

# SANATHNAGAR ENTERPRISES LIMITED

August 27, 2021

To  
Manager – Listing Compliance Department  
BSE Limited,  
P J Towers, Dalal Street,  
Mumbai -400001, India.  
**Scrip Code: 509423**

**Sub: Notice of Annual General Meeting and Annual Report for the year ended 31<sup>st</sup> March, 2021**

Dear Sir / Madam,

In terms of Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Notice of the 74<sup>th</sup> Annual General Meeting of the Company along with the Annual Report for the financial year ended 31<sup>st</sup> March, 2021.

The Annual Report is being sent to the members through electronic mode.

The Annual Report and AGM Notice are also uploaded on the Company's website and can be accessed at <http://sanathnagar.in/>

Kindly take the above on your records.

Thanking you,

Yours truly,  
**For Sanathnagar Enterprises Limited**



**Hitesh Marthak**  
Company Secretary  
Membership No. A18203



Encl:- A/a

# **SANATHNAGAR ENTERPRISES LIMITED**

## **74<sup>th</sup> ANNUAL REPORT FINANCIAL YEAR 2020-21**

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.

SEBI HAS MANDATED THAT SECURITIES OF LISTED COMPANIES CAN BE TRANSFERRED ONLY IN DEMATERIALISED FORM W.E.F. APRIL 1, 2019. ACCORDINGLY THE COMPANY / ITS RTA HAS STOPPED ACCEPTING ANY FRESH LODGEMENT OF TRANSFER OF SHARES IN PHYSICAL FORM. MEMBERS HOLDING SHARES IN PHYSICAL FORM ARE ADVISED TO AVAIL OF THE FACILITY OF DEMATERIALISATION.

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Ms. Sanjyot Rangnekar      Non-Executive Director  
Mr. Bhushan Shah          Independent Director  
Mr. Vinod Shah              Independent Director

### KEY MANAGERIAL PERSONNEL

Mr. Martin Godard          Manager  
Mr. Kiran Kokare          Chief Financial Officer (w.e.f. 20.01.2021)  
Mr. Hitesh Marthak        Company Secretary & Compliance Officer  
Mr. Sumit Jain              Chief Financial Officer (upto 20.01.2021)

### STATUTORY AUDITORS

MSKA & Associates,  
Chartered Accountants  
Firm Registration No. 105047W

### REGISTERED OFFICE

412, 17G Vardhaman Chamber, Cawasji Patel Road,  
Horniman Circle, Fort, Mumbai-400 001  
Tel.: +91.22 6133 4400 Fax: +91.22 2302 4420  
Website: www.sanathnagar.in  
E-mail: investors.sel@lodhagroup.com  
CIN L99999MH1947PLC252768

### CORPORATE OFFICE

Lodha Excelus, L2 Apollo Mills Compound,  
N.M Joshi Marg, Mahalaxmi, Mumbai 400011  
Tel.: +91.22.61959674 Fax: +91.22.23024420

### REGISTRAR & TRANSFER AGENT

CIL Securities Limited  
214, Raghava Ratna Towers,  
Chirag Ali Lane, Hyderabad - 500 001.  
Andhra Pradesh, India Telephone No.: +91-040-23203155  
Fax: +91 40 23203028  
Email: rta@cilsecurities.com

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## ANNUAL GENERAL MEETING NOTICE

Notice is hereby given that the 74th Annual General Meeting of the Members of Sanathnagar Enterprises Limited will be held on Friday, September 24, 2021, at 2.00 p.m. through video conferencing / Other Audio Visual Means 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, 2021, together with the Reports of the Board of Directors' and the Auditors' thereon.
2. To appoint a director in place of Ms. Sanjyot Rangnekar (DIN: 07128992), who retires by rotation and being eligible, offers herself for re-appointment.
3. To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution

Re-appointment of Statutory Auditors of the Company

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof) and recommendation of the Audit Committee and approval of the Board of Directors of the Company, MSKA & Associates, Chartered Accountants ( Firm Registration No. 105047W) be and are hereby re-appointed as the Statutory Auditors of the Company for a second consecutive term of 5 (five) years to hold office from the conclusion this 74th Annual General Meeting until the conclusion of the 79th Annual General Meeting of the Company to be held in the year 2026, on such remuneration and terms and conditions as set out in the explanatory statement to this Notice."

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

**Hitesh Marthak**  
Company Secretary  
Membership No.: A18203

Date: July 20, 2021

Place: Mumbai

### Registered Office:

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

Telephone No.:+ 91-261334400

Website: www.sanathnagar.in

E-mail: investors.sel@lodhagroup.com

CIN L99999MH1947PLC252768

### NOTES:

- 1) The Statement pursuant to Section 102 (1) of the Companies Act, 2013 ("Act") setting out material facts concerning the business under item no. 3 of the Notice is annexed hereto.
- 2) In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular Nos. 14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020 respectively and by General Circular No. 02/2021 dated January 13, 2021 allowed companies whose AGMs were due to be held in the year 2020 or become due in the year 2021, to conduct their AGMs on or before December 31, 2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 (collectively referred to as "MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, the validity of which has been extended till December

31, 2021 by SEBI, vide its Circular No. SEBI/ HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India ("SEBI") (collectively referred to as "SEBI Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In compliance with these Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM, which does not require physical presence of members at a common venue. Pursuant to MCA Circulars and SEBI Circulars, this annual report is being sent by email only.

- 3) In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. The resolution authorising for the aforesaid shall be sent to the Company at [investors.sel@lodhagroup.com](mailto:investors.sel@lodhagroup.com) with a copy marked to [cs.shravangupta@gmail.com](mailto:cs.shravangupta@gmail.com), scrutiniser appointed for the meeting and to NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- 4) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation through VC/OAVM provided by NSDL through their platform.
- 5) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- 6) Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
- 7) In line with the MCA Circulars, the Notice calling the AGM has been uploaded on the website of the Company at [www.sanathnagar.in](http://www.sanathnagar.in). The Notice may also be accessed from the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and also on the website of NSDL (agency for providing e-Voting and Remote e-Voting facility).
- 8) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members before and during the AGM.
- 9) All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [investors.sel@lodhagroup.com](mailto:investors.sel@lodhagroup.com)
- 10) In terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, the 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 at least 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 request the members who have not updated their email IDs to update the same with their respective Depository Participant(s) or the **CIL Securities Limited**, the Registrar and Transfer Agent of the Company. Further, the members holding shares in electronic mode are requested to keep their email addresses updated with the Depository Participants. Members holding shares in the physical mode are also requested to update their email addresses by writing to the R&T Agent of the Company.
- 11) 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 R&T Agent to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes either to the Company or to the Company's R&T Agent.

- 12) The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in the 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 R&T Agent of the Company.
- 13) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM and facility for those members participating in the AGM to cast vote through e-voting system during the AGM.

For this purpose, the Company has engaged the services of National Depository Services Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as e-voting at the AGM will be provided by them.

- 14) Any person, who acquires shares of the Company and becomes member of the Company after the Company sends notice of the AGM by email and holds shares as on the cut-off date i.e. Friday, September 17, 2021 may obtain their login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- 15) The voting rights of the members shall be in proportion to the number of equity shares held by them as on the cut-off date i.e., Friday, September 17, 2021
- 16) 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. Friday, September 17, 2021 only shall be entitled to avail the facility of remote e-voting or e-voting at the AGM. A person who is not a member as on the cut-off date should treat this notice for information purpose only.
- 17) The remote e-voting period will commence on Tuesday, September 21, 2021 at IST 9:00 am and will end on Thursday, September 23, 2021 at IST 5:00 pm. During this period the members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, September 17, 2021, may cast their vote by remote e-voting. The remote e-voting module shall be forthwith blocked by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently or vote again.
- 18) 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).
- 19) The Company has appointed Shравan Gupta, (CoP No. 9990), Practicing Company Secretary or failing him Ritul Parmar (CoP No. 14845) , as the scrutinizer (the 'Scrutinizer') for scrutizing the remote e-voting process as well as e-voting at the AGM in a fair and transparent manner.
- 20) During the AGM, the Chairman shall, after responding to the questions raised by the Members in advance or as a speaker at the AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the AGM.
- 21) The Scrutiniser shall after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report to the

Chairman or any person authorised by him within 48 hours from the conclusion of the meeting, who shall then countersign and declare the result of the voting forthwith.

