.03	NIL
(d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e) Insurance Companies	-	-	-	-	-	-	-	-	-
(a) FIs	-	-	-	-	-	-	-	-	-
(b) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	8,100	51,937	60,037	1.91	8,100	51,937	60,037	1.91	NIL
1. Non-Institutions									
(a) Bodies Corp.									
(i) Indian	15	1,32,611	1,32,626	4.21	15	1,32,611	1,32,626	4.21	NIL
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2,070	47,220	49,290	1.56	2,070	47,220	49,290	1.56	NIL
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
(c) Others (NRI's)	-	10	10	0.00	-	10	10	0.00	-
Sub-total (B)(2):-	2,085	1,79,841	1,81,926	5.78	2,085	1,79,841	1,81,926	5.78	NIL
Total Public Shareholding (B)=(B)(1)+(B)(2)	10,185	2,31,778	2,41,963	7.68	10,185	2,31,778	2,41,963	7.68	NIL
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	82,275	30,67,725	31,50,000	100	82,275	30,67,725	31,50,000	100	NIL

(ii) Shareholding of Promoters

	Shareholder's Name	Shareholding at the beginning of the year April 1, 2017			Shareholding at the end of the year March 31, 2018			% change in the shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	N.P.S. Shinh	14,955	0.47	-	14,955	0.47	-	Nil
2.	Manita Shinh	3,150	0.10	-	3,150	0.10	-	Nil
3.	Siddhnath Residential Paradise Private Limited	28,34,528	89.99	-	28,34,528	89.99	-	Nil
4.	Continuous Forms (Calcutta) Limited	53,985	1.71	-	53,985	1.71	-	Nil
5.	Arihant Premises Private Limited	993	0.03	-	993	0.03	-	Nil
6.	Lodha Developers Limited	426	0.01	-	426	0.01	-	Nil
	Total	29,08,037	92.32	-	29,08,037	92.32	-	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

There is no change in promoters' shareholding during financial year 2017-18.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year April 1, 2017		Cumulative shareholding during the year and as on March 31, 2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	NIHARIKA REALTORS PRIVATE LIMITED				
	At the beginning of the year April 1, 2017	1	0.00	1	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc): 27.07.2017 (transmission on account of merger)	+1,29,973	+4.13	1,29,973	4.13
	At the End of the year March 31, 2018	1,29,974	4.13	1,29,974	4.13
2	THE GOVERNOR OF ANDHRA PRADESH				
	At the beginning of the year April 1, 2017	32,496	1.0316	32,496	1.0316
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year March 31, 2018	32,496	1.0316	32,496	1.0316
3	LIFE INSURANCE CORPORATION OF INDIA				
	At the beginning of the year April 1, 2017	14,027	0.4453	14,027	0.4453
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year March 31, 2018	14,027	0.4453	14,027	0.4453

SANATHNAGAR ENTERPRISES LIMITED

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year April 1, 2017		Cumulative shareholding during the year and as on March 31, 2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	ICICI BANK LIMITED				
	At the beginning of the year April 1, 2017	8,100	0.2571	8100	0.2571
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year March 31, 2018	8,100	0.2571	8,100	0.2571
5	UNIT TRUST OF INDIA				
	At the beginning of the year April 1, 2017	4,644	0.147	4,644	0.147
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year March 31, 2018	4,644	0.147	4,644	0.147
6	A P INDUSTRIAL DEVELOPMENT CORPORATION LIMITED				
	At the beginning of the year April 1, 2017	1,890	0.0600	1,890	0.0600
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year March 31, 2018	1,890	0.0600	1,890	0.0600
7	SANJAY HIRALAL PATEL				
	At the beginning of the year April 1, 2017	1,200	0.0381	1,200	0.0381
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year March 31, 2018	1,200	0.0381	1,200	0.0381
8	PRAFUL MANILAL SHAH				
	At the beginning of the year April 1, 2017	992	0.0315	992	0.0315
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year March 31, 2018	992	0.0315	992	0.0315
9	CHIRAYUSH PRAVIN VAKIL				
	At the beginning of the year April 1, 2017	807	0.0256	807	0.0256
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year March 31, 2018	807	0.0256	807	0.0256
10	ATUL GUPTA				
	At the beginning of the year April 1, 2017	759	0.0241	759	0.0241
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year March 31, 2018	759	0.0241	759	0.0241

(v) Shareholding of Directors and Key Managerial Personnel

During the year under review, no Directors or Key Managerial Personnel were holding shares in the Company.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	33,05,38,044	-	33,05,38,044
ii) Interest due but not paid	-	8,99,19,884	-	8,99,19,884
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	42,04,57,928	-	42,04,57,928
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	-	(19,61,09,812)	-	(19,61,09,812)
Net Change		(19,61,09,812)		(19,61,09,812)
Indebtedness at the end of the financial year				
i) Principal Amount	-	13,44,28,232	-	13,44,28,232
ii) Interest due but not paid	-	1,80,205	-	1,80,205
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	13,46,08,437	-	13,46,08,437

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sl. No.	Particulars of Remuneration	Name of Manager	Total Amount
		Maninder Chhabra	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under	-	-
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission	Nil	Nil
	- as % of profit		
	- others, specify		
5.	Others, please specify	Nil	Nil
	Total (A)	Nil	Nil
	Ceiling as per the Act		N.A.

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount (Rs)
		Vinod Shah	Bhushan Shah	
1.	Independent Directors			
	• Fee for attending board / committee meetings	64,900	64,900	1,29,800
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (1)	64,900	64,900	1,29,800

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount (Rs)
		Purnima Pavle		
2.	Other Non-Executive Directors <ul style="list-style-type: none"> • Fee for attending board / committee meetings • Commission • Others, please specify 	Nil	N.A.	N.A.
	Total (2)	Nil	-	-
	Total (B)=(1+2)	64,900	64,900	1,29,800
	Total Managerial Remuneration	64,900	64,900	1,29,800
	Overall Ceiling as per the Act			N.A.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				
		Mr. Jitendra Prasad Company Secretary **	Mr. Hitesh Marthak Company Secretary **	CEO	CFO *	Total
1	Gross salary <ul style="list-style-type: none"> a. Salary as per provisions contained in section 17(1) of the Income tax Act, 1961 b. Value of perquisites u/s 17(2) of the Income-tax Act, 1961 c. Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 	87,992	1,37,365	N.A.	2,36,765	4,62,121
2	Stock Option	Nil	Nil	N.A.	Nil	Nil
3	Sweat Equity	Nil	Nil	N.A.	Nil	Nil
4	Commission <ul style="list-style-type: none"> - as % of profit - others, specify... 	Nil	Nil	N.A.	Nil	Nil
5	Others, please specify	Nil	Nil	N.A.	Nil	Nil
	Total	87,992	1,37,365	N.A.	2,36,765	4,62,121

* Mr. Vishal Ghadigaonkar, Mr. Jitendra Prasad and Mr. Hitesh Marthak were / are not on the rolls of the Company and were / are deputed by Nabhiraja Software Design India Private Limited, a fellow subsidiary company. An amount of 10% of their salary is charged to the Company and the same is being reimbursed by the Company to the said fellow subsidiary company.

& Remuneration details of Mr. Jitendra Prasad and Mr. Hitesh Marthak have been reported proportionately to the period of their appointment.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended March 31, 2018.

For and on behalf of the Board
Sanathnagar Enterprises Limited

Date : May 18, 2018
Place : Mumbai

Purnima Pavle
(Director)
DIN: 06705133

Bhushan Shah
(Director)
DIN: 07484485

Annexure II

Annual Report on Corporate Social Responsibility

[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

Sr. No.	Particulars	Details
1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web- link to the CSR policy and projects and programs	<p>The Policy emphasizes initiatives in specific areas of social development that would include primary and secondary education, skills development, vocational training, health and hygiene, preventive health care and sanitation, women empowerment, environment and ecological protection, character building by providing training opportunities in sports and cultural activities etc.</p> <p>The Company has framed its CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is available on the Company's website at the web link http://www.sanathnagar.in/Policies.html</p>
2.	Composition of the CSR Committee as on March 31, 2018	<ul style="list-style-type: none"> • Ms. Purnima Pavle - Chairperson • Mr. Bhushan Shah • Mr. Vinod Shah
3.	Average Net Profit of the Company for last three financial years	Rs. 1,320 lakhs
4.	Prescribed CSR Expenditure (two percent of the amount as per item 3 above)	Rs. 26.40 lakhs
5.	Details of CSR spent during the financial year; <ol style="list-style-type: none"> a. Total amount spent for the financial year b. Amount unspent, if any c. Manner in which the amount spent during the financial year is detailed below: 	<p>Nil</p> <p>Rs. 26.40 lakhs</p> <p>N.A.</p>
6.	In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.	<p>In order to conserve the resources for timely completion of the project of the company, during the year under review, the company has not spent any amount on CSR activities. However the company has identified various areas for the initiatives and formed CSR Committee. The company takes a note of its responsibility and continues its endeavour towards contributing to CSR initiatives in subsequent years as per policy adopted by company from time to time.</p>

Our CSR Responsibility

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the project and activities in compliance with our CSR objectives.

For and on behalf of the Board
Sanathnagar Enterprises Limited

Date : May 18, 2018
Place : Mumbai

Purnima Pavle
(Director)
DIN: 06705133

Bhushan Shah
(Director)
DIN: 07484485

Corporate Social Responsibility Policy**A. Preamble :**

Sanathnagar Enterprises Limited (“the Company”) has adopted a Policy on Corporate Social Responsibility (CSR). The Company shall strive to be a socially responsible company and strongly believes in development which is beneficial for the society at large. The Company shall carry out the CSR activities where it has its major business presence.

B. Policy Objective :

The objective of this Policy is to set guiding principles for carrying out Corporate Social Responsibility (CSR) activities and also to set up process of implementation and monitoring of the CSR activities to be undertaken by the Company.

C. Scope and Implementation of CSR :

The Company shall implement the CSR activities / programs as a combined effort between itself and its subsidiaries, in such a manner, that their individual CSR Committees will be in a position to report separately on CSR activities / programs in accordance with Section 135 of Companies Act 2013 and notified rules.

All CSR projects/activities will be over and above the normal course of the Company’s business.

The Company may decide to do CSR activities through a registered trust or registered society or a Section 8 Company either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such company, or otherwise.

If such trust, society or section 8 companies are not established by the Company or aforementioned companies – then they should have an established track record of 3 years in undertaking similar projects or programs.

The Company shall engage / co-ordinate with these Implementing Agencies and seek requisite documents / papers so as to ensure that they have an established track record in undertaking CSR activities.

The Company shall specify the project or programs to be undertaken by these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

The Company may also collaborate with other companies for undertaking CSR activities – provided they are able to report separately such activities.

D. Composition and Quorum of CSR Committee :

Pursuant to the provisions of Section 135 of the Act, the Members of CSR Committee shall be appointed by the Board of Directors of the Company. Members of the CSR Committee shall meet, at mutually decided time, as and when required by sending notice or e-mails in order to perform, decide and monitor the implementation of this CSR Policy.

The quorum of CSR Committee shall be two members or one third of the total strength whichever is higher.

E. Scope of CSR Committee is as under:

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy;
2. Finalise and approve the amount of expenditure to be incurred on the activities to be undertaken for Corporate Social Responsibility and for this purpose approve the annual plans and budgets;
3. Ensure that the company spends towards Corporate Social Responsibility, in every financial year, amount as may be recommended by the CSR Committee;
4. Ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company;
5. Monitor the Corporate Social Responsibility Policy of the Company from time to time.

Any other matter as the CSR Committee may deem appropriate after the approval of the Board of Directors or as may be directed by the Board from time to time.

F. Areas of CSR activities:

The Company may undertake the below activities under the ambit of CSR:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
2. Promoting education, hosting events, performances in pure arts including special education and employment enhancing vocational skills especially among children, women and the differently abled and livelihood enhancement projects;

3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; day care centers and such other facilities and measures for reducing inequalities faced by socially and economically backward groups;
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna and conservation of natural resources;
5. Protection of national heritage, art and culture; setting up public libraries; promotion and development of traditional arts and handicrafts;
6. Contributions to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
7. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
8. Rural development projects;
9. Slum area development;
10. Contribution to Prime Minister's National Relief Fund, etc.;
11. Contributions or funds provided to technology incubators located within academic institutions which are approved by Central Government;
12. Contribution to corpus of a trust / society / section 8 company would also qualify as CSR expenditure as long as they are created exclusively for undertaking CSR activities or where the corpus is created exclusively for the purpose directly relatable to a subject covered in Schedule VII of the Act;

The Company may contribute to other areas of interest as permitted under Schedule VII of the Act & update the above list as per Section 135 and Schedule VII of the Act as amended from time to time.

G. Budget:

A specific budget will be allocated for CSR activities alongwith the projected plan on an annual basis. The amount & the projected plan will be approved by the Board on the recommendation of the CSR Committee. Any surplus arising and/or additional revenue generated out of CSR Activities undertaken by the Company shall not form part of the business profit of the Company and same shall be spent for undertaking any CSR Activities only.

H. Dissemination of information of CSR activities :

The Company's involvement in the CSR projects and/or activities and details of work executed and progress made will be communicated through its annual reports and other modes as may be required from time to time.

I. Monitoring :

The Company will set up a monitoring process for implementation of the CSR projects/activities and reporting to the CSR Committee in compliance with the requirements of Section 135 of the Companies Act, 2013.

J. Reporting Framework:

The Company shall lay down a reporting framework for each and every program / project being undertaken towards CSR activities laying down specifically the sector / location in which the activity has been undertaken, the description of the activities being undertaken, the amount allocated towards the same, the amount spent towards the CSR activities and such other particulars as may be required from time to time depending upon the nature of the CSR activity.

Any or all provisions of the CSR Policy would be subject to revision/amendment as may be required / deemed fit by the Company from time to time.

For and on behalf of the Board
Sanathnagar Enterprises Limited

Date : May 18, 2018
Place : Mumbai

Purnima Pavle
(Director)
DIN: 06705133

Bhushan Shah
(Director)
DIN: 07484485

Annexure IV

Policy on Directors' Appointment and remuneration for directors, key managerial personnel, senior management and other employees

Background & Objectives:

Clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013 ('the Act') requires the Nomination and Remuneration Committee to identify persons who are qualified to become Directors and who may be appointed in Senior Management and to formulate a Policy relating to the remuneration for the Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company and recommend the same for approval of the Board. Further Section 134 of the Act stipulates that the Board Report shall include a statement on Company's Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director and remuneration for Key Managerial Personnel and other employees.

This Policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

Objective and Role of Committee:

- To attract, recruit and retain good and exceptional talent.
- To identify persons who are qualified to become Directors and who may be appointment in Senior Management in accordance with the criteria laid down in this Policy.
- To guide the Board in relation to appointment and removal of Directors.
- To evaluate the performance of the Members of the Board including Independent Directors.
- Formulation of criteria for evaluation of Independent Director and the Board.
- To determine criteria for payment of remuneration to Directors, Key Managerial Personnel, Senior Management and Employees.
- To recommend to the Board on remuneration payable to the Directors including Key Managerial Personnel, Senior Management and Employees, if required.
- To ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To devise a Policy on Board diversity.
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

Definitions:

“**Act**” means the Companies Act, 2013 and rules thereunder.

“**Board of Directors**” or “**Board**” means the Board of Directors of Sanathnagar Enterprises Limited, as constituted from time to time.

“**Company**” means Sanathnagar Enterprises Limited.

“**Committee**” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

“**Director**” means a director appointed to the Board of a Company.

“**Independent Director**” means an independent director referred to in sub-section (5) of Section 149 of the Companies Act, 2013.

“**Policy**” means Nomination and Remuneration Policy.

“**Key Managerial Personnel**” (**KMP**) means:

- a. Chief Executive Officer or the Managing Director or the Manager
- b. Whole-time Director
- c. Chief Financial Officer
- d. Company Secretary
- e. Such other officer as may be prescribed

“Senior Management Personnel” for this purpose shall mean personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive Director(s), including the functional/vertical heads.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Composition

- The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be independent.
- The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- Minimum two (2) members shall constitute a quorum for Committee meeting.
- Membership of the Committee shall be disclosed in the Annual Report.
- Chairman of the Committee shall be an Independent Director.
- Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee

Frequency of Meetings:

The meeting of the Committee shall be held at such regular intervals as may be required.

Committee Member's Interest:

- A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

Voting:

- Matters arising for determination at Committee meetings shall be decided by a majority of votes Members and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

Appointment– Criteria Identification

- The Committee shall identify and ascertain the integrity, professional qualification, expertise and experience of the person, who is proposed to be appointed as a Director, KMP or at a Senior Management level and appropriate recommendation shall be made to the Board with respect to his/her appointment. However the Committee while identifying person, who is proposed to be appointed as a Director, KMP or at a Senior Management level, may identify and appoint the employees of the group companies.
- A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment as KMP, Senior Management Personnel of the Company. The Committee, on the recommendation of Human Resource Department (HR Department), if required, shall have the discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- Appointment of Independent Directors shall be subject to the provisions of Section 149 of the Act read with schedule IV and rules made thereunder. Before appointment as Independent Director, the Committee shall satisfy itself that the proposed person satisfies the criteria of independence as stipulated under Section 149(6) of the Act.
- Appointment of Directors on the Board of a Company shall be subject to the recommendation made by the Committee. However, the decision of the Board with respect to appointment of a Director shall be final.
- Appointment of Managing Director and Whole-time Director shall be subject to provisions of Sections 196, 197, 198 and 203 of the Act read with Schedule V and rules made there under. The Committee shall ensure that a person shall not occupy position as a Managing Director/Whole-time Director beyond the age of seventy years, unless his appointment is approved by a special resolution passed by the Company in general meeting. No re-appointment shall be made earlier than one year before the expiry of term.
- No person shall be eligible to be appointed as a Director, if he/she is subject to any disqualifications as stipulated under the Companies Act, 2013 or any other law(s) for the time being in force.

Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel, subject to the provisions and compliance of the said Act, rules and regulations.

Retirement:

The Director, KMP or Senior Management Personnel, shall retire as per the applicable provisions of the Act and the prevailing Policy of the Company, if any. The Board will have the discretion to retain the Director in the same position/ remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

Evaluation:

A) Independent Directors/Non-Executive Directors

The Committee shall carry out evaluation of performance of Independent Directors/Non-Executive Directors every year ending 31st March. In case, if a Director is a member of the Committee, he/she shall abstain himself/herself from participation, when he/she is being evaluated.

As a part of evaluation, the Committee shall determine the following criteria:

- Membership & attendance - Committee and Board Meetings
- Contribution during such meetings
- Willingness to spend time and effort learning about the Company and its business
- Active participation in strategic decision making
- Inputs to executive management on matters of strategic importance
- Individual Performance and Contribution
- Such other matters, as the Committee/Board may determine from time to time.

B) Executive Directors

The Committee shall carry out evaluation of performance of Executive Directors every year ending 31st March. In case, if a Director is a member of the Committee, he/she shall abstain himself/herself from participation, when he/she is being evaluated. The evaluation shall be on the basis of Key Performance Indicators (KPI), which would be identified based on a) their commitment to achieve Company's goals and alignment with the strategic direction, b) their decision making ability, and c) their ability and actions to safeguard the interest of shareholders of the Company and weights assigned for each measure of performance keeping in view the distinct roles of each Executive Director. The identified KPI for Executive Directors shall be approved by the Board, pursuant to recommendation of the Committee, if required.

C) Key Managerial Personnel /Senior Management/ Employees

The HR Department shall assign the responsibility of carrying out the evaluation of the aforementioned persons every year ending March 31st, to the concerned department heads. KPI are identified well in advance at the commencement of the financial year. Performance benchmarks shall be set and evaluation of employees would be done by the respective reporting manager(s)/Management to determine whether the performance benchmarks are achieved. The payment of remuneration/annual increment to the aforementioned persons shall be determined after the satisfactory completion of Evaluation process.

The objective of carrying out the evaluation by the Company is to identify and reward those with exceptional performances during any financial year. Additional Training and Development Orientation programs on need basis shall be provided to employees, whose performance during any financial year do not meet the benchmark criteria.

Further, the performance of the Committees formed by the Board will be evaluated based on the terms of reference assigned to the respective Committees.

Matters relating to remuneration, perquisites for Directors, KMP/Senior Management Personnel & Employees:

Clause 49 of the Listing Agreement and Section 178 of the Act, emphatically specify that the Committee, while formulating the Policy shall ensure the following:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

In the Company, the remuneration structure for Executive Directors/Senior Management & Employees comprises of:

- a) A fixed base salary**, set at a level aimed at attracting and retaining executives with professional and personal competences required to drive the Company's performance.

- b) **Performance Bonus**, based on achieving the minimum KPI predefined at the commencement of the financial year.
- c) **Retirement benefits** including PF, gratuity, etc.
- d) **Such other emolument(s)** as the HR department may after consultation with the Management determine from time to time.

Criteria for Remuneration:

1) **KMP/Senior Management/other employees**

Upon the satisfactory completion of Evaluation process and after taking into consideration the performance appraisal of the concerned employee(s) and also taking into consideration the profitability/performance of the Company, salary increments/performance bonus would be decided by the concerned Department Head(s)/Management, as the case may be. The increments/ performance bonus declared shall be solely as per Company Policy.

Determination of remuneration/performance bonus for KMP /Senior Management/other employees, so far as there are no regulatory requirements, need not be recommended/approved by the Committee/Board. The concerned Department Head(s)/Management on the recommendation of the HR department shall have the discretion to determine the quantum of remuneration to be payable to KMP/Senior Management and other employees, as the case may be. Regulatory compliance, if any, needs to be complied appropriately before determining/approving remuneration.