- 22) The results declared along with the report of the Scrutinizer will be placed on the website of the Company [www.sanathnagar.in](http://www.sanathnagar.in) and on the website of the NSDL after the declaration of result by the Chairperson or a person authorized by him. The results will also be immediately forwarded to the stock exchange.
- 23) The Register of Members and the Share Transfer books of the Company will remain closed from Thursday, September 16, 2021 to Friday, September 24, 2021, both days inclusive.
- 24) In terms of Section 152 of the Act, Ms. Sanjyot Rangnekar (DIN – 07128992), retires by rotation at the Meeting and being eligible, offers herself for re-appointment. The Nomination and Remuneration Committee of the Board and the Board of Directors of the Company has recommended her re-appointment.
- 25) The additional information in respect of re-appointment of Ms. Sanjyot Rangnekar (DIN – 07128992) as Director, liable to retire by rotation, pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings, are provided as Annexure 1 to the Explanatory Statement
- 26) Ms. Sanjyot Rangnekar is interested in the Ordinary Business as set out at Item No. 2 of the Notice with respect to her re-appointment. The relatives of Ms. Sanjyot Rangnekar may also be deemed to be interested in the said Resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their Relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out under Item No. 2.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

The remote e-voting period begins on Tuesday, September 21, 2021 at 09:00 A.M. and ends on Thursday, September 23, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. Friday, September 17, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, September 17, 2021.




**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>    </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> </ol>



Type of shareholders	Login Method
	4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [cs.shravangupta@gmail.com](mailto:cs.shravangupta@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card), Mobile no. by email to [investors.sel@lodhagroup.com](mailto:investors.sel@lodhagroup.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investors.sel@lodhagroup.com](mailto:investors.sel@lodhagroup.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions 48hrs in advance of the AGM mentioning their name demat account number/folio number, email id, mobile number at investors.sel@lodhagroup.com. The same will be replied by the company suitably.
6. Shareholders who would speak at the AGM shall register themselves as speaker shareholders atleast 48hrs in advance of the AGM mentioning their name demat account number/folio number, email id, mobile number at investors.sel@lodhagroup.com.

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

**Hitesh Marthak  
Company Secretary  
Membership No.: A18203**

**Date: July 20, 2021  
Place: Mumbai**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 TO THE ACCOMPANYING NOTICE**

The following Statement sets out all material facts relating to the Special Business mentioned in the Notice

**Item No. 3: Re-appointment of Statutory Auditors of the Company:**

MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W) were appointed as Statutory Auditors of the Company at the Annual General Meeting held on 29th September, 2016 for a term of 5 years i.e. to hold office upto the AGM for the financial year 2020-21. Accordingly, their present term gets completed on conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors of the Company ('the Board'), on the recommendation of the Audit Committee, has recommended for the approval of the Members, the re-appointment of MSKA & Associates, Chartered Accountants, as the Auditors of the Company for a further period of five years from the conclusion of this AGM till the conclusion of the AGM for FY 2025-26.

The Audit Committee has considered various parameters like capability to serve a complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc., and found MSKA & Associates to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

MSKA & Associates is a Chartered Accountancy Firm registered with Institute of Chartered Accountants of India with Firm Registration No. 105047W. The firm has presence in 9 cities in India viz Ahmedabad, Bengaluru, Chennai, Kolkata, Hyderabad, Mumbai, New Delhi –Gurugram, Goa and Pune. Apart from statutory audit, the firm also has expertise in other allied areas. The firm has been statutory auditors of large listed companies to cross section of industries and carries a good professional track-record.

The present remuneration of MSKA & Associates for conducting the audit for the financial year 2020-21 is Rs 1,20,000/- plus applicable taxes. It proposed to pay statutory audit fees of ₹1,20,000/- plus applicable taxes, and reimbursement of expenses to MSKA & Associates for the financial year 2021-22, with power to the Board to decide and finalise the audit fees to be paid to Auditors for the remaining tenure. Fees for services in the nature of limited review, statutory certifications and other professional work will be in addition to the audit fee as above and will be decided by the management in consultation with the Auditors.

The Auditors have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

The Board of Directors recommends the resolution at Item No. 3 of this Notice for your approval.

None of the Directors, Key Managerial Personnel and relatives thereof has any concern or interest, financial or otherwise in the resolution at Item No. 3 of this Notice.

## Annexure 1

The Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India requires certain disclosures with respect to re-appointment of Ms. Sanjyot Rangnekar (DIN: 07128992) as the Director of the Company who are proposed to be appointed at this Annual General Meeting, which is mentioned below:

<b>Name of the Director</b>	Ms. Sanjyot Rangnekar (DIN: 07128992)
<b>Date of Birth</b>	July 6, 1970
<b>Qualification</b>	Member of the Institute of the Company Secretaries of India and the Institute of the Cost and Works Accountant of India
<b>Experience</b>	She is a Fellow Member of the Institute of Company Secretaries of India and a Cost Accountant from the Institute of Costs and Works Accountants of India. She has more than 20 years' of experience as Company Secretary with Macrotech Developers Limited, Essar Power Limited, Swastik Surfactants Limited amongst others.
<b>Expertise in specific function areas</b>	Experience in M&A, compliances and governance.
<b>Terms &amp; Conditions of appointment</b>	Non-executive Director without any remuneration from the Company
<b>Remuneration last drawn &amp; Sought to be paid</b>	Nil
<b>Date of Appointment on the Board</b>	May 15, 2019
<b>Directorships held in other companies as on March 31, 2021</b>	<ol style="list-style-type: none"> <li>1. Roselabs Finance Limited</li> <li>2. Primebuild Developers And Farms Private Limited</li> <li>3. Brickmart Constructions And Developers Private Limited</li> <li>4. Homescapes Constructions Private Limited</li> <li>5. Classichomes Developers and Farms Private Limited</li> <li>6. Palava Induslogic 2 Private Limited</li> <li>7. Cowtown Software Design Private Limited</li> <li>8. Center for Urban Innovation</li> </ol>
<b>Memberships of committees across companies (includes only Audit &amp; Stakeholders Relationship Committee) as on March 31, 2021</b>	<ol style="list-style-type: none"> <li>1. Chairman of Stakeholders Relationship Committee and Member of Audit Committee of the Company.</li> <li>2. Member of Audit Committee of Roselabs Finance Limited.</li> <li>3. Chairperson of Stakeholders Relationship Committee of Roselabs Finance Limited.</li> </ol>
<b>Shareholding in the Company (Equity)</b>	Nil
<b>Relationship with other Directors/ Manager/ Key Managerial Personnel</b>	None
<b>Number of Board meetings attended during the year 2019-20</b>	4 (Four)

For and on behalf of the Board  
Sanathnagar Enterprises Limited

Hitesh Marthak  
Company Secretary  
Membership No.: A18203

Date: July 20, 2021  
Place: Mumbai

## DIRECTORS' REPORT

Dear Members,

The Directors are pleased to present the 74th Annual Report of the Company along with the audited financial statements for the financial year ended March 31, 2021.

### FINANCIAL HIGHLIGHTS

(₹in lakhs)

Particulars	2020-21	2019-20
Revenue from operations	80.00	67.78
Other Income	0.95	40.73
<b>Total Income</b>	<b>80.95</b>	<b>108.51</b>
Cost of Projects	41.07	-
Employee Benefits Expense	6.51	7.28
Finance Costs	-	0.63
Depreciation and Amortisation Expense	0.90	2.22
Other Expenses	13.53	108.72
<b>Total Expenditure</b>	<b>62.01</b>	<b>118.85</b>
Profit / (Loss) before tax	18.94	(10.34)
Tax Credit/ (Expenses)	(0.93)	73.91
<b>Net Profit for the year</b>	<b>18.01</b>	<b>63.57</b>

#### ❖ REVIEW OF PERFORMANCE AND FUTURE OUTLOOK

Revenue from operations during the financial year 2020-21 was ₹ 80 Lakhs as against ₹ 67.78 Lakhs during the previous financial year, an increase of 18.02%. Total income reduced by 25.40% to ₹ 80.95 Lakhs from ₹ 108.51 during the previous financial year. Total expenditure reduced by 47.82% to ₹ 62.01 Lakhs from ₹ 118.85 Lakhs in financial year 2019-20.

The Company witnessed net profit of ₹ 18.01 Lakhs as against net profit of ₹ 63.57 Lakhs in the financial year 2019-20.

The Company's project at Hyderabad is fully completed. The Company is evaluating various other business opportunities in the real estate space. Since the company does not have any ongoing project, there is no impact on the Company of outbreak of Covid-19.

#### ❖ DIVIDEND AND RESERVES

The Board does not recommend any dividend for the financial year under review. No amount is proposed to be transferred to reserves during the year.

#### ❖ ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, Annual Return of the Company for the year ended on March 31, 2021 is available on the Company's website at [www.sanathnagar.in](http://www.sanathnagar.in)

❖ **DIRECTORS AND KEY MANAGERIAL PERSONNEL****Retiring by rotation**

As per the provisions of the Companies Act, 2013 and Articles of Association of the Company, Ms Sanjyot Rangnekar, Director of the Company retires by rotation and being eligible offers herself for reappointment.

**Key Managerial Personnel****Cessation**

Mr. Sumit Kumar Jain resigned from the post of Chief Financial Officer from the close of business hours on January 20, 2021. The Board places on record its appreciation for the services rendered by him during his tenure as Chief Financial officer.

**Appointment**

Mr. Kiran Kokare was appointed as a Chief Financial Officer, with effect from January 20, 2021.

In terms of Section 203 of the Act, the following are the Key Managerial Personnel of the Company as on the date of this report:

- Mr. Martin Godard, Manager
- Mr. Kiran Kokare, 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 relationship or transaction with the Company which could potentially conflict with the interests of the Company at large.

❖ **BOARD AND BOARD COMMITTEES****Meetings of the Board**

The Board met four times during the financial year ended March 2021; on June 9, 2020, September 2, 2020, November 3, 2020 and January 20, 2021. The gap between two meetings did not exceed the period stipulated in the Companies Act 2013 and the Secretarial Standards. The Details of Board Meeting held and attendance of the Directors is given hereunder:

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



### **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 on March 16, 2021.

### **Board Committees**

The Board has constituted four committees as on March 31, 2021.

#### **Audit Committee**

As on March 31, 2021, the Audit Committee comprised Mr. Bhushan Shah, Chairman and Mr. Vinod Shah both independent directors and Ms. Sanjyot Rangnekar non-executive and non-independent Director. All Members of the Committee have relevant experience in financial matters. Senior executives are invited to participate in the meetings of the Committee as and when necessary. The Manager and the Chief Financial Officer are invitees to the meetings and the Company Secretary acts as the Secretary to the Committee. The terms of reference of the Audit Committee are in line with the provisions of Section 177 of the Act and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

The Audit Committee met four times during the year; on June 9, 2020, September 2, 2020, November 3, 2020 and January 20, 2021. All members attended all four audit committee meetings.

#### **Nomination & Remuneration Committee**

As on March 31, 2021, the Nomination & Remuneration Committee comprised Mr. Bhushan Shah, Chairman and Mr. Vinod Shah both independent directors and Ms. Sanjyot Rangnekar non-executive and non-independent Director. The terms of reference of the Committee are in line with the provisions of Section 178 of the Act and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

The Committee met twice during the year; on June 9, 2020 and January 20, 2021. All members attended both the NRC Committee meetings.

#### **Stakeholders' Relationship Committee**

As on March 31, 2021, the Stakeholders' Relationship Committee comprised Ms. Sanjyot Rangnekar, Chairperson and Mr. Bhushan Shah and Mr. Vinod Shah, both independent directors. The Committee met four times during the year; on June 9, 2020, September 2, 2020, November 3, 2020 and January 20, 2021. All members attended all four SRC Committee meetings.

#### **Corporate Social Responsibility**

As on March 31, 2021, the CSR Committee comprised Ms Sanjyot Rangnekar, Chairperson, Mr. Bhushan Shah and Mr. Vinod Shah. The Committee met once during the financial year; on June 9, 2020. All members attended all meetings during the year.

The company does not meet the criteria as set out in Section 135 of the Companies Act, 2013 in last three financial years, therefore the provisions related to Corporate Social Responsibility are not applicable to the company.

### **❖ BOARD EVALUATION**

The Board 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 after seeking inputs from all the directors on the basis of criteria such as 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, Chairperson 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**

In terms of the provisions of Section 178(3) of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations, the NRC is responsible for formulating the criteria for determining qualifications, positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board, a policy relating to remuneration of Directors, Key Managerial Personnel and other employees. In line with this requirement, the Board has adopted a Nomination and Remuneration Policy which is available on the Company's website at <http://www.sanathnagar.in/>. Salient features of the Policy are reproduced in Annexure I to this Report.

#### ❖ **AUDITORS & AUDITOR'S REPORTS**

##### **Statutory Auditor**

MSKA & Associates, Chartered Accountants were appointed as Statutory Auditors of the Company at the Annual General Meeting held on September 29, 2016 for a term of five consecutive years and hold office till the conclusion of the forthcoming Annual General Meeting.

The Board of Directors at its meeting held on July 20, 2021, after considering the recommendations of the Audit Committee, has recommended the re-appointment of MSKA & Associate as the Statutory Auditors of the Company, for approval of the Members, to hold office for a period of five consecutive years, from the conclusion of the ensuing Annual General Meeting until the conclusion of the 79th Annual General Meeting to be held in the calendar year 2026.

A resolution proposing re-appointment of MSKA & Associates, Chartered Accountants as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013 forms part of the Notice of Annual General Meeting.

##### **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, Shравan A. Gupta & Associates, Practising Company Secretary was appointed as Secretarial Auditor to conduct secretarial audit for the financial year 2020-21.

##### **Auditor's Reports**

The Statutory Auditor's Report for financial year 2020-21 does not contain any qualifications, reservations or adverse remarks. The Auditor's report is enclosed with the financial statements with this Annual Report.

The Secretarial Audit Report for financial year 2020-21 does not contain any qualifications, reservations or adverse remarks. The Secretarial Audit Report is provided in Annexure II of this Report.

##### **Cost Auditor & Cost Audit Report**

The provisions of Cost audit as prescribed under Section 148 of the Companies Act, 2013 are not applicable to the Company for the financial year 2020-21.

❖ **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The Company has not given any Loans, Guarantees or provided security or made investments to/in any other company during the financial year under review.

❖ **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, that are required to be reported in Form AOC-2.

❖ **HOLDING COMPANY, SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES**

The Company is a subsidiary of Macrotech Developers Limited. The ultimate holding company is Sambhavnath Infrabuild and Farms Private Limited. The Company does not have any subsidiary, joint ventures or associate company.

❖ **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.

**Whistle Blower Policy and Vigil Mechanism**

The Company's Whistle Blower Policy is in line with the provisions of Section 177 of the Companies Act, 2013 and as per Regulation 22 of the Listing Regulations. This Policy establishes a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The said mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee 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 <http://sanathnagar.in/>

The Company does not have any employee as on March 31, 2021.

❖ **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 not relevant to the Company as the Company has no employees, directors do not draw any remuneration (other than sitting fees) and key managerial personnel have been deputed by the holding company.

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 from time to time do not apply as there are no employees.

❖ **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 and technology absorption, are furnished in Annexure III to this report.

During the financial year 2020-21, 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 net worth of the Company are 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.

❖ **GENERAL**

Your Directors state that for the financial year ended March 31, 2021, 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 Board's report.
- b. There was no change in the authorized and paid-up share capital of the Company during financial year 2020-21.
- c. As there are no employees, the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is not applicable to the Company.
- d. There are no material changes or commitments affecting the financial position of the Company between March 31, 2021 and the date of this report.
- e. No cases were filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act, 2013. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under this Act.
- f. The Company has not accepted any deposits during financial year 2020-21.

- g. No instance of fraud has been reported to Board of Directors of the Company by the Auditors or any other person.
- h. No significant or material orders were passed by the Regulators/Courts/Tribunals which impact the going concern status and Company's operations in future.
- i. During the financial year 2020-21 there was no change in the nature of the business of the Company.
- j. There has been no issue of equity shares with differential rights as to dividend, voting or otherwise during the financial year 2020-21.
- k. No petition/application has been admitted under Insolvency and Bankruptcy code by the Honorable NCLT.
- l. The Company has complied with applicable Secretarial Standards issued by the Institute of the Company Secretaries of India during the financial year 2020-21.

❖ **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis report forms a part of this Annual Report.

❖ **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirms that:

- a. in the preparation of the annual accounts the applicable accounting standards had been followed and there are no material departures;
- b. 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 profit of the Company for that year;
- 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 controls 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**

Your Directors would like to express their grateful appreciation for the assistance and support extended by all stakeholders.

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

**Sanjyot Rangnekar  
Director  
DIN: 07128992**

**Bhushan Shah  
Director  
DIN: 07484485**

**Date: July 20, 2021  
Place: Mumbai**

### Salient features of the Nomination & Remuneration Policy

#### A. Policy Objectives

The objectives of the Nomination & Remuneration Policy are:

1. To ensure diversity on the Board of Directors
2. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director (executive/non-executive/independent) of the Company
3. To recommend policy relating to the remuneration of the Directors, KMP and Senior Management to the Board of Directors of the Company
4. To formulate the criteria for evaluation of performance of Directors

#### B. Policy Coverage

##### Part A: Board Composition

###### Board Diversity

The Committee shall periodically review the size and composition of the Board so as to have an appropriate mix of executive and independent Directors, to maintain its independence and separate its functions of governance and management and to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company;

###### Succession planning

The Committee shall establish and review Board, KMP and Senior Management succession plans in order to ensure and maintain a continuing balance of relevant skills, experience and expertise on the Board and Senior Management.