2) **Executive Director(s) (EDs)**

The remuneration/compensation, etc., to Executive Directors (EDs) of the Company during any financial year shall be determined on the basis of they achieving the Key Performance Indicators (KPIs) as is set on them at the commencement of every financial year. The remuneration/compensation shall be determined by the Committee after considering the KPI achieved by EDs. The Committee may consider the recommendation of HR department while determining the remuneration to be paid to EDs.

The remuneration payable to EDs and Whole-time Directors shall be subject to the provisions of Section 197 and 198 of the Companies Act, 2013 or which may be mutually agreed.

3) **Non-Executive Director/Independent Director**

The Non-executive / Independent Directors (NEDs) of the Company may be paid sitting fees as per the applicable Regulations. Any revision in the quantum of sitting fees shall be subject to approval of Board of Directors of the Company. Further the travelling, boarding and lodging expenses, if any, shall be reimbursed to the Directors based out of Mumbai.

The profit-linked Commission may be paid within the monetary limit approved by the shareholders of the Company and subject to compliance with the provisions of Companies Act, 2013, if any. The aforesaid Commission shall be paid, subject to NEDs, satisfying the criteria approved by the Board for receiving remuneration.

Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option (ESOPs) of the Company.

Where any insurance is taken by the Company on behalf of its KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Amendments to the Policy:

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

For and on behalf of the Board
Sanathnagar Enterprises Limited

Date : May 18, 2018
Place : Mumbai

Purnima Pavle
(Director)
DIN: 06705133

Bhushan Shah
(Director)
DIN: 07484485

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To

The Members

SANATHNAGAR ENTERPRISES LIMITED**CIN:L99999MH1947PLC252768**

412 Floor 4, 17 G Vardhaman Chamber,

Cawasji Patel Road Horniman Circle Fort Mumbai 400001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SANATHNAGAR ENTERPRISES LIMITED** (hereinafter called the “company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act 2013 and the Rules made thereunder ;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made there under;
- (iv) Foreign Exchange Management Act, 1999 and the applicable rules and regulations made there under; - **Not Applicable**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’);
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not Applicable during the period under Review**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading Regulations) 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable during the period under Review**
 - (d) The Securities and Exchange Board of India (Share based employee benefits) Regulation, 2014 ; **Not Applicable during the period under Review**
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not Applicable during the period under Review**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- **Not Applicable during the period under Review**
- (vi) The other laws as are applicable specifically to the Company are complied as per representation made by the management of company during the period under review.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India-

*(ii) The Listing Agreement entered into by the Company with BSE Ltd

*Note: The Company is in the process of complying with the requirement of Rule 19(2)(b) of Securities Contract (Regulation) (Amendment) Rules, 2010, with regard to achieving public shareholding to the prescribed minimum level of 25% of the total equity shares issued by the Company.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that, during the year under review:

The status of the Company during the financial year has been that of a Equity Listed Public Company.

The Board of Directors of the Company is duly constituted with proper balance of, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All the resolutions are passed by the Board unanimously and accordingly recorded in the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the Audit period, there were no specific event/action having a major bearing on the Companies affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**Shravan A. Gupta & Associates
Practicing Company Secretary**

**Shravan A. Gupta
ACS: 27484, CP: 9990**

**Place: Mumbai
Date: May 18, 2018**

Annexure VI

Details pertaining to remuneration as required under section 197(12) of the Companies Act 2013 read with Rule 5 (1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014.

Sr. No	Requirement	Disclosure
1.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	Not applicable as none of the Directors is paid remuneration in any form other than sitting fees.
2.	The percentage increase in remuneration of each Director, CEO, CFO, Company Secretary or Manager if any, in the financial year.	Percentage increase in remuneration of Director or Manager is not applicable since they are not paid any remuneration. The Company Secretary was not in the services of the Company during FY 2016-17. Hence the disclosure w.r.t. percentage increase in remuneration during FY 2017-18 cannot be derived. There was 86.65 per cent decrease in salary of Chief Financial Officer.
3.	The percentage increase in the median remuneration of employees in the financial year	Since the Company had no employees on the rolls of the Company as on March 31, 2018, the percentage increase in the median remuneration of employees as compared to the last financial year cannot be derived.
4.	Number of permanent employees on the rolls of the Company	Nil
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Since the Company had no employees on the rolls of the Company as on March 31, 2018, the above cannot be derived.
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	It is hereby confirmed that the remuneration / reimbursement paid is as per the Remuneration Policy for Directors, Key managerial Personnel and other employees.

The Rule (5)(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company as none of the employee was in receipt of remuneration as prescribed under the above mentioned rule.

For and on behalf of the Board
Sanathnagar Enterprises Limited

Date : May 18, 2018
Place : Mumbai

Purnima Pavle
(Director)
DIN: 06705133

Bhushan Shah
(Director)
DIN: 07484485

Annexure VII

Details of conservation of energy, technology absorption, foreign exchange earnings and outgo

(A)	Conservation of energy	
(a)	Energy conservation measures taken	<ul style="list-style-type: none"> • Installation of solar powered street lights at its township projects • Use of variable frequency drives for all its elevators and air-conditioning equipment. • Occupation censor controlled lighting and air-conditioning through home automation in its projects. • Extensive use of materials like fly ash, GGBS, etc. at all its projects resulting in saving of cement thus indirectly saving energy consumed in manufacturing of cement. • At all its major projects electrical designs have been fine tuned to contain the voltage drop to less than 5%. • Use of low voltage PL lamps.
(b)	Capital Investment on Energy Conservations Equipment	<ul style="list-style-type: none"> • Variable frequency drives for all its elevators and air-conditioning equipment. • Censor controlled lighting and air-conditioning through home automation solar water heaters and solar powered street lights • Solar water heaters and solar powered street light
(c)	Steps taken for utilizing alternate source of energy	Same as above
(d)	Impact of measures for reduction of energy consumption	<ul style="list-style-type: none"> • Reduction in overall maximum demand for the electricity in all its projects and consequent energy saving benefits to the residents. • Measures to achieve eco balance have been taken at the major sites of large developments by providing extensive green cover and creating water bodies by treating waste water and rain harvesting. • Waste water equipment plants are installed at all major projects for treating waste water and utilising it for air-conditioning, watering of green spaces and flushing. • Providing dust control systems for the concrete batching plant across its projects. • Complete ban on use of mud bricks in construction and using light weight blocks which helps soil conservation and utilization of material like fly ash which otherwise would cause air pollution. • Minimise use of paper in its offices across all sites. • Regulated water and power supply to labour camps across all sites. • Plantation of large number of trees and providing extensive green cover creating water bodies to enhance the ecology and environment. • Use of fly ash and other minerals in the construction to reduce cement consumption thus indirectly saving the energy used for manufacture of cement. • State of the art electronic parking management system installed to accommodate and control the movement of large number of vehicles thus helping de-congestion of the roads in the area resulting in smooth and faster passing of traffic thereby reducing fuel consumption and pollution caused due to carbon monoxide by idle running of vehicles. • Use of crushed sand in the construction instead of natural sand thus helping environmental degradation as natural sand is normally dredged from the river beds. • Crushing stones obtained from excavation at the construction site itself thus saving the transportation for disposal of stones as well as import of crush aggregate, saving both ways transportation and thus saving fuel.

(B)	Technology absorption	
(a)	Efforts, in brief, made towards technology absorption, adaptation and innovation	Nil
(b)	Benefits derived as result of above efforts ,e.g., product improvement, cost reduction, product development, import substitution, etc	Nil
(c)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year), following information may be furnished a) Technology imported b) Year of import c) Has technology been fully absorbed? d) If not fully absorbed, areas where this has not taken place, reasons thereof	Nil
(d)	The expenditure incurred on Research and Development	Nil

For and on behalf of the Board
Sanathnagar Enterprises Limited

Date : May 18, 2018
Place : Mumbai

Purnima Pavle
(Director)
DIN: 06705133

Bhushan Shah
(Director)
DIN: 07484485

MANAGEMENT DISCUSSION AND ANALYSIS

Indian Economy

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation and International Monetary Fund and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6% in 2017-18 and is expected to grow 7.3% in 2018-19. India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group report and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity by the year 2040, according to a report by Price Waterhouse Coopers.

The Indian Real Estate Market

The Indian real estate sector, which includes the residential, office, retail, industrial and hospitality segments, is a key contributor to GDP growth, and one of the largest employers in India (*Source: Knight Frank, India Real Estate, Residential and Office, January to June 2017*).

Structural Reforms in the Indian Residential Real Estate Market

The Government of India along with the state governments has taken several initiatives to encourage the development in the sector. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies.

India jumped up 30 notches into the top 100 rankings on the World Bank's 'ease of doing business' index, thanks to major improvements in indicators such as resolving insolvency, paying taxes, protecting minority investors and getting credit.

The Government launched the "Housing for All by 2022" initiative projects having at least 50% of FSI (floor space index) consumed in units having carpet area of less than 60 square meters will qualify as infrastructure projects.

The Indian real estate sector has been historically unregulated and has faced delayed project deliveries and difficulties in dispute resolution. To safeguard consumers' interests, the Government of India enforced the Real Estate (Regulation and Development) Act, 2016 nationwide on May 1, 2017.

Hyderabad real estate

Hyderabad is leading other major metros in India with regard to real estate markets. The city has witnessed a downtime in real estate market during the year owing to the lack of systems and processes for the smooth implementation of the Real Estate (Regulation and Development) Act, 2016 (RERA). Compared to H2 2016; launches were down by 84%. On a year-on-year (YoY) comparison, they were down 70% in 2017. However with preference for ready to move in homes having completion certificate gave developers the opportunity to increase houses of such units by as much as 5–6%. The mismatch created in demand and supply because of new launches is further expected very few to push up prices of residential units, in Hyderabad in the coming days.

(*Source: Knight Frank Report*)

Our Business

The Company's Casa Paradiso project is a large mid income residential project with supersized 3 room residences in at Sanathnagar in Central Hyderabad. The target profile of this project is the middle / upper middle income segment of the market. The project has been designed by Hafeez Contractor, one of the India's largest and most reputed architectural firms.

INDEPENDENT AUDITOR'S REPORT

To The Members of Sanathnagar Enterprises Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Sanathnagar Enterprises Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended, and the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2018, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 28 & 29 to the Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section 11 of section 143 of the Act, we give in the 'Annexure B', a statement on the matters specified in paragraphs 3 and 4 of the Order.

For MSKA & Associates
(Formerly known as MZSK & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W

Abuali Darukhanawala
Partner
Membership No. 108053

Place : Mumbai
Date : May 18, 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SANATHNAGAR ENTERPRISES LIMITED FOR THE YEAR ENDED MARCH 31, 2018

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Sanathnagar Enterprises Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates
(Formerly known as MZSK & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W

Abuali Darukhanawala
Partner
Membership No. 108053

Place : Mumbai
Date : May 18, 2018

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SANATHNAGAR ENTERPRISES LIMITED FOR THE YEAR ENDED MARCH 31, 2018

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The Company does not hold any immovable properties (in nature of fixed assets). Accordingly the provisions stated in paragraph 3(i)(c) of the Order are not applicable to the Company.
- ii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stock and the book records.
- iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, there are no amounts outstanding which are in the nature of deposits as on March 31, 2018 and the Company has not accepted any deposits during the year.
- vi. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales-tax, service tax, value added tax, cess and any other statutory dues applicable to it. Further, no undisputed amount amounts payable in respect thereof were outstanding at the year-end for the period of more than six months from the date they become payable.
- (b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, sales-tax, service tax, value added tax and other statutory dues on account of any dispute, are as follows:

Name of the Statute	Name of the Dues	Amount (Rs. in Lakhs)	Amount paid under protest (Rs. In Lakhs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax (including Interest)	0.26	-	Assessment Year 2013-2014	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax (including Interest)	0.58	-	Assessment Year 2014-2015	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax (including Interest)	24.57	-	Assessment Year 2015-2016	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Penalty	8.86	-	Assessment Year 2013-2014	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Penalty	12.77	-	Assessment Year 2014-2015	Commissioner of Income Tax (Appeals)

- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, the provisions stated in paragraph 3(viii) of the Order is not applicable to the Company.

- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3(ix) of the Order are not applicable to the Company
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/ provided for managerial remuneration during the year. Accordingly, the provisions stated in paragraph 3(xi) of the Order are not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For MSKA & Associates
(Formerly known as MZSK & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W

Abuali Darukhanawala
Partner
Membership No. 108053

Place : Mumbai
Date : May 18, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

	Notes	As at 31-March-18 ₹ in Lakhs	As at 31-March-17 ₹ in Lakhs
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	7.26	10.48
Deferred Tax Assets (Net)	24	-	24.96
Total Non-Current Assets		7.26	35.44
Current Assets			
Inventories	3	94.41	605.15
Financial Assets			
Investments	4	-	225.29
Trade Receivables	5	73.90	2,992.02
Cash and Cash Equivalents	6	25.90	146.22
Current Tax Assets (Net)	7	463.92	339.87
Other Current Assets	8	164.20	133.46
Total Current Assets		822.33	4,442.01
Total Assets		829.59	4,477.45
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	9	315.00	315.00
Other Equity			
Retained Earnings	10	(1,419.10)	(1,247.04)
Other Reserves	11	3.76	3.76
Equity attributable to owners of the Company		(1,100.34)	(928.28)
Non-Current Liabilities			
Provisions	12	-	1.34
Total Non-Current Liabilities		-	1.34
Current Liabilities			
Financial Liabilities			
Borrowings	13	1,344.28	3,305.38
Trade Payables	14		
Due to Micro and Small Enterprises		-	0.65
Due to Others		262.04	537.68
Other Financial Liabilities	15	255.05	1,450.62
Provisions	16	-	0.83
Other Current Liabilities	17	68.56	109.23
Total Current Liabilities		1,929.93	5,404.39
Total Liabilities		1,929.93	5,405.73
Total Equity and Liabilities		829.59	4,477.45
Significant Accounting Policies	1		
See accompanying notes to the Financial Statements	1 - 40		

As per our attached Report of even date
For MSKA & Associates
(formerly known as MZSK & Associates)
Chartered Accountants
Firm Registration Number: 105047W

Abuali Darukhanawala
Partner
Membership No. 108053

Place : Mumbai
Date : 18-May-18

For and on behalf of the Board of Directors of
Sanathnagar Enterprises Limited

Purnima Pavle
(Director)
DIN : 06705133

Bhushan Shah
(Director)
DIN : 07484485

Vishal
Ghadigaonkar
(Chief Financial Officer)

Hitesh Marthak
(Company Secretary)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

	Notes	For the Year ended 31-March-18 ₹ in Lakhs	For the Year ended 31-March-17 ₹ in Lakhs
I INCOME			
Revenue From Operations	18	488.29	10,430.97
Other Income	19	127.54	183.62
Total Income		615.83	10,614.59
II EXPENSES			
Cost of Projects	20	544.53	8,628.63
Employee Benefits Expense	21	45.12	99.39
Finance Costs	22	6.76	950.75
Depreciation and Amortisation Expense	2	2.60	9.36
Other Expenses	23	164.05	243.17
Total Expense		763.06	9,931.30
III Profit/(Loss) Before Tax (I-II)		(147.23)	683.29
IV Tax Expense			
Current Tax	24	-	550.72
Deferred Tax		24.96	(301.35)
Total Tax Expense		24.96	249.37
V Profit/(Loss) for the year (III-IV)		(172.19)	433.92
VI Other Comprehensive Income (OCI)			
A. Items that will not be reclassified to Statement of Profit and Loss			
Remeasurements on Defined Benefit Plans		0.13	1.44
Income Tax Effect		-	(0.50)
		0.13	0.94
B. Items that will be reclassified to Statement of Profit and Loss		-	-
		-	-
Total Other Comprehensive Income for the year (Net of Tax) (A+B)		0.13	0.94
VII Total Comprehensive Income for the year (VI + VII)		(172.06)	434.86
VIII Earnings per Equity Share (in ₹)			
(Face value of ₹ 10 per Equity Share)			
Basic	37	(5.46)	13.78
Diluted		(5.46)	13.78
Significant Accounting Policies	1		
See accompanying notes to the Financial Statements	1 - 40		

As per our attached Report of even date
For MSKA & Associates
(formerly known as MZSK & Associates)
Chartered Accountants
Firm Registration Number: 105047W

Abuali Darukhanawala
Partner
Membership No. 108053

Place : Mumbai
Date : 18-May-18

For and on behalf of the Board of Directors of
Sanathnagar Enterprises Limited

Purnima Pavle
(Director)
DIN : 06705133

Bhushan Shah
(Director)
DIN : 07484485

Vishal
Ghadigaonkar
(Chief Financial Officer)

Hitesh Marthak
(Company Secretary)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2018

	For the Year ended 31-March-18 ₹ in Lakhs	For the Year ended 31-March-17 ₹ in Lakhs
(A) Operating Activities		
Profit/(Loss) Before Tax	(147.23)	683.29
Adjustments for:		
Depreciation Expense	2.60	9.36
Gains arising from Fair Valuation of Financial Instruments	0.29	(0.29)
Interest Income	-	(13.83)
Finance Costs	6.76	950.75
Sundry Balances/ Excess Provisions written back (net)	(98.14)	(167.58)
Dividend on Current Investments	(5.41)	-
Working Capital Adjustments:		
Decrease/(Increase) in Trade and Other Receivables	2,887.38	(1,940.29)
Decrease in Inventories	510.74	8,506.78
Decrease in Trade and Other Payables	(519.03)	(1,076.18)
Cash generated from Operating Activities	2,637.97	6,952.01
Income Tax (paid) (net)	(124.05)	(95.93)
Net Cash Flows from Operating Activities	2,513.92	6,856.08
(B) Investing Activities		
Sale of Property, Plant and Equipment	0.62	-
Purchase of Current Investments	-	(225.00)
Sale of Current Investments	225.00	-
Dividend Received	5.41	-
Interest Received	-	17.94
Net Cash Flows from / (used in) Investing Activities	231.03	(207.06)
(C) Financing Activities		
Finance Costs paid	(904.17)	(1,386.51)
Repayment of borrowings	(1,961.10)	(5,240.93)
Net Cash Flows used in Financing Activities	(2,865.27)	(6,627.44)
(D) Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C) :	(120.32)	21.58
Cash and Cash Equivalents at the beginning of the year	146.22	124.64
Cash and Cash Equivalents at end of the year	25.90	146.22

As per our attached Report of even date
For MSKA & Associates
(formerly known as MZSK & Associates)
Chartered Accountants
Firm Registration Number: 105047W

Abuali Darukhanawala
Partner
Membership No. 108053

Place : Mumbai
Date : 18-May-18

For and on behalf of the Board of Directors of
Sanathnagar Enterprises Limited

Purnima Pavle
(Director)
DIN : 06705133

Vishal
Ghadigaonkar
(Chief Financial Officer)

Bhushan Shah
(Director)
DIN : 07484485

Hitesh Marthak
(Company Secretary)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018**(A) EQUITY SHARE CAPITAL**

Particulars	₹ in Lakhs	
	As at 31-March-18	As at 31-March-17
Balance at the beginning of the reporting year	315.00	315.00
Changes in Equity Share Capital during the reporting year	-	-
Balance at the end of the reporting year	315.00	315.00

(B) OTHER EQUITY

Particulars	Reserves and Surplus		Total
	Capital Reserve	Retained Earnings	
As at 01-April -17	3.76	(1,247.04)	(1,243.28)
Loss for the year	-	(172.19)	(172.19)
Other Comprehensive Income	-	0.13	0.13
Total Comprehensive Income for the year	-	(172.06)	(172.06)
As at 31-March-18	3.76	(1,419.10)	(1,415.34)

Particulars	Reserves and Surplus		Total
	Capital Reserve	Retained Earnings	
As at 01-April -16	3.76	(1,681.90)	(1,678.14)
Profit for the year	-	433.92	433.92
Other Comprehensive Income	-	0.94	0.94
Total Comprehensive Income for the year	-	434.86	434.86
As at 31-March -17	3.76	(1,247.04)	(1,243.28)

As per our attached Report of even date
For MSKA & Associates
(formerly known as MZSK & Associates)
Chartered Accountants
Firm Registration Number: 105047W

Abuali Darukhanawala
Partner
Membership No. 108053

Place : Mumbai
Date : 18-May-18

For and on behalf of the Board of Directors of
Sanathnagar Enterprises Limited

Purnima Pavle
(Director)
DIN : 06705133

Bhushan Shah
(Director)
DIN : 07484485

Vishal
Ghadigaonkar
(Chief Financial Officer)

Hitesh Marthak
(Company Secretary)

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

1 SIGNIFICANT ACCOUNTING POLICIES

A Company's Background

Sanathnagar Enterprises Limited (the Company) is a public limited company domiciled and incorporated in India under the Companies Act, 1956 vide CIN - L99999MH1947PLC252768. The Company's registered office is located at 412, Floor - 4, 17 G Vardhaman Chamber, Cawasji Patel Road, Horniman Circle, Fort, Mumbai - 400001. The Company is primarily engaged in the business of real estate development.

B Significant Accounting Policies

I Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

The financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lakhs except when otherwise indicated.

II Summary of Significant Accounting Policies

1 Current and Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle.
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- i) It is expected to be settled in normal operating cycle
- ii) It is held primarily for the purpose of trading
- iii) It is due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The operating cycle of the Company's real estate operations varies from project to project depending on the size of the project, type of development, project complexities and related approvals. Assets and Liabilities are classified into current and non-current based on the operating cycle.