##### PART B: Appointment and removal of Directors, KMP and Senior Management

The Committee shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as Director, KMP or Senior Management and recommend their appointment to the Board.

The Committee may also recommend removal of a Director, KMP or Senior Management with reasons recorded in writing, subject to the provisions and compliance of the said Act, rules and regulations.

##### PART C: Remuneration to Directors, KMP and Senior Management

The overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company

Remuneration / compensation / commission etc. to be paid to Directors will be determined by the Committee and recommended to the Board for approval.

Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director/ Whole-time Director.

The Company may implement reward & retention schemes from time to time as per organizational needs. These shall be subject to approval of the Committee.

**PART D: Board Evaluation**

The Committee shall carry out an annual evaluation of performance of the Board and Board Committees and formulate criteria for evaluation of performance of independent directors and the Board.

The Committee shall determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

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

**Sanjyot Rangnekar  
Director  
DIN: 07128992**

**Bhushan Shah  
Director  
DIN: 07484485**

**Date: July 20, 2021  
Place: Mumbai**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021**  
*[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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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 my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021, 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, 2021 according to the provisions of:

- (i) The Companies Act, 2013 and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign direct investments, overseas direct investments, external commercial borrowings; - **Not Applicable during the audit period**
- (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;
  - (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 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; Not Applicable during the audit period
  - (d) The Securities and Exchange Board of India (Share based employee benefits) Regulation, 2014; **Not Applicable during the audit period**



- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable during the audit period**
  - (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; **Not Applicable during the audit period**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not Applicable during the audit period**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 notified on 11th September, 2018- **Not Applicable during the audit period**
- (vi) The other laws as are applicable specifically to the Company are compiled as per representation made by the management of company during the audit period.

**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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

**I further report that, during the audit period:**

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 does not took place during the audit period 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 decisions at Board Meetings and Committee Meetings are carried out either unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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.

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

**Shravan A. Gupta**  
**ACS: 27484, CP: 9990**  
**Place: Mumbai**  
**UDIN: A027484C000349685**  
**Date: 25.05.2021**

## Annexure III

**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 below:

**A. Conservation of Energy****i. Steps taken or impact on conservation of energy and use of alternate sources of energy**

- Installation of solar powered street lights
- Use of variable frequency drives for all elevators and air-conditioning equipment.
- Innovative home automation solutions by installation of occupation sensor controlled lighting and air-conditioning
- Extensive use of materials like fly ash, GGBS, etc. resulting in saving of cement thus indirectly saving energy consumed in manufacturing of cement.
- Fine tuning of electrical designs to contain voltage drop to less than 5%.
- Use of low voltage PL lamps
- Installation of waste water equipment plants for treating waste water and utilising it for air-conditioning, watering of green spaces and flushing.

**ii. Capital investment on energy conservation equipment**

The Company has made investments for reduction in consumption of energy. The capital investment on energy conservation equipment cannot be quantified.

**iii. Impact of measures for reduction of energy consumption**

- Reduction in overall maximum demand for the electricity and consequent energy saving benefits to the residents.
- Maintenance of eco system balance on account of provision of extensive green cover, water bodies, waste water treatment and rain harvesting.
- Soil conservation by a complete ban on use of mud bricks in construction and using light weight blocks and reduction in air pollution by utilization of fly ash
- Conservation of forests by use of modern metallic form work instead of timber form work
- Reducing fuel consumption and carbon monoxide pollution by installation of state of the art electronic parking management system

**B. Technology absorption**

Due to completion of the Company's project, no technology absorption measures were taken during the year.

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

**Sanjyot Rangnekar  
Director  
DIN: 07128992**

**Bhushan Shah  
Director  
DIN: 07484485**

**Date: July 20, 2021  
Place: Mumbai**

## MANAGEMENT DISCUSSION AND ANALYSIS

### Cautionary Statement

Statements in this report on Management Discussion and Analysis may be forward looking statements within the meaning of applicable laws or regulations. These statements are based on certain assumptions and reasonable expectation of future events. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic developments within India and other incidental factors. The Company assumes no responsibility in respect of the forward-looking statements herein, which may undergo changes in future on the basis of subsequent development.

### (a) Industry structure and developments:

#### Indian Economic Overview

Due to the onslaught of Covid induced restrictions, the Indian economy is expected to have contracted sharply by -7.3% in FY21 as per the estimates released by MOSPI, Govt. of India. To boost the growth, policy response from RBI and the Government has been swift and coordinated. RBI has continued to maintain ample liquidity in the system. The RBI has reduced Repo rates by 115 bps since the beginning of the Covid shock in March 2020 to 4% which is the lowest in decades. This has continued to keep the interest rates in the benign territory. Similarly, the Government on its part has also taken various initiatives for economic recovery in response to the COVID-19 pandemic through financial packages, tax reliefs, relaxation in interest payments, etc. Aggregate demand conditions after opening up in 2020, have remained resilient. In its first monetary policy statement for 2021-22, the RBI retained its projection of real GDP growth for the year at 10.5%. Some of the green shoots were already visible in the economy in March such as the record GST collections, petrol consumption, electricity generation etc. As per the household survey of the Centre for Monitoring Indian Economy (CMIE), employment conditions brightened in March, with the unemployment rate sliding to 6.5%.

With the second wave of COVID-19 infections forcing authorities to bring back restrictions, economic activity in general and activity in contact intensive sectors particularly is set to suffer again. This puts the nascent recovery under some risk. Continued vaccination momentum remains critical for the eventual opening up of the economy and thus the growth. It is heartening to know that the vaccination in India is progressing well with more than 325 million vaccine doses already administered by end of June 2021. Fulfilment of India's aim to vaccinate the entire eligible population by December will likely yield growth dividend in the second half of the fiscal.

#### Real Estate sector in India

The Indian real estate sector, which includes the residential, office, retail, industrial, logistics and hospitality segments, is a key contributor to GDP growth, and is one of the largest employers in India- second only to agriculture. The sector contributes nearly 6% to the total GDP of the country. According to Anarock Research and various industry sources, with a CAGR of around 10% Real Estate market has grown from US\$ 50 bn in 2008 to US\$ 120 bn in 2017. The sector is expected to reach a market size of US\$ 1 trillion by 2030 clocking a CAGR of 18% and becoming third largest globally.

In the past three to four years, Indian Real Estate has witnessed various change agents including demonetization, implementation of RERA, GST, liquidity crisis, etc, which have cleaned up the sector, brought transparency and have started the process for consolidation of the sector towards the branded developers.

Another key contributor towards the consolidation theme for sector and the cause for its acceleration has been the sharp decline in credit from the formal financial sector to unbranded developers. This coupled with lack of customer trust for this segment has meant that such unbranded players will be unable to bring any meaningful supply in the near future. As per Anarock Research, incremental credit to real estate developers has come down from over an average of ₹ 40,000 crore over FY17-19 to merely ₹ 5000 crore in FY20. As per estimate, this figure would have further dropped in FY21.

Clearly the dramatic fall in incremental credit flowing from banks & NBFCs to the developers meant that most of the unbranded developers are unable to continue the existing projects as well as launching new projects. These unbranded developers along with the financial institutions who supported them earlier are now looking at the branded and stronger tier-1 developers to rescue those projects by taking over the existing projects and/or tie-up for their new land parcels.

Thus, the sector is currently very favourable for the well-known branded developers.

**(b) Opportunities and Threats.**

With the introduction of RERA, rapid urbanization and improved living standard, the demand for housing in affordable sector is robust and your Company would endeavour to derive the same.

Single window clearance mechanism for approvals would go a long way in minimizing the time schedule for completing projects. Further, constant regulatory changes, recession in economies are the challenges for the Company.

**(c) Segment-wise or product-wise performance.**

The Company operates in single segment of real estate development. The Company's project at Hyderabad is almost fully sold out. The Company is evaluating various other business opportunities in the real estate space.

**(d) Outlook**

The real estate sector is one of the most globally recognized sectors. In India, real estate is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade. The real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial.

The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy. It is also expected that this sector will incur more non-resident Indian (NRI) investments in both the short term and the long term.

**(e) Risks and concerns.**

Apart from the increase in land prices, inputs costs have also been constantly increasing. Higher interest cost would dent margins and may have a direct effect on the customer's cash flow as well. Increase in end product prices coupled with tight liquidity may impact demand. The various taxes and levies would add to the costs and this is likely to squeeze margins as end product prices may not go up correspondingly. The company has a Risk Management Policy, which is being periodically reviewed.

**(f) Internal control systems and their adequacy.**

The internal control commensurate with the activities is supplemented by continuous review by the management. The internal control system is designed to ensure that every aspect of the company's activity is properly monitored.

**(g) Discussion on financial performance with respect to operational performance.**

The details of financial performance and operation performance are given in the directors' report.