2 Property, Plant and Equipment

i. Recognition and measurement

All property, plant and equipment except freehold land are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisitions of the items. Cost includes freight, duties, taxes, borrowing cost and incidental expenses related to the acquisition and installation of the asset.

ii. Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits of the expenditure will flow to the Company. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

iii. Derecognition

The carrying amount of an item of Property, Plant and Equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of Property, Plant and Equipment

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

iv. Depreciation

Depreciation is calculated on a written down value basis over the estimated useful lives of the assets as specified in Schedule II of Companies Act, 2013 except for Site/Sales Offices and Sample Flats wherein the estimated useful lives is determined by the management.

Sr. No.	Property, Plant and Equipment	Useful life (Years)
i)	Site/Sales Offices and Sample Flats	8
ii)	Plant and Equipment	15
iii)	Furniture and Fixtures	10
iv)	Office Equipment	5
v)	Computers	
	(a) Servers and networks	6
	(b) End user devices, such as, desktops, laptops, etc.	3

Depreciation on assets sold during the year is charged to the Statement of Profit and Loss up to the month preceding the month of sale.

3. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each item of inventory to its present condition are accounted for as follows:

- Stock of Building Materials and Traded Goods is valued at lower of cost and net realizable value. Cost is generally ascertained on weighted average basis.
- Work-in-progress represents cost incurred in respect of unsold area of the real estate development projects and the costs incurred on the projects where the revenue is yet to be recognized.
- Completed unsold inventory is valued at lower of Cost and Net Realizable Value.
- Cost for this purpose includes cost of land, shares with occupancy rights, Transferrable Development Rights, premium for development rights, borrowing costs, construction / development cost and other overheads incidental to the projects undertaken.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated cost necessary to make the sale.

4 Provisions and Contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure of contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

5 Impairment of Non-Financial Assets (excluding Inventories, Investment Properties and Deferred Tax Assets)

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest Group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs').

6 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

The Company classifies its financial assets in the following measurement categories.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

- those to be measured subsequently at fair value (either through OCI, or through profit or loss)
- those measured at amortised cost

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment if any, are recognised in the statement of profit or loss.

Debt instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent solely payments of principal and interest.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company does not have any debt instruments which meets the criteria for measuring the debt instrument at FVTOCI.

Debt instrument at FVTPL

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'Accounting Mismatch'). The Company has not designated any debt instrument at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes in Fair value recognized in the Statement of Profit and Loss.

Equity investments

All equity investments, except investments in fellow subsidiaries and associates are measured at FVTPL. The Company may make an irrevocable election on initial recognition to present in OCI any subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis.

Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of Financial Assets

The Company assess on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVTOCI debts instruments. The impairment methodology applied depends on whether there has been significant increase in credit risk. For trade receivables, the Company is not exposed to any credit risk as the possession of residential and commercial units is handed over to the buyer only after all the installments are recovered.

For financial assets carried at amortised cost, the carrying amount is reduced and the amount of the loss is recognised in the statement of profit and loss. Interest income on such financial assets continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. Financial asset together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or decreased. If a write-off is later recovered, the recovery is credited to finance costs.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of financial liability not recorded at FVTPL, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities measured at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Reclassification of Financial Assets and Financial Liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's management determines change in the business model as a result of external or internal

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Ind AS Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

7 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability, or-
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

8 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

9 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria are described below:

i) Income from Property Development:

Property development involves such activities of real estate development which has the same economic substance as construction contracts. Therefore, percentage completion method is applied for recognising revenue, costs and profits from transactions in property developments.

Income from property development is recognized upon transfer of all significant risks and rewards of ownership to the buyers and no significant uncertainty exists regarding the amount of consideration and ultimate collection. The point of time at which all significant risks and rewards of ownership can be considered as transferred, is determined on the basis of the terms and conditions of the agreement for sale.

The Guidance Note on Accounting under Ind AS for Real Estate Transactions requires recognition of revenue under percentage of completion method only when, all critical approvals for project commencement have been obtained, on incurring at least 25% of estimated construction and development cost (excluding land and borrowing cost), at least 25% of the total saleable area is secured by agreement or letter of allotment (containing salient terms of agreement to sell)with buyers and receipt of 10% of the sales consideration per contract. The percentage of completion is worked out based on the total project cost incurred to the total estimated project cost including land and borrowing cost.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

As the projects necessarily extend beyond one year, revision in costs and revenues estimated during the course of the contract are reflected in the accounting period in which the said estimates are revised.

Determination of revenue under the percentage of completion method necessarily involves making estimates by the Company, some of which are technical in nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenues from the project and the foreseeable losses to completion. Provision for foreseeable losses, determination of profit from real estate projects and valuation of construction work in progress is based on such estimates.

ii) Interest Income

For all debt instruments measured at amortised cost. Interest income is recorded using the effective interest rate (EIR).

10 Current Income Tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable profit for the period. The tax rates and tax laws used to compute the amount are those that are enacted by the reporting date and applicable for the period

Deferred Tax

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for all deductible and taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amount in financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of transaction.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax asset in respect of carry forward of unused tax credits and unused tax losses are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal tax during the specified period.

Presentation of Current and Deferred Tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in OCI, in which case, the current and deferred tax income/ expense are recognized in OCI. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

14 Borrowing Costs

Borrowing costs that are directly attributable to long term project development activities are inventorised / capitalized as part of project cost.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

15 Earnings Per Share

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

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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2018

2 Property, Plant and Equipment

Particulars	₹ in Lakhs					
	Site / Sales Offices and Sample Flats	Plant and Equipment	Furniture and Fixtures	Office Equipments	Computers	Total
Gross Carrying Amount						
As at 1-April-16	431.79	24.36	16.81	20.07	0.14	493.17
Additions	-	-	-	-	-	-
As at 31-March-17	431.79	24.36	16.81	20.07	0.14	493.17
Additions	-	-	-	-	-	-
Disposals / Adjustments	-	(1.02)	-	-	-	(1.02)
As at 31-March-18	431.79	23.34	16.81	20.07	0.14	492.15
Depreciation and Impairment						
As at 1-April-16	431.79	11.20	12.70	17.50	0.14	473.33
Depreciation charge for the year	-	7.71	0.70	0.95	-	9.36
As at 31-March-17	431.79	18.91	13.40	18.45	0.14	482.69
Depreciation charge for the year	-	0.99	0.88	0.73	-	2.60
Disposals / Adjustments	-	(0.40)	-	-	-	(0.40)
As at 31-March-18	431.79	19.50	14.28	19.18	0.14	484.89
Net Carrying Value						
As at 31-March-18	-	3.84	2.53	0.89	-	7.26
As at 31-March-17	-	5.45	3.41	1.62	-	10.48

	As at	
	31-March-18 ₹ in Lakhs	31-March-17 ₹ in Lakhs
3 Inventories		
Building Materials	8.93	10.65
Finished Stock	85.48	594.50
Total	94.41	605.15
	Face value (₹)	Amount
4 Current Investments		
Quoted Investment at fair value through Profit and Loss		
In Mutual Fund		
Reliance Liquid Fund		
Numbers		14,737
Amount	100	225.29
		225.29
Aggregate book value of quoted investments		225.29
Aggregate market value of quoted investments		225.29

	As at 31-March-18 ₹ in Lakhs	As at 31-March-17 ₹ in Lakhs
5 Trade Receivables (Unsecured)		
Considered Good	73.90	2,992.02
Total	73.90	2,992.02
(i) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. No trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.		
(ii) Trade receivables net of advances are settled as per agreed terms.		
6 Cash and Cash Equivalents		
Balances with Banks	25.90	135.21
Cash on Hand	-	11.01
Total	25.90	146.22
7 Current Tax Assets (Net)		
Income Tax Payments (Net of Provisions)	463.92	339.87
Total	463.92	339.87
8 Other Current Assets (Unsecured, Considered Good unless otherwise stated)		
Advances/ Deposits to / for :		
Suppliers and Contractors	14.49	19.61
Employees	-	0.29
Indirect Tax Receivable	149.71	113.57
Total	164.20	133.46
9 Equity Share Capital		
A) Authorised Share Capital Numbers		
Balance at the beginning of the year	147,000,000	147,000,000
Increase/(Decrease) during the year	-	-
Balance at the end of the year	147,000,000	147,000,000
Amount		
Balance at the beginning of the year	1,470.00	1,470.00
Increase/(Decrease) during the year	-	-
Balance at the end of the year	1,470.00	1,470.00

	As at 31-March-18 ₹ in Lakhs	As at 31-March-17 ₹ in Lakhs
9.50% Redeemable Cumulative Preference Shares of ₹ 50 each		
Numbers		
Balance at the beginning of the year	7,520	7,520
Increase/(Decrease) during the year	-	-
Balance at the end of the year	7,520	7,520
Amount		
Balance at the beginning of the year	3.76	3.76
Increase/(Decrease) during the year	-	-
Balance at the end of the year	3.76	3.76
Unclassified Shares *		
Balance at the beginning of the year	26.24	26.24
Increase/(Decrease) during the year	-	-
Balance at the end of the year	26.24	26.24
* Unclassified Shares shall be divided into such number of class or classes and of such denominations as the Company may determine from time to time by Special Resolution.		
B) Issued Equity Capital		
Equity Shares of ₹ 10 each issued, Subscribed and fully paid up		
Numbers		
Balance at the beginning of the year	3,150,000	3,150,000
Increase/(Decrease) during the year	-	-
Balance at the end of the year	3,150,000	3,150,000
Amount		
Balance at the beginning of the year	315.00	315.00
Increase/(Decrease) during the year	-	-
Balance at the end of the year	315.00	315.00
C) Terms/ rights attached to Equity Shares		
The Company has only one class of equity shares having par value of ₹10 per share		
Each Shareholder is entitled for one vote per share. The Shareholders have the right to receive interim dividends declared by the Board of Directors and final dividend proposed by the Board of Directors and approved by the Shareholders.		
In the event of liquidation, the shareholders will be entitled in proportion to the number of equity shares held by them to receive remaining assets of the Company, after distribution of all preferential amounts.		
D) Shares held by Holding Company		
Siddhnath Residential Paradise Pvt. Ltd.		
Numbers	2,834,528	2,834,528
Amount	283.45	283.45
E) Details of Shareholders holding more than 5% shares in the Company		
Siddhnath Residential Paradise Pvt. Ltd.		
Numbers	2,834,528	2,834,528
% of Holding	89.99%	89.99%

	As at 31-March-18 ₹ in Lakhs	As at 31-March-17 ₹ in Lakhs
10 Retained Earnings		
Balance at the beginning of the year	(1,247.04)	(1,681.90)
Increase/(Decrease) during the year	(172.06)	434.86
Balance at the end of the year	(1,419.10)	(1,247.04)
11 Other Reserves		
Capital Redemption Reserve		
Balance at the beginning of the year	3.76	3.76
Increase/(Decrease) during the year	-	-
Balance at the end of the year	3.76	3.76
12 Non-Current Provisions		
Employee Benefits		
Gratuity	-	0.42
Leave Obligation	-	0.92
Total	-	1.34
13 Current Borrowings		
Unsecured :		
Related Parties	1,344.28	3,305.38
Total	1,344.28	3,305.38
From Related Parties	1,344.28	3,305.38
Repayable on demand		
Effective Rate of Interest :		
Rate of Interest : Current Year Interest Free, Previous Year 13.65%		
14 Current Trade Payables		
Due to Micro and Small Enterprises	-	0.65
Due to Others	262.04	537.68
Total	262.04	538.33
Terms and conditions:		
i) Trade payables are non-interest bearing and are normally settled as per agreed terms.		
ii) For terms and conditions with related parties, refer to Note 29		
15 Other Current Financial Liabilities		
Advances Received from Customers	243.38	434.67
Interest accrued but not due	1.80	899.21
Other Payables :		
Payable on Cancellation of Allotted units	9.87	116.73
Total	255.05	1,450.62
16 Current Provisions		
Employee Benefits		
Gratuity	-	0.44
Leave Entitlements	-	0.39
Total	-	0.83
17 Other Current Liabilities		
Other Payables		
Duties and Taxes	9.29	5.65
Employees	-	0.31
Other Liabilities	59.27	103.28
Total	68.56	109.23

	For the Year ended 31-March-18 ₹ in Lakhs	For the Year ended 31-March-17 ₹ in Lakhs
18 Revenue From Operations		
Income From Property Development	487.44	10,419.49
Other Operating Revenue	0.85	11.48
Total	488.29	10,430.97
19 Other Income		
Interest Income on:		
Customers' Overdues	-	13.83
Dividend Income on Current Investments	5.41	-
Gains arising from Fair Valuation of Financial Instruments	-	0.29
Sundry Balances /Excess Provision Written Back (Net)	98.14	167.58
Miscellaneous Income	23.99	1.92
Total	127.54	183.62
20 Cost of Projects		
Opening Stock		
Finished Units	594.50	9,079.70
Add: Expenditure during the year :		
Land, Construction and Development Cost	32.31	96.10
Consumption of Building Materials	0.54	48.81
Other Construction Expenses	5.46	-
	632.81	9,224.61
Less: Others	(2.80)	(1.48)
	630.01	9,223.13
Less: Closing Stock		
Finished Units	(85.48)	(594.50)
	(85.48)	(594.50)
Total	544.53	8,628.63
21 Employee Benefits Expense		
Salaries and Wages*	42.71	88.87
Contribution to Provident and Other Funds	0.71	2.22
Staff Welfare	1.70	8.30
Total	45.12	99.39
* Salaries and wages includes ₹19.47 Lakhs (31-March-17 ₹ 88.87 Lakhs) reimbursable to fellow subsidiary.		
22 Finance Costs		
Interest Expense on Borrowings and others	6.76	950.75
Total	6.76	950.75

	For the Year ended 31-March-18 ₹ in Lakhs	For the Year ended 31-March-17 ₹ in Lakhs
23 Other Expenses		
Rent	-	15.18
Rates and Taxes -Others	14.50	4.30
Insurance	-	0.78
Printing and Stationery	0.32	2.64
Legal and Professional	9.24	22.61
Payment to Auditors as:		
Audit Fees	2.50	3.50
Taxation Matters	0.50	0.50
Other Services	1.00	1.00
Business Promotion	21.15	35.38
Brokerage and Commission	32.11	83.60
Compensation	47.95	15.18
Office Expenses	28.13	20.04
Miscellaneous Expenses	6.63	38.46
Total	164.05	243.17

24 Tax Expense:**a. The major components of Income Tax Expense for the years ended 31-March-18 and 31-March-17 are:**

	For the Year ended 31-March-18 ₹ in Lakhs	For the Year ended 31-March-17 ₹ in Lakhs
1 Income Tax recognized in the Statement of Profit and Loss		
Current Income Tax Expense:		
Current Income Tax charge	-	550.72
Total	-	550.72
Deferred Tax Expense/(Benefit):		
Origination and reversal of Temporary Differences	24.96	(302.06)
Adjustments in respect of current Income Tax of previous year	-	0.71
Total	24.96	(301.35)
Income Tax Expense reported in the Statement of Profit or Loss	24.96	249.37
2 Income Tax recognized in OCI		
Deferred Tax Expense/(Benefit) :		
Deferred Tax expense on remeasurements of defined benefit plans	-	(0.50)
Income tax charged to OCI	-	(0.50)

b. Reconciliation of Tax Expense and the Accounting Profit for the year is as under:

	For the Year ended 31-March-17 ₹ in Lakhs	For the Year ended 31-March-16 ₹ in Lakhs
Accounting Profit before Income Tax	(147.23)	683.29
Income tax expense calculated at corporate tax rate	50.95	(236.48)
Tax effect of adjustment to reconcile expected income tax expense to reported		
Income Tax expense:		
Deductible expenses for tax purposes:		
Loss adjusted	-	749.83
Other deductible expenses	-	9.55
Non-deductible expenses for tax purposes:		
Permanent disallowance of expenses	-	(761.64)
Other non-deductible expenses	(25.98)	(1.04)
Interest on Tax	-	(10.30)
Adjustments in respect of deferred tax of previous year(s)	-	0.71
Total	24.96	(249.37)

c. The major components of Deferred Tax Assets arising on account of temporary differences are as follows:

Deferred tax relates to the following:	Balance sheet	
	As at 31-March-18 ₹ in Lakhs	As at 31-March-17 ₹ in Lakhs
Accelerated depreciation for tax purposes	-	94.01
Capital Gain on conversion of Investments to Stock-in-Trade	-	(69.99)
Others	-	0.95
Net Deferred Tax Assets	-	24.96

	Profit and loss	
	For the Year ended 31-March-18 ₹ in Lakhs	For the Year ended 31-March-17 ₹ in Lakhs
Accelerated depreciation for tax purposes	-	(19.90)
Expenses allowable but not charged to Statement of Profit and Loss	-	831.57
Capital Gain on conversion of Investments to Stock-in-Trade	-	(516.50)
Others	(24.96)	5.69
Deferred Tax (Expense)/Income	(24.96)	300.86

d. Reconciliation of Deferred Tax Assets/(Liabilities) (Net) :

	Balance sheet	
	As at 31-March-18 ₹ in Lakhs	As at 31-March-17 ₹ in Lakhs
Opening balance	24.96	(275.90)
Tax Income/(Expense) during the year recognised in Statement of Profit and Loss	(24.96)	300.36
Tax income/(expense) during the year recognised in OCI	-	0.50
Closing balance	-	24.96

25 Category wise classification of Financial Instruments

	As at 31-March-18 ₹ in Lakhs	As at 31-March-17 ₹ in Lakhs
Financial Assets carried at Amortised Cost		
Trade Receivables	73.90	2,992.02
Cash and Cash Equivalents	25.90	146.22
	99.80	3,138.24
Financial Liabilities carried at Amortised Cost		
Borrowings	1,344.28	3,305.38
Trade Payables	262.04	538.33
Other Financial Liabilities	255.05	1,450.62
	1,861.37	5,294.33

26 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Judgements, Estimates and Assumptions

The Company makes certain judgement, estimates and assumptions regarding the future. Actual experience may differ from these judgements, estimates and assumptions. The estimates and assumptions that have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

(i) Useful Life of Property, Plant and Equipments

The Company determines the estimated useful life of its Property, Plant and Equipments for calculating depreciation. The estimate is determined after considering the expected usage of the assets or physical wear and tear. The Company periodically reviews the estimated useful life and the depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

(ii) Income Taxes

Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

(iii) Defined Benefit Plans (Gratuity And Leave Obligation Benefits)

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

(iv) Fair Value Measurement Of Financial Instruments

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

(v) Revenue Recognition

Determination of revenue under the percentage of completion method necessarily involves making estimates by the Company, some of which are technical in nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenues from the project and the foreseeable losses to completion. Provision for foreseeable losses, determination of profit from real estate projects and valuation of construction work in progress is based on such estimates.

(vi) Going Concern

Company has an accumulated losses of ₹ 1,419.10 lakhs as at March 31, 2018. The financial statements have been prepared on going concern basis which assumes that the Holding company will continue to support all the financial related activities of the Company. Management is not aware of any uncertainties that may cast significant doubt upon the Company's ability to continue as going concern basis.

27 Gratuity and Leave Obligation

	As at 31-March-18 ₹ in Lakhs	As at 31-March-17 ₹ in Lakhs
Gratuity	-	0.86
Leave Obligation	-	1.31
Total	-	2.17

The Company has a funded defined benefit gratuity plan and is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Leave Obligation

Changes in the present value of the defined benefit obligation	₹ in lakhs
Defined benefit obligation at 01-April-16	6.83
Interest cost	0.52
Current service cost	0.64
Transfer in/(out) obligation	(4.86)
Actuarial gain and losses	0.33
Benefits paid	(2.15)
Defined benefit obligation at 31-March-17	1.31
Interest cost	-
Current service cost	-
Transfer in/(out) obligation	-
Actuarial gain and losses	-
Benefits paid	(1.31)
Defined benefit obligation at 31-March-18	(0.00)

Gratuity Benefits	Obligation ₹ in lakhs	Fund ₹ in lakhs	Total ₹ in lakhs
Changes in the present value of the defined benefit obligation are, as follows			
Defined benefit obligation at 01-April-16	6.83	(0.45)	6.38
Current service cost	1.95	-	1.95
Interest cost	0.52	(0.09)	0.43
Transfer in/(out) obligation	(4.70)	0.44	(4.26)
Return on plan assets	-	0.02	0.02
Actuarial gain and losses	(1.76)	-	(1.76)
Benefits paid	(1.90)	-	(1.90)
Defined benefit obligation at 31-March-17	0.94	(0.08)	0.86
Current service cost	-	-	-
Interest cost	-	-	-
Transfer in/(out) obligation	-	-	-
Return on plan assets	-	-	-
Actuarial gain and losses	-	-	-
Benefits paid	(0.94)	0.08	(0.86)
Defined benefit obligation at 31-March-18	-	-	(0.00)

	31-March-18 %	31-March-17 %
Discount rate:		
Gratuity	-	7.35%
Leave Obligation	-	7.35%
Future salary increases:		
Gratuity	-	5.00%
Leave Obligation	-	5.00%

Mortality Rate : Indian Assured Lives Mortality (2006-08) Table

Gratuity:

Assumptions	31-March-18		31-March-17	
	Increase ₹ in lakhs	Decrease ₹ in lakhs	Increase ₹ in lakhs	Decrease ₹ in lakhs
Sensitivity Level				
Impact on defined benefit obligations				
Discount Rate @ 0.5%	-	-	1.28	1.48
Future Salary @ 0.5%	-	-	1.48	1.28

Leave Obligation :

Assumptions	31-March-18		31-March-17	
	Increase ₹ in lakhs	Decrease ₹ in lakhs	Increase ₹ in lakhs	Decrease ₹ in lakhs
Sensitivity Level				
Impact on defined benefit obligations				
Discount Rate @ 0.5%	-	-	1.25	1.37
Future Salary @ 0.5%	-	-	1.37	1.25

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

	31-March-18 ₹ in lakhs	31-March-17 ₹ in lakhs
Within the next 12 months (next annual reporting period)	-	0.05
Between 2 and 5 years	-	0.30
Between 5 and 10 years	-	0.41
Total expected payments	-	0.76

The average duration of the defined benefit plan obligation w.r.t. gratuity at the end of the reporting period is Nil (31-March-17: 5.08 years).