**(h) Material developments in Human Resources / Industrial Relations front, including number of people employed.**

The Company does not have any employee. The KMPs are deputed by the holding company. The company has amicable relations with the customer, vendors and borrowers of the Company.

**(i) Details of Significant Changes in key financial ratios:**

<b>Significant Changes in Key Financial Ratios:</b>	<b>2021</b>	<b>2020</b>	<b>Changes</b>
(i) Debtors Turnover:	NA	NA	NA
(ii) Inventory Turnover:	1.03	0.17	498%
(iii) Interest Coverage Ratio	NA	NA	NA
(iv) Current Ratio:	0.03	0.05	-39%
(v) Debt equity Ratio:	NA	NA	NA
(vi) Operating Profit Margin (%)	23%	-9%	-361%
(vii) Net Profit Margin (%)	22%	59%	-62%

**(j) Disclosure of Accounting Treatment:**

In preparation of these financial statements, the Company has followed the prescribed Indian Accounting Standards and no different treatment had been followed.

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## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Sanathnagar Enterprises Limited**

**Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of Sanathnagar Enterprises Limited ("the Company"), which comprise the balance sheet as at March 31, 2021 and the statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter**

We draw attention to Note 22 (v) to the financial statements which describes the management's assessment of COVID-19 pandemic on the Company's results and the extent to which it will impact the company's operations is dependent upon future developments, which remain uncertain.

Our opinion is not modified in respect of above matter.

### **Key Audit Matters**

We have determined that there are no Key audit matters to communicate in our report.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report and management discussion and analysis but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure C”.
  - (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 financial statements – Refer Note 23 to the 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.
3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

**For MSKA & Associates**

Chartered Accountants

ICAI Firm Registration No.: 105047W

**Bhavik L. Shah**

Partner

Membership No.: 122071

UDIN: 21122071AAAADS9461

Place: Mumbai

Date: April 27, 2021

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**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, 2021.****Auditor's Responsibilities for the Audit of the Financial Statements**

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**For MSKA & Associates**

Chartered Accountants

ICAI Firm Registration No.: 105047W

**Bhavik L. Shah**

Partner

Membership No.: 122071

UDIN: 21122071AAAADS9461

Place: Mumbai

Date: April 27, 2021

**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SANATHNAGAR ENTERPRISES LIMITED FOR THE YEAR ENDED MARCH 31, 2021.**

[Referred to in paragraph 1 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 (Property, Plant and Equipment).
- (b) All the fixed assets (Property, Plant and Equipment) have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (in the nature of Property, Plant and Equipment). Accordingly, the provision stated in paragraph 3(i)(c) of the order is 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. Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186(1) of the Act. Further, as the Company is engaged in the business of providing infrastructural facilities, the provisions of Section 186[except for sub-section(1)] are not applicable to it.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including income tax, goods and service tax have generally been regularly deposited with the appropriate authorities though there have been delays in a few instances. The Company's operations during the year didn't give rise to any liability for value added tax, service tax, custom duty, excise duty or employee's state insurance. Further, no undisputed statutory dues were in arrears, as at March 31, 2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ In lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Penalty	12.77	Assessment Year 2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Penalty	0.77	Assessment Year 2015-16	Commissioner of Income Tax (Appeals)

- viii. The Company does not have any loans or borrowings from any financial institutions, banks, government or has not issued any debentures. Accordingly, the provisions stated in paragraph 3(viii) of the Order are 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. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.
- 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, the transactions with the related parties are in compliance with the provisions of the 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 Standard.
- 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**

Chartered Accountants

ICAI Firm Registration No.: 105047W

**Bhavik L. Shah**

Partner

Membership No.: 122071

UDIN: 21122071AAAADS9461

Place: Mumbai

Date: April 27, 2021

**ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SANATHNAGAR ENTERPRISES LIMITED FOR THE YEAR ENDED MARCH 31, 2021.**

**[Referred to in paragraph 2(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 with reference to financial statements of Sanathnagar Enterprises Limited ("the Company") as of March 31, 2021 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 with reference to financial statements 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

**Meaning of Internal Financial Controls with Reference to Financial Statements**

A Company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, 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**

Chartered Accountants

ICAI Firm Registration No.: 105047W

**Bhavik L. Shah**

Partner

Membership No.: 122071

UDIN: 21122071AAAADS9461

Place: Mumbai

Date: April 27, 2021

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2021

	Notes	As at 31-March-21 ₹ in Lakhs	As at 31-March-20 ₹ in Lakhs
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2	2.75	3.65
Non - Current Tax Assets (Net)	3	172.86	179.66
Deferred Tax Assets	20	343.27	343.27
Other Non - Current Assets	4	133.13	133.13
<b>Total Non-Current Assets</b>		<b>652.01</b>	<b>659.71</b>
<b>Current Assets</b>			
Inventories	5	56.99	98.34
Financial Assets			
Cash and Cash Equivalents	6	1.69	1.79
<b>Total Current Assets</b>		<b>58.68</b>	<b>100.13</b>
<b>Total Assets</b>		<b>710.69</b>	<b>759.84</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	7	315.00	315.00
Other Equity			
Retained Earnings	8	(1,453.13)	(1,471.14)
Other Reserves	9	3.76	3.76
<b>Equity attributable to owners of the Company</b>		<b>(1,134.37)</b>	<b>(1,152.38)</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	10	1,605.12	1,672.06
Trade Payables	11		
Due to Micro and Small Enterprises		-	-
Due to Others		48.83	50.03
Other Financial Liabilities	12	167.68	163.89
Other Current Liabilities	13	23.43	26.24
<b>Total Current Liabilities</b>		<b>1,845.06</b>	<b>1,912.22</b>
<b>Total Liabilities</b>		<b>1,845.06</b>	<b>1,912.22</b>
<b>Total Equity and Liabilities</b>		<b>710.69</b>	<b>759.84</b>
<b>Significant Accounting Policies</b>	1		
<b>See accompanying notes to the Financial Statements</b>	1 - 33		

As per our attached Report of even date  
For MSKA & Associates  
Chartered Accountants  
Firm Registration Number: 105047W

Bhavik L. Shah  
Partner  
Membership No. 122071

Place : Mumbai  
Date : 27-April-2021

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

Sanjyot Rangnekar  
(Director)  
DIN : 07128992

Kiran Kokare  
(Chief Financial Officer)

Bhushan Shah  
(Director)  
DIN : 07484485

Hitesh Marthak  
(Company Secretary)  
(M. No. A18203)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

	Notes	For the Year ended 31-March-21 ₹ in Lakhs	For the Year ended 31-March-20 ₹ in Lakhs
<b>I INCOME</b>			
Revenue From Operations	14	80.00	67.78
Other Income	15	0.95	40.73
<b>Total Income</b>		<b>80.95</b>	<b>108.51</b>
<b>II EXPENSES</b>			
Cost of Projects	16	41.07	-
Employee Benefits Expense	17	6.51	7.28
Finance Costs	18	-	0.63
Depreciation and Amortisation Expense	2	0.90	2.22
Other Expenses	19	13.53	108.72
<b>Total Expense</b>		<b>62.01</b>	<b>118.85</b>
<b>III Profit / (Loss) Before Tax (I-II)</b>		<b>18.94</b>	<b>(10.34)</b>
<b>IV Tax Expense</b>	20		
Current Tax		(0.93)	73.91
<b>Total Tax Expense</b>		<b>(0.93)</b>	<b>73.91</b>
<b>V Profit for the year (III-IV)</b>		<b>18.01</b>	<b>63.57</b>
<b>VI Other Comprehensive Income (OCI)</b>		-	-
<b>Total Other Comprehensive Income for the year</b>		-	-
<b>VII Total Comprehensive Income for the year (V + VI)</b>		<b>18.01</b>	<b>63.57</b>
<b>VIII Earnings per Equity Share (in ₹)</b>			
(Face value of ₹ 10 per Equity Share)			
Basic	29	0.57	2.02
Diluted		0.57	2.02
<b>Significant Accounting Policies</b>	1		
<b>See accompanying notes to the Financial Statements</b>	1 - 33		

As per our attached Report of even date  
For MSKA & Associates  
Chartered Accountants  
Firm Registration Number: 105047W

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

Sanjyot Rangnekar  
(Director)  
DIN : 07128992

Bhushan Shah  
(Director)  
DIN : 07484485

Bhavik L. Shah  
Partner  
Membership No. 122071

Kiran Kokare  
(Chief Financial Officer)

Hitesh Marthak  
(Company Secretary)  
(M. No. A18203)