28 Commitments and contingencies

A. Contingent liabilities

	As at 31-March-18 ₹ in lakhs	As at 31-March-17 ₹ in lakhs
Claims against the company not acknowledged as debts		
Disputed Taxation Matters	25.41	8.88
Others	-	277.39
Total	25.41	286.27

1 The Contingent Liabilities exclude undeterminable outcome of pending litigations.

2 The Company has assessed that it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

B. Penalties under section 271D and 271E of the Income Tax Act, 1961 have been levied by the Income Tax Department for various Assessment years. Penalties levied by the department on similar facts have been deleted by the Appellate authorities on the basis of the decision of Hon'ble Delhi High Court in the case of CIT vs Worldwide Township Projects Ltd and by Hon'ble Supreme Court in the case of CIT vs Dinesh Jain. Now, in similar cases in Group entities, the Hon'ble Bombay High Court has rendered a judgement holding that levy of penalty in similar circumstances is not sustainable. Consequently provision for the same is not considered necessary by the management.

29 Related party transactions

Information on Related Party Transactions as required by IND-AS 24 'Related Party Disclosure'.

A. List of other related parties:

(As identified by the management), unless otherwise stated

I Person having Control or joint control or significant influence

- | | |
|------------------------------|-------------------|
| 1 Mangal Prabhat Lodha (MPL) | Person in Control |
| 2 Abhishek Lodha | Son |

II Close family members of person having Control

- | | |
|---------------|------------|
| Manjula Lodha | Wife |
| Vinti Lodha | Son's wife |

III Ultimate Holding Company

- 1 Sambhavnath Infrabuild and Farms Pvt. Ltd.

IV Holding Company

- 1 Lodha Developers Ltd. (Holding Company of SRPPL)
- 2 Siddhnath Residential Paradise Pvt. Ltd. (SRPPL)

V Subsidiaries of Ultimate Holding Company / Holding Company (with whom the Company had transactions)

- 1 Bellissimo Crown Buildmart Pvt. Ltd. (Merged with Lodha Developers Ltd. w.e.f. 2-Feb-18)
- 2 Bellissimo Developers Thane Pvt. Ltd. (Formerly known as Lodha Developers Thane Pvt. Ltd.)
- 3 Jawala Real Estate Pvt. Ltd. (Merged with Lodha Developers Ltd. w.e.f 8-Nov-17)
- 4 Nabhiraja Software Design Pvt. Ltd.

- 5 Palava Dwellers Pvt. Ltd. (Formerly known as Eisa Trading Private Limited) (from 1-April-17)
- 6 Palava Dwellers Pvt. Ltd. (Merged with Lodha Developers Ltd. w.e.f 16-Feb-18)
- 7 Shreeniwas Cotton Mills Ltd.

VI Limited Liability Partnership Under Control :

- 1 Lodha Fincorp Distribution Services LLP

VII Partnership Firms Under Control :

- 1 Vivek Enterprises (Converted to Bellissimo Vivek Enterprises Dwellers Pvt.Ltd. W.e.f 28-December-2017)
- 2 Mahavir Associates (Converted into Bellissimo Mahavir Associates Dwellers Pvt. Ltd w.e.f. 25-August-2017)

VIII Associates

- 1 Kora Construction Pvt. Ltd.
- 2 Lodha Developers International (Jersey) I Holdings Ltd.

IX Entities controlled by person having Control or Joint Control (Others)

- 1 Bellissimo Healthy Constructions and Developers Pvt. Ltd.

(i) Outstanding Balances:

Sr. No.	Nature of Transactions	As on	Ultimate Holding Company/ Subsidiaries/ Fellow Subsidiaries	₹ in Lakhs	
				Partnership Firms / Limited Liability Partnership Under Control	Others
1	Loans taken	31-March-18	1,344.28		
		31-March-17	3,305.38	-	-
2	Trade Payables	31-March-18	20.02	-	-
		31-March-17	26.90	-	-
3	Interest accrued but not due	31-March-18	1.80	-	-
		31-March-17	899.20	-	-

(ii) Disclosure in respect of transactions with parties:

Sr No	Nature of Transactions	Particulars	Relationship	₹ in Lakhs	
				For the Year ended 31-Mar-18	31-Mar-17
1	Sale of Building Materials	Bellissimo Healthy Constructions and Developers Pvt. Ltd.	Others	-	12.91
		Jawala Real Estate Pvt. Ltd.	Fellow Subsidiary	-	1.44
2	Interest Expense	Jawala Real Estate Pvt. Ltd.	Fellow Subsidiary	-	836.56
		Lodha Developers Ltd.	Holding Company	-	51.01
		Nabhiraja Software Design Pvt. Ltd.	Fellow Subsidiary	2.00	1.07
3	Amount paid on behalf of	Palava Dwellers Pvt. Ltd.	Fellow Subsidiary	-	0.61
		Nabhiraja Software Design Pvt. Ltd.	Fellow Subsidiary	-	0.55
		Shreeniwas Cotton Mills Ltd.	Fellow Subsidiary	-	0.12
		Bellissimo Healthy Constructions and Developers Pvt. Ltd.	Others	4.64	68.65

Sr No	Nature of Transactions	Particulars	Relationship	For the Year ended	
				31-Mar-18	31-Mar-17
4	Amount paid on behalf by	Bellissimo Healthy Constructions and Developers Pvt. Ltd.	Others	-	6.85
		Bellissimo Developers Thane Pvt. Ltd.	Fellow Subsidiary	-	4.45
		Palava Dwellers Pvt. Ltd.	Fellow Subsidiary	0.65	0.07
		Nabhiraja Software Design Pvt. Ltd.	Fellow Subsidiary	0.60	1.08
		Bellissimo Crown Buildmart Pvt. Ltd.	Fellow Subsidiary	-	53.84
5	Reimbursement Given	Nabhiraja Software Design Pvt. Ltd.	Fellow Subsidiary	1.98	-
6	Loans Taken/ (returned)(Net)	Lodha Developers Ltd.	Holding Company	(1,961.10)	2,851.80
		Jawala Real Estate Pvt. Ltd.	Fellow Subsidiary	-	2,647.49
7	Salaries and Wages	Nabhiraja Software Design Pvt. Ltd.	Fellow Subsidiary	19.47	58.85

i) Terms and conditions of transaction with related parties

The management is of the opinion that the transactions with related parties are done at arm's length.

ii) Terms and conditions of outstanding balances with related parties

a) Receivables from Related parties

The receivables from related parties arise mainly from sale transactions and services rendered and are received as per agreed terms. No provisions are held against receivables from related parties.

b) Payable to related parties

The payables to related parties arise mainly from purchase transactions and services received and are paid as per agreed terms.

30 Segment information

For management purposes, the Company is into one reportable segment ie Real Estate development.

The Managing Director is the Chief Operating Decision Maker of the company who monitors the operating results of its company for the purpose of making decisions about resource allocation and performance assessment. Company's performance as single segment is evaluated and measured consistently with profit or loss in the financial statements. Also, the Company's financing (including finance costs and finance income) and income taxes are managed on a Company basis.

31 Financial Instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

32 Fair value measurement

The following table provides the fair value measurement hierarchy of the Company's financial assets and financial liabilities.

	Fair value measurement using			
	Total	Quoted prices in active markets	Significant observable inputs	Significant Unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
Financial Assets measured at fair value				
Profit and Loss				
Investment in Mutual Funds				
As at 31-March-18:	-	-	-	-
As at 31-March-17:	225.29	225.29	-	-

33 Financial risk management objectives and policies

The Company's principal financial liabilities comprise mainly of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans and advances, trade and other receivables, cash and cash equivalents and Other balances with Bank.

The Company is exposed through its operations to the following financial risks:

- Market risk
- Credit risk, and
- Liquidity risk.

The Company has evolved a risk mitigation framework to identify, assess and mitigate financial risk in order to minimize potential adverse effects on the company's financial performance. There have been no substantive changes in the company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated herein.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

(i) Interest rate risk

The Company is exposed to cash flow interest rate risk from long-term borrowings at variable rate. Currently the company has external borrowings (excluding short-term overdraft facilities) which are fixed and floating rate borrowings. The Company achieves the optimum interest rate profile by refinancing when the interest rates go down. However this does not protect Company entirely from the risk of paying rates in excess of current market rates nor eliminates fully cash flow risk associated with variability in interest payments, it considers that it achieves an appropriate balance of exposure to these risks.

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country, in which customers operate, has less influence on the credit risk.

The Company has entered into contracts for the sale of residential and commercial units on an installment basis. The installments are specified in the contracts. The Company is exposed to credit risk in respect of installments due. However, the legal ownership of residential and commercial units are transferred to the buyer only after all the installments are recovered. In addition, installment dues are monitored on an ongoing basis with the result that the Company's exposure to credit risk is not significant. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Credit risk from balances with banks and financial institutions is managed by Company's treasury in accordance with the company's policy. The company limits its exposure to credit risk by only placing balances with local banks and international banks of good repute. Given the profile of its bankers, management does not expect any counterparty to fail in meeting its obligations.

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
As at 31-March-18						
Borrowings	1,344.28	-	-	-	-	1,344.28
Trade Payables	-	262.04	-	-	-	262.04
Other Financial Liabilities**	255.05	-	-	-	-	255.05
	1,599.32	262.04	-	-	-	1,861.37
As at 31-March-17						
Borrowings	3,305.38	-	-	-	-	3,305.38
Trade Payables	-	538.33	-	-	-	538.33
Other Financial Liabilities**	1,434.72	-	15.90	-	-	1,450.62
	4,740.10	538.33	15.90	-	-	5,294.33

** Payable on Cancellation of Allotted units liabilities included in Other financial liabilities are stated at nominal value.

34 Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital and other equity reserves attributable to the Shareholders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents Bank Balances other than Cash and Cash Equivalents.