Place : Mumbai  
Date : 27-April-2021



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2021

	For the Year ended 31-March-21 ₹ in Lakhs	For the Year ended 31-March-20 ₹ in Lakhs
<b>(A) Operating Activities</b>		
<b>Profit / (Loss) Before Tax</b>	<b>18.94</b>	<b>(10.34)</b>
<b>Adjustments for:</b>		
Depreciation and Amortisation Expense	0.90	2.22
Finance Costs	-	0.63
Sundry Balances / Excess Provision Written Back	(0.41)	(40.40)
Sundry Balances written off	-	67.35
<b>Working Capital Adjustments:</b>		
Increase in Trade and Other Receivables	-	(14.95)
Decrease in Inventory	41.35	-
Increase / (Decrease) in Trade and Other Payables	0.19	(102.50)
<b>Cash generated from / (used in) Operating Activities</b>	<b>60.97</b>	<b>(98.00)</b>
Income Tax (paid)/ refund received (net)	5.87	15.75
<b>Net Cash Flows from / (used in) Operating Activities</b>	<b>66.84</b>	<b>(82.25)</b>
<b>(B) Investing Activities</b>		
Interest received	-	-
<b>Net Cash flow from Investing Activities</b>	<b>-</b>	<b>-</b>
<b>(C) Financing Activities</b>		
Finance Costs paid	-	(0.63)
Proceeds from borrowings	-	79.19
Repayment borrowings	(66.94)	-
<b>Net Cash Flows from / (used in) Financing Activities</b>	<b>(66.94)</b>	<b>78.56</b>
<b>(D) Net Decrease in Cash and Cash Equivalents (A+B+C) :</b>	<b>(0.10)</b>	<b>(3.69)</b>
Cash and Cash Equivalents at the beginning of the year	1.79	5.48
<b>Cash and Cash Equivalents at end of the year (Refer Note 6)</b>	<b>1.69</b>	<b>1.79</b>

## Notes:

- Cash flow statement has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Act.
- Reconciliation of liabilities arising from financing activities under Ind AS 7

	31-March-21	31-March-20
<b>Borrowings</b>		
Balance at the beginning of the year	1,672.06	1,592.87
Cash flow	(66.94)	79.19
Non cash changes	-	-
<b>Balance at the end of the year</b>	<b>1,605.12</b>	<b>1,672.06</b>

As per our attached Report of even date  
For MSKA & Associates  
Chartered Accountants  
Firm Registration Number: 105047W

Bhavik L. Shah  
Partner  
Membership No. 122071

Place : Mumbai  
Date : 27-April-2021

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

Sanjot Rangnekar  
(Director)  
DIN : 07128992

Kiran Kokare  
(Chief Financial Officer)

Bhushan Shah  
(Director)  
DIN : 07484485

Hitesh Marthak  
(Company Secretary)  
(M. No. A18203)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

## (A) EQUITY SHARE CAPITAL

₹ in Lakhs

Particulars	As at	
	31-March-21	31-March-20
Balance at the beginning of the reporting year	315.00	315.00
Changes in Equity Share Capital during the reporting year	-	-
<b>Balance at the end of the reporting year</b>	<b>315.00</b>	<b>315.00</b>

## (B) OTHER EQUITY

₹ in Lakhs

Particulars	Reserves and Surplus		Total
	Capital Reserve	Retained Earnings	
<b>As at 01-April -20</b>	<b>3.76</b>	<b>(1,471.14)</b>	<b>(1,467.38)</b>
Profit for the year	-	18.01	18.01
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the year	-	18.01	18.01
<b>As at 31-March-21</b>	<b>3.76</b>	<b>(1,453.13)</b>	<b>(1,449.37)</b>
<b>As at 01-April -19</b>	<b>3.76</b>	<b>(1,534.71)</b>	<b>(1,530.95)</b>
Profit for the year	-	63.57	63.57
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the year	-	63.57	63.57
<b>As at 31-March -20</b>	<b>3.76</b>	<b>(1,471.14)</b>	<b>(1,467.38)</b>

As per our attached Report of even date  
For MSKA & Associates  
Chartered Accountants  
Firm Registration Number: 105047W

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

Sanjyot Rangnekar  
(Director)  
DIN : 07128992

Bhushan Shah  
(Director)  
DIN : 07484485

Bhavik L. Shah  
Partner  
Membership No. 122071

Kiran Kokare  
(Chief Financial Officer)

Hitesh Marthak  
(Company Secretary)  
(M. No. A18203)

Place : Mumbai  
Date : 27-April-2021

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2021

### 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 and amendment if any.

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.

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2021

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. Accordingly, project related assets and liabilities are classified into current and non-current based on the operating cycle of the project. All other assets and liabilities have been classified into current and non-current based on a period of twelve months."

### 2 Property, Plant and Equipment

#### i. Recognition and measurement

All property, plant and equipment are stated at 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, including cost of the items which can be reliably estimated, 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 Ind AS 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 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	8 to 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 addition to Property, Plant and Equipment is provided on pro-rata basis from the date of acquisition.

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2021

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.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

### 3 Inventories

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.

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.

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2021

### Financial Assets

#### Initial recognition and measurement

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

- 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:

- i) Debt instruments at amortised cost
- ii) Debt instruments at fair value through other comprehensive income (FVTOCI)
- iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- iv) 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:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) 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 and Loss.

#### Debt instruments at FVTOCI

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) 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.

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2021

### 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:

- i) The rights to receive cash flows from the asset have expired, or
- ii) 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.

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

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**NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2021**

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 Statement of Profit and 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 and loss. The Company has not designated any financial liability as at fair value through Statement of 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.

**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



## NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2021

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 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

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2021

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

The Company has applied five step model as set out in Ind AS 115 to recognise revenue in the Financial Statements. The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- a. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- b. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- c. The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue is recognised either at point of time and over a period of time based on the conditions in the contracts with customers.

The specific revenue recognition criteria are described below:

#### (I) Income from Property Development

The Company has determined that the existing terms of the contract with customers does not meet the criteria to recognise revenue over a period of time. Revenue is recognized at point in time with respect to contracts for sale of residential units as and when the control is passed on to the customers which is linked to the application and receipt of occupancy certificate.

The Company provides rebates to the customers. Rebates are adjusted against customer dues and the revenue to be recognized. To estimate the variable consideration for the expected future rebates the company uses the "most-likely amount" method or "expected value method".

#### (II) Contract Balances

##### Contract Assets

The Company is entitled to invoice customers for construction of residential and commercial properties based on achieving a series of construction-linked milestones. A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the company performs by transferring goods or services to a customer before the payment is due, a contract asset is recognized for the earned consideration that is conditional. Any receivable which represents the Company's right to the consideration that is unconditional is treated as a trade receivable.

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2021

### Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

### 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.

The Company recognizes deferred tax liabilities for all taxable temporary differences except those associated with the investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2021**11 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.

**12 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

**2 Property, Plant and Equipment**

₹ in Lakhs

Particulars	Site / Sales Offices and Sample Flats	Plant and Equipment	Furniture and Fixtures	Office Equipments	Computers	Total
<b>Gross Carrying Amount</b>						
<b>As at 1-April-19</b>	<b>431.79</b>	<b>23.34</b>	<b>16.81</b>	<b>20.07</b>	<b>0.14</b>	<b>492.15</b>
Additions	-	-	-	-	-	-
Disposals / Adjustments	-	(9.84)	(6.70)	(14.39)	-	(30.93)
<b>As at 1-April-20</b>	<b>431.79</b>	<b>13.50</b>	<b>10.11</b>	<b>5.68</b>	<b>0.14</b>	<b>461.22</b>
Additions	-	-	-	-	-	-
Disposals / Adjustments	-	-	-	-	-	-
<b>As at 31-March-21</b>	<b>431.79</b>	<b>13.50</b>	<b>10.11</b>	<b>5.68</b>	<b>0.14</b>	<b>461.22</b>
<b>Depreciation and Impairment</b>						
<b>As at 1-April-19</b>	<b>431.79</b>	<b>20.93</b>	<b>14.87</b>	<b>19.53</b>	<b>0.14</b>	<b>487.26</b>
Depreciation charge for the year	-	2.69	(0.32)	(0.15)	-	2.22
Disposals / Adjustments	-	(11.75)	(6.05)	(14.11)	-	(31.91)
<b>As at 1-April-20</b>	<b>431.79</b>	<b>11.87</b>	<b>8.50</b>	<b>5.27</b>	<b>0.14</b>	<b>457.57</b>
Depreciation charge for the year	-	0.29	0.42	0.19	-	0.90
Disposals / Adjustments	-	-	-	-	-	-
<b>As at 31-March-21</b>	<b>431.79</b>	<b>12.16</b>	<b>8.92</b>	<b>5.46</b>	<b>0.14</b>	<b>458.47</b>
<b>Net Carrying Amount</b>						
<b>As at 31-March-21</b>	<b>-</b>	<b>1.34</b>	<b>1.19</b>	<b>0.22</b>	<b>-</b>	<b>2.75</b>
<b>As at 1-April-20</b>	<b>-</b>	<b>1.63</b>	<b>1.61</b>	<b>0.41</b>	<b>-</b>	<b>3.65</b>

NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2021

	As at 31-March-21 ₹ in Lakhs	As at 31-March-20 ₹ in Lakhs
<b>3 Non - Current Tax Assets (Net)</b>		
Advance Income Tax (Net of Provision)	172.86	179.66
<b>Total</b>	<b>172.86</b>	<b>179.66</b>
<b>4 Other Non - Current Assets (Unsecured considered good unless otherwise stated)</b>		
Indirect Tax Receivable (Refer note 32)	133.13	133.13
<b>Total</b>	<b>133.13</b>	<b>133.13</b>
<b>5 Inventories</b>		
Building Materials	-	12.86
Finished Stock	56.99	85.48
<b>Total</b>	<b>56.99</b>	<b>98.34</b>
<b>6 Cash and Cash Equivalents</b>		
Balances with Banks	1.69	1.79
<b>Total</b>	<b>1.69</b>	<b>1.79</b>
<b>7 Equity Share Capital</b>		
<b>A) Authorised Share Capital</b>		
<b>(i) Equity Shares at ₹10 each</b>		
<b>Numbers</b>		
Balance at the beginning of the year	1,47,00,000	1,47,00,000
Increase/(Decrease) during the year	-	-
<b>Balance at the end of the year</b>	<b>1,47,00,000</b>	<b>1,47,00,000</b>
<b>Amount</b>		
Balance at the beginning of the year	1,470.00	1,470.00
Increase/(Decrease) during the year	-	-
<b>Balance at the end of the year</b>	<b>1,470.00</b>	<b>1,470.00</b>
<b>(ii) 9.50% Redeemable Cumulative Preference Shares of ₹ 50 each</b>		
<b>Numbers</b>		
Balance at the beginning of the year	7,520	7,520
Increase/(Decrease) during the year	-	-
<b>Balance at the end of the year</b>	<b>7,520</b>	<b>7,520</b>

NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2021

	As at 31-March-21 ₹ in Lakhs	As at 31-March-20 ₹ in Lakhs
<b>Amount</b>		
Balance at the beginning of the year	3.76	3.76
Increase/(Decrease) during the year	-	-
<b>Balance at the end of the year</b>	<b>3.76</b>	<b>3.76</b>
<b>(iii) Unclassified Shares *</b>		
Balance at the beginning of the year	26.24	26.24
Increase/(Decrease) during the year	-	-
<b>Balance at the end of the year</b>	<b>26.24</b>	<b>26.24</b>

\* 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	31,50,000	31,50,000
Increase/(Decrease) during the year	-	-
<b>Balance at the end of the year</b>	<b>31,50,000</b>	<b>31,50,000</b>

**Amount**

Balance at the beginning of the year	315.00	315.00
Increase/(Decrease) during the year	-	-
<b>Balance at the end of the year</b>	<b>315.00</b>	<b>315.00</b>

**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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2021

	As at 31-March-21 ₹ in Lakhs	As at 31-March-20 ₹ in Lakhs
<b>D) Shares held by Holding Company</b>		
Macrotech Developers Ltd.		
Numbers	22,89,981	22,90,407
Amount	229.00	229.04
<b>E) Details of Shareholders holding more than 5% shares in the Company</b>		
Macrotech Developers Ltd.		
Numbers	22,89,981	22,90,407
% of Holding	72.70%	72.71%
<b>F) There are no shares issued for consideration other than cash during the period of five years.</b>		
<b>8 Retained Earnings</b>		
Balance at the beginning of the year	(1,471.14)	(1,534.71)
Increase during the year	18.01	63.57
<b>Balance at the end of the year</b>	<b>(1,453.13)</b>	<b>(1,471.14)</b>
<b>9 Other Reserves</b>		
<b>Capital Redemption Reserve</b>		
Balance at the beginning of the year	3.76	3.76
Increase/(Decrease) during the year	-	-
<b>Balance at the end of the year</b>	<b>3.76</b>	<b>3.76</b>
<b>10 Current Borrowings</b>		
<b>Unsecured :</b>		
Loans/ Inter Corporate Deposits from Related Parties (Refer note 24)*	1,605.12	1,672.06
<b>Total</b>	<b>1,605.12</b>	<b>1,672.06</b>
* Interest Free, Repayable on demand.		
<b>11 Current Trade Payables</b>		
Due to Micro and Small Enterprises	-	-
Due to Others	48.83	50.03
<b>Total</b>	<b>48.83</b>	<b>50.03</b>

Note: Disclosure of outstanding dues of Micro and Small Enterprise under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006 and relied upon by the auditor.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2021

	As at 31-March-21 ₹ in Lakhs	As at 31-March-20 ₹ in Lakhs
<b>12 Other Current Financial Liabilities</b>		
Society Payables	156.82	155.54
Payable on Cancellation of Allotted units	6.87	6.87
Payable to Related Party (Refer note 24)	3.99	1.48
<b>Total</b>	<b>167.68</b>	<b>163.89</b>
<b>13 Other Current Liabilities</b>		
Duties and Taxes	0.12	0.66
Other Liabilities	23.31	25.58
<b>Total</b>	<b>23.43</b>	<b>26.24</b>
	For the Year ended 31-March-21 ₹ in Lakhs	For the Year ended 31-March-20 ₹ in Lakhs
<b>14 Revenue From Operations</b>		
Sale of Surplus Land	-	65.00
Income from Property Development	80.00	-
Other Operating Revenue	-	2.78
<b>Total</b>	<b>80.00</b>	<b>67.78</b>
<b>15 Other Income</b>		
Interest Income on:		
Income Tax refund	0.54	0.29
Sundry Balances / Excess Provision Written Back	0.41	40.40
Miscellaneous Income	-	0.04
<b>Total</b>	<b>0.95</b>	<b>40.73</b>
<b>16 Cost of Projects</b>		
Opening Stock of Finished Units	85.48	85.48
Add: Expenditure during the year :		
Obsolete Stock of Raw Material	12.58	-
	98.06	85.48
Closing Stock Finished Units	(56.99)	(85.48)
<b>Total</b>	<b>41.07</b>	<b>-</b>



NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2021

	For the Year ended 31-March-21 ₹ in Lakhs	For the Year ended 31-March-20 ₹ in Lakhs
<b>17 Employee Benefits Expense</b>		
Salaries and Wages*	6.51	7.28
<b>Total</b>	<b>6.51</b>	<b>7.28</b>
* Salaries and Wages of ₹ 4.96 Lakhs (31-March-20 ₹ 5.64 Lakhs) reimbursable to Holding Company.		
<b>18 Finance Costs</b>		
Interest Expense on Borrowings and others	-	0.63
<b>Total</b>	<b>-</b>	<b>0.63</b>
<b>19 Other Expenses</b>		
Rates and Taxes	5.79	3.99
Printing and Stationery	0.10	1.20
Legal and Professional	4.56	3.41
Payment to Auditors as:		
Audit Fees	1.20	1.50
Other Services	0.55	-
Taxation Matters	-	0.25
Business Promotion	1.07	0.65
Brokerage and Commission	-	0.75
Sundry Balances written off	-	67.35
Compensation	-	23.91
Office Expenses	-	3.77
Miscellaneous Expenses	0.26	1.94
<b>Total</b>	<b>13.53</b>	<b>108.72</b>
<b>20 Tax Expense:</b>		
<b>a. The major components of Income Tax Expense are as follows</b>		
<b>1 Income Tax recognized in the Statement of Profit and Loss</b>		
<b>Current Income Tax (Expense) / Benefit:</b>		
Current Income Tax	(1.03)	-
Adjustments in respect of current Income Tax of previous year	0.10	(73.91)
<b>Total</b>	<b>(0.93)</b>	<b>(73.91)</b>
<b>Income Tax Expense reported in the Statement of Profit or Loss</b>	<b>(0.93)</b>	<b>(73.91)</b>

NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2021

	For the Year ended 31-March-21 ₹ in Lakhs	For the Year ended 31-March-20 ₹ in Lakhs
<b>b. Reconciliation of Tax Expense and the Accounting Profit multiplied by India's Tax Rate :</b>		
<b>Accounting Profit / (Loss) before Income Tax</b>	18.94	(10.34)
<b>Income tax expense calculated at corporate tax rate</b>		
Tax effect of adjustment to reconcile expected income tax expense to reported	(6.62)	3.61
Income Tax expense:		
<b>Deductible expenses for tax purposes:</b>		
Deductible expenses	6.12	-
<b>Non-deductible expenses for tax purposes:</b>		
Permanent differences	(0.53)	(3.61)
Adjustments in respect of current Income Tax of previous year	0.10	(73.91)
<b>Total</b>	<b>(0.93)</b>	<b>(73.91)</b>

- c. The major components of Deferred Tax (Liabilities)/Assets arising on account of temporary differences are as follows:

## Deferred tax relates to the following:

	Balance sheet	
	31-March-21 ₹ in Lakhs	31-March-20 ₹ in Lakhs
MAT Credit	343.27	343.27
<b>Net Deferred Tax Assets</b>	<b>343.27</b>	<b>343.27</b>
<b>d. Reconciliation of Deferred Tax</b>		
Opening balance	343.27	343.27
<b>Closing balance</b>	<b>343.27</b>	<b>343.27</b>

## 21 Category wise classification of Financial Instruments

	As at 31-March-21 ₹ in Lakhs	As at 31-March-20 ₹ in Lakhs
<b>Financial Assets carried at Amortised Cost</b>		
Cash and Cash Equivalents	1.69	1.79
	<b>1.69</b>	<b>1.79</b>

NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2021

	As at 31-March-21 ₹ in Lakhs	As at 31-March-20 ₹ in Lakhs
<b>Financial Liabilities carried at Amortised Cost</b>		
Borrowings	1,605.12	1,672.06
Trade Payables	48.83	50.03
Other Financial Liabilities	167.68	163.89
	<b>1,821.63</b>	<b>1,885.98</b>

**22 Significant Accounting Judgements, Estimates and Assumptions****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) 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.

**(iv) Going Concern**

During the year ended 31- March- 2021, the Company has cash inflow from operations amounting to ₹ 66.84 Lakhs and as at 31-March-2021, the Company has negative net worth of ₹ 1,134.37 Lakhs. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern.

The Company has secured continued financial support letter from its Holding company to meet its day to day cash requirements and settle liability, if any arises. Basis this, management of the Company believes that risk of material uncertainty has been significantly reduced and the Company shall be able to continue for a foreseeable future. Accordingly, these financial statement have been prepared using the going concern basis.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2021**(v) Estimation uncertainty due to pandemic on coronavirus (COVID-19)**

The Company's operations were impacted by the Covid-19 pandemic. In preparation of these statements, the Company has taken into account internal and external sources of information to assess possible impacts of the pandemic, including but not limited to assessment of liquidity and going concern, recoverable values of its financial and non-financial assets and the impact on revenues. Based on current indicators of future economic conditions, the Company expects to fully recover the carrying amount of its assets. Considering the evolving nature of the pandemic, its actual impact in future remain uncertain and could be different from that estimated as at the date of approval of these financial statement. The Company will continue to monitor any material changes to future economic conditions.

**23 Commitments and contingencies****A. Contingent liabilities**

Claims against the company not acknowledged as debts	As at 31-March-21 ₹ in lakhs	As at 31-March-20 ₹ in lakhs
Disputed Taxation Matters	21.86	31.36
Disputed Demand of customers excluding Amounts not ascertainable	19.28	17.81
<b>Total</b>	<b>41.14</b>	<b>49.17</b>

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

**24 Related party transactions**

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

**A. List of related parties:**

**(As identified by the management), unless otherwise stated**

**I Person having Control or joint control or significant influence**

- 1 Mangal Prabhat Lodha (upto 24-July-2020)
- 2 Abhishek Lodha

**II Close family members of person having Control**

- 1 Mangal Prabhat Lodha (w.e.f. 24-July-2020)
- 2 Manjula Lodha
- 3 Vinti Lodha

**III Ultimate Holding Company**

Sambhavnath Infrabuild and Farms Pvt. Ltd.

**IV Holding Company**

- 1 Macrotech Developers Ltd. (Holding Company of SRPPL)
- 2 Siddhnath Residential Paradise Pvt. Ltd. (SRPPL) (merged with Macrotech Developers Ltd w.e.f. 19-March-20)

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

Palava Dwellers Pvt. Ltd.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2021

## VI Others

Bellissimo Healthy Constructions and Developers Pvt. Ltd.

## VII Key Management Personnel

- 1 Purnima Pavle (Director) (upto 8-May-19)
- 2 Vinod Shah (Director)
- 3 Bhushan Shah (Director)
- 4 Manoj Vaishya (Director) (Upto 10-June-2019)
- 5 Mayank Jain (Director) (From 11-June-19 to 21-February-20)
- 6 Martin Godard (Manager) (from 9-August-19)
- 7 Sanjyot Ragnekar (Director) (w.e.f. 15-May-19)
- 8 Kiran Kokare (Chief Financial Officer) (w.e.f. 20-January-21)

## B. Outstanding Balances with related parties and Transactions during the year ended are as follows:

## (i) Outstanding Balances:

				₹ in Lakhs	
Sr. No.	Nature of Transactions	As on	Holding Company	Fellow Subsidiaries	
1	Loans taken	31-March-21	-	1,605.12	
		31-March-20	-	1,672.06	
2	Other Financial Liabilities	31-March-21	3.99	-	
		31-March-20	1.48	-	

## (ii) Disclosure in respect of transactions with parties:

						₹ in Lakhs	
Sr No	Nature of Transactions	Particulars	Relationship	For the Year ended			
				31-March-21	31-March-20		
1	Loans/ Advances Taken/ (returned)(Net)	Palava Dwellers Pvt. Ltd.	Subsidiary of Holding Company	(66.94)	79.19		
2	Salaries and Wages	Macrotech Developers Ltd.	Holding Company	5.85	6.65		

## C. Terms and conditions of outstanding balances with related parties

## Payable to related parties

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

## 25 Segment information

For management purposes, the Company has only one reportable segments namely, Development of real estate property. The Board of Directors of the Company acts as the Chief Operating Decision Maker ("CODM"). The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators.

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**NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2021****26 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.

**27 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.

**(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 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.

**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 ensures that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2021

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

	Less than 1 years ₹ in Lakhs	1 to 5 years ₹ in Lakhs	> 5 years ₹ in Lakhs	Total ₹ in Lakhs
<b>As at 31-March-21</b>				
Borrowings	1,605.12	-	-	1,605.12
Trade Payables	48.83	-	-	48.83
Other Financial Liabilities	167.68	-	-	167.68
	<b>1,821.63</b>	-	-	<b>1,821.63</b>
<b>As at 31-March-20</b>				
Borrowings	1,672.06	-	-	1,672.06
Trade Payables	50.03	-	-	50.03
Other Financial Liabilities	163.89	-	-	163.89
	<b>1,885.98</b>	-	-	<b>1,885.98</b>

**28 Capital management**

For the purpose of the Company's capital management, capital includes issued equity share capital and other equity reserves attributable to 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.

**29 Basic and Diluted Earnings Per Share:**

		For the Year ended 31-March-21	For the Year ended 31-March-20
(a) Net Profit/ (Loss) for the year	₹ in Lakhs	18.01	63.57
(b) Weighted Average number of Equity Shares outstanding during the year		31,50,000	31,50,000
(c) Face Value of Equity Shares	(₹)	10	10
(d) Basic and Diluted Earnings Per Share	(₹)	0.57	2.02

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31<sup>ST</sup> MARCH, 2021****30 Disclosure under Ind AS 115 -Revenue from Contracts with Customers**

Disclosures with respect to Ind AS 115 are as follows:

**(a) Contract Assets and Contract Liabilities**

₹ in Lakhs

Particulars	As at	
	31-March-21	31-March-20
Trade receivables	-	-
Contract Assets- Accrued revenue	-	-
Contract Liabilities-Advance from customers	-	-

**(b) Movement of Contract Liabilities**

₹ in Lakhs

Particulars	As at	
	31-March-21	31-March-20
Amounts included in contract liabilities at the beginning of the year	-	50.00
Amount received during the year	80.00	15.00
Performance obligations satisfied in current year	(80.00)	(65.00)
<b>Amounts included in contract liabilities at the end of the year</b>	<b>-</b>	<b>-</b>

**31 Details of dues to Micro, Small and Medium Enterprises :**

There are no dues outstanding to Micro, Small and Medium Enterprises as at the Balance Sheet date.

**32** The Company is evaluating Business Options which will ensure utilization of the unutilised Minimum Alternate Tax Credit of ₹ 343.27 Lakhs and Input Tax Credit of ₹ 133.13 Lakhs as at 31-March-21.

**33** The figures for the corresponding previous year have been regrouped/ reclassified, wherever considered necessary, to make them comparable with current years classification.

As per our attached Report of even date  
For MSKA & Associates  
Chartered Accountants  
Firm Registration Number: 105047W

Bhavik L. Shah  
Partner  
Membership No. 122071

Place : Mumbai  
Date : 27-April-2021

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

Sanjyot Rangnekar  
(Director)  
DIN : 07128992

Kiran kokare  
(Chief Financial Officer)

Bhushan Shah  
(Director)  
DIN : 07484485

Hitesh Marthak  
(Company Secretary)  
(M. No. A18203)







*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