	31-March-18 ₹ in Lakhs	31-March-17 ₹ in Lakhs
Borrowings	1,344.28	3,305.38
Less: Cash and Cash Equivalents	(25.90)	(146.22)
Net Debt	1,307.86	3,148.64
Equity Share Capital	315.00	315.00
Other Equity		
Other Reserves and Retained Earnings	(1,415.34)	(1,243.28)
Total Capital	(1,100.34)	(928.28)
Capital and Net Debt	207.52	2,220.36
Gearing ratio	630.22%	141.81%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

35 Details of CSR Expenditure

The gross amount required to be spent for CSR activity by the company during the year was ₹26.40 lakhs (31-March-17 ₹ 19.34 Lakhs). Amount spent during the year was ₹ Nil (31-March-17 ₹ Nil).

36 Consequent to Order dated 4th June, 2013 of Securities Exchange Board of India (SEBI) served to the Company, it is in the process of complying with the requirements of Rule 19(2)(b) of Securities Contracts (Regulation) (Amendment) Rules 2010, with regard to achieving public shareholding at the prescribed minimum level of 25% of the total Equity Shares issued by the Company, impact whereof is presently not ascertainable.

37 Basic and Diluted Earnings Per Share:

	₹ in Lakhs	For the Year ended 31-March-18	For the Year ended 31-March-17
(a) Net Profit/(Loss) for the year		(172.19)	433.92
(b) No. of Equity Shares as at beginning of the year		3,150,000	3,150,000
Add: Shares Allotted		-	-
No. of Equity Shares as at end of the year		3,150,000	3,150,000
Weighted Average number of Equity Shares outstanding during the year		3,150,000	3,150,000
(c) Face Value of Equity Shares	(₹)	10	10
(d) Basic and Diluted Earnings Per Share	(₹)	(5.47)	13.78

38 Details of dues to Micro, Small and Medium Enterprises :

The information has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding is given below :

Particulars	₹ in Lakhs	
	As at 31-March-18	As at 31-March-17
Amount unpaid as at year end - Principal	-	0.65
Amount unpaid as at year end - Interest	(-)	(-)
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 (the 'Act') along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	(-)	(-)
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.	(-)	(-)
The amount of interest accrued and remaining unpaid at the end of each accounting year.	(-)	(-)
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act.	(-)	(-)

39 Standard issued but not yet effective

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115, Revenue from Contracts with Customers, to be applicable from financial years beginning on or after 01-April-2018.

This Standard specifies the accounting for an individual contract with a customer. This involves identifying a contract & performance obligation and measuring progress towards complete satisfaction of a performance obligation. The Standard requires an entity to disclose the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

Ind AS 115 supersedes the current revenue recognition guidance available under Ind AS with respect to revenue recognition i.e. Ind AS 18 on "Revenue" and Ind AS 11 on "Construction Contracts. Currently company recognizes revenue on percentage of completion method as prescribed in the 'Guidance Note on Accounting for Real Estate Transactions' issued by ICAI.

Company will adopt the new standard effective 01-April-2018. Management is evaluating the requirements of the Standard and the effect if any, on the financial statements.

40 Previous Year's figures are regrouped/rearranged wherever considered necessary.

**As per our attached Report of even date
For MSKA & Associates
(formerly known as MZSK & Associates)
Chartered Accountants
Firm Registration Number: 105047W**

**Abuali Darukhanawala
Partner
Membership No. 108053**

**Place : Mumbai
Date : 18-May-18**

**For and on behalf of the Board of Directors of
Sanathnagar Enterprises Limited**

**Purnima Pavle
(Director)
DIN : 06705133**

**Bhushan Shah
(Director)
DIN : 07484485**

**Vishal
Ghadigaonkar
(Chief Financial Officer)**

**Hitesh Marthak
(Company Secretary)**

SANATHNAGAR ENTERPRISES LIMITED

Regd Office : 412, Floor- 4, 17G Vardhaman Chambers, Cawasji Patel Road, Horniman Circle, Fort, Mumbai-400001
CIN: L99999MH1947PLC252768 E-Mail : investors.sel@lodhagroup.com
Website : www.sanathnagar.in Phone No.: +9122-23024400 Fax No.: +9122-23024550

FORM NO. MGT-11 PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :

Registered address :

E-mail Id :

Folio No. /Client Id & DP. Id :

I / We, being the member(s) of shares of the above named Company, hereby appoint

1. Name : _____

Address : _____

E-mail Id : _____

Signature : _____, or failing him

2. Name : _____

Address : _____

E-mail Id : _____

Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 71st Annual General Meeting of the Company to be held on Monday, September 24, 2018 at 12.00 noon at 8th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai 400 011 and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No	Resolutions	For	Against
1.	Adoption of Audited Financial Statements of the Company for the financial year ended March 31, 2018, together with the Reports of the Board of Directors and the Auditors thereon.		
2.	Appointment of a director in place of Ms. Purnima Pavle (DIN 06705133), who retires by rotation.		
3.	Ratification of the remuneration of Cost Auditor for the financial year ending March 31, 2018.		
4.	Ratification of the remuneration of Cost Auditor for the financial year ending March 31, 2019.		

Signed this.....day of2018

Signature of shareholder(s) :

Signature of Proxy holder(s) :

Affix
Revenue
Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the 71st Annual General Meeting.
- *3. This is only optional. Please put a '√' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Kindly affix revenue stamp of not less than Re. 1 on the proxy form before depositing at the registered office..

SANATHNAGAR ENTERPRISES LIMITED

Regd Office : 412, Floor- 4, 17G Vardhaman Chambers, Cawasji Patel Road, Horniman Circle, Fort, Mumbai-400001
CIN: L99999MH1947PLC252768 E-Mail : investors.sel@lodhagroup.com
Website : www.sanathnagar.in Phone No.: +9122-23024400 Fax No.: +9122-23024550

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE REGISTRATION COUNTER

1. Name of the Member / Proxy :

2. Folio No. / Client Id & DP. Id :

3. Number of Shares held :

I certify that I am a member/proxy/authorised representative for the member of the Company.

I hereby record my presence at the 71st Annual General Meeting of the Company held on Monday, September 24, 2018 at 12:00 noon at 8th Floor Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai 400 011.

Name of the member / Proxy

Signature of the member / Proxy

1 Only Member/Proxy holder can attend the meeting.

2 Member / Proxy holder should bring his/her copy of the Annual Report for reference at the meeting.

If Undelivered, please return to:

The Secretarial Department
SANATHNAGAR ENTERPRISES LIMITED
412, Floor- 4, 17G Vardhaman Chamber,
Cawasji Patel Road, Horniman Circle,
Fort, Mumbai-400001

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Reference No.	
Name:	
Address:	
Folio No. / DP ID-Client ID:	
Joint-holders(s):	

Dear Member,

Sub: Voting through electronic means on resolutions proposed to be passed at the 71st Annual General Meeting of the members of Sanathnagar Enterprises Limited

Pursuant to provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sanathnagar Enterprises Limited ("**the Company**") is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed at its 71st Annual General Meeting of the members of the Company, scheduled to be held on Monday, September 24, 2018, at 12:00 noon (IST) at 8th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai 400011 ("**Meeting**"), by electronic means ("**e-voting**"). The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ("**remote e-voting**").

Further, the facility for voting through ballot form will also be made available at the Meeting ("**Ballot Form**") and members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through Ballot Form.

The Company has engaged the services of Central Depository Services Limited ("**CDSL**") as the Agency to provide e-voting facility. The remote e-voting particulars are set out below:

EVSN (Electronic Voting Sequence Number)	User ID	Password	No. of shares held as on September 17, 2018

The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting : **From 9:00 a.m. (IST) on Thursday, September 20, 2018**

End of remote e-voting : **To 5:00 p.m. (IST) on Sunday, September 23, 2018**

The remote e-voting will not be allowed beyond the aforesaid date and time and remote e-voting module shall be forthwith disabled by CDSL upon expiry of the aforesaid period.

Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date, i.e. Monday, September 17, 2018.

The Board of Directors of the Company has appointed Mr. Sharatkumar Shetty, Practicing Company Secretary (PCS no. 18123) as scrutinizer (the "**Scrutinizer**") to scrutinize the remote e-voting and Ballot Form process in a fair and transparent manner and he has communicated his willingness to be available at the Annual General Meeting for the said purpose.

This communication forms an integral part of the Notice dated May 18, 2018 convening the Meeting. Integrated Annual Report 2017-18 of the Company *inter alia* comprising the said Notice and this communication are provided herewith and also made available on the website of the Company www.sanathnagar.in

Please read the instructions and information relating to e-voting printed overleaf.

Yours faithfully,
For Sanathnagar Enterprises Limited

Hitesh Marthak
Company Secretary and Compliance Officer

INFORMATION AND INSTRUCTIONS RELATING TO E-VOTING:

- i. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members a facility to exercise their right to vote on business proposed to be transacted at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
- ii. The facility for voting through ballot paper shall be made available at the AGM premises and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM through ballot paper.
- iii. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- iv. The remote e-voting period commences on Thursday, September 20, 2018 (9:00 am) and ends on Sunday, September 23, 2018 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Monday, September 17, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be forthwith blocked by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- v. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- vi. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Monday, September 17, 2018.
- vii. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. Monday, September 17, 2018, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote.
- viii. A member can opt for only one mode of voting i.e. either through remote e-voting or by ballot process to be done at the AGM. If a member casts vote by both modes, then voting done through remote e-voting shall prevail and the ballot form shall be treated as invalid.
- ix. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Monday, September 17, 2018 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- x. The Company has appointed Mr. Sharatkumar Shetty, Practising Company Secretary, as scrutinizor (the 'Scrutinizer') for scrutinizing the remote e-voting process as well as voting at the AGM in a fair and transparent manner.
- xi. The Chairman shall, at the Annual General Meeting, at the end of discussion on the business matters on which voting is to be held, allow voting with the assistance of scrutinizor, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- xii. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizor's report on the total votes cast in favour or against, if any, to the Chairman/ Director or a person authorized by him in writing, who shall counter sign the same and declare the result of the voting forthwith.
- xiii. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.sanathnagar.in and on the website of the CDSL immediately after the declaration of result by the Chairman/ Director or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchange (BSE Limited).
- THE PROCESS AND MANNER FOR REMOTE E-VOTING ARE AS UNDER:**
- The voting period begins on Thursday, September 20, 2018 (9:00 am) and ends on Sunday, September 23, 2018 (5:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, Monday, September 17, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- Shareholders who have already voted prior to the AGM date would not be entitled to vote at the meeting venue.
 - The shareholders should log on to the e-voting website, www.evotingindia.com
 - Click on "Shareholders" / "Members".
 - Now enter your User ID.
 - For CDSL: 16 digits beneficiary ID.
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - Next enter the Image Verification as displayed and Click on "Login".
- f. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- g. If you are a first time user follow the steps given below:
- | | For Members holding shares in Demat Form and Physical Form |
|----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (d). |
- After entering these details appropriately, click on "SUBMIT" tab.
 - Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that the company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - Click on the EVSN for the relevant <Company Name> on which you choose to vote.
 - On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details. After selecting the resolution if you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
 - If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Shareholders can also cast their vote using CDSL's mobile app M-Voting available for android based mobiles. The M-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizor to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.