

September 06, 2020

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

Scrip Code: 509423

Dear Sirs,

Dear Sir / Madam,

Sub: Intimation for e-voting period, AGM date of the Company and submission of Annual Report for the financial year 2019-20

Pursuant to Regulation 42 and all other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), we wish to inform you that:

- (1) The 73rd Annual General Meeting (AGM) of the members of the Company will be held on Wednesday, September 30, 2020 at 11:00 am. through video conferencing / Other Audio Visual Means. A copy of the integrated annual report for the financial year 2019-20 including notice of the 73rd AGM is enclosed herewith.
- (2) The e-voting period begins on Sunday, September 27, 2020 (9:00 am) and ends on Tuesday, September 29, 2020 (5:00 pm). During this period, shareholders of the Company, holding shares, as on the cut-off date i.e Wednesday, September 23, 2020, may cast their vote electronically.
- (3) We declare that Auditors' have given unmodified opinion on the financial statement for the FY 2019-20 of the Company.

Further, as per Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is providing facility to the members to cast their votes by electronic means on all the resolutions set forth in the Notice of 73rd AGM. A copy of the e-voting instructions slip (Form) is also given in the Annual Report.

You are requested kindly to take the same on record and inform your members accordingly.

Thanking you,

Yours faithfully,
Sanathnagar Enterprises Limited



Hitesh Marthak
Company Secretary
Membership No. A18203



SANATHNAGAR ENTERPRISES LIMITED

73rd ANNUAL REPORT FINANCIAL YEAR 2019-20

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. Sumit Kumar Jain Chief Financial Officer
Mr. Hitesh Marthak Company Secretary & Compliance Officer

STATUTORY AUDITORS

MSKA & Associates, Chartered Accountants (F.K.A. MZSK & Associates)

BANKERS

HDFC Bank Limited
Kotak Mahindra Bank Limited

REGISTERED OFFICE

412, 17G Vardhaman Chamber, Cawasji Patel Road,
Horniman Circle, Fort, Mumbai-400 001
Tel.: +91.22.61334400 Fax: +91.22.23024550
Website: www.sanathnagar.in
E-mail: investors.sel@lodhagroup.com

CORPORATE OFFICE

Lodha Excelus, 10th floor, 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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NOTICE

NOTICE is hereby given that the **73RD ANNUAL GENERAL MEETING** of the Members of Sanathnagar Enterprises Limited will be held on Wednesday, September 30, 2020, at 11.00 a.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, 2020, together with the Reports of the Board of Directors and the Auditors thereon and in this regard pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”

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.

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

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

Date: June 9, 2020

Place: Mumbai

Registered Office:

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

NOTES:

- 1) Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (“SEBI Circular”) 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 accordance with the MCA 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. The deemed venue for the AGM shall be the Corporate Office of the Company at 10th Floor, Lodha Excelus, N.M. Joshi Marg, Mahalaxmi, Mumbai 400011. Pursuant to MCA Circulars and SEBI Circulars, this annual report is being sent by email only.
- 2) Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility

for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto. 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 with a copy marked to cs.shravangupta@gmail.com, a scrutiniser and NSD at evoting@nsdl.co.in

- 3) 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 at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- 4) 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.
- 5) Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
- 6) In line with the MCA Circulars, the Notice calling the AGM has been uploaded on the website of the Company at www.sanathnagar.in. The Notice may also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
- 7) Members holding shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to write to the Company's Registrar and Share Transfer agent, CIL Securities Limited, 214, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad - 500 001. Andhra Pradesh, India Telephone No.: +91-040-23203155 Email Id: rita@cilsecurities.com enclosing their original share certificate to enable them to consolidate the holdings into one folio.
- 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 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
- 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 atleast once in a financial year, to the member to register his e-mail address and changes therein and such request may be made by only those members who have not got their email ID recorded or to update a fresh email ID and not from the members whose e-mail IDs are already registered. In view of the above, the Company hereby 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 Registrar and Transfer Agent of the Company quoting their folio number(s).
- 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) Members who would like to express their views or ask questions during the meeting will be required to register themselves as speaker by sending e-mail to the Company Secretary at investors.sel@lodhagroup.com from their registered e-mail address, mentioning their name, DP ID and Client ID / folio number and mobile number. Only those Members who have registered themselves as speaker by 10.30 a.m. on Monday, 28th September, 2020 will be able to speak at the meeting. Further, Members who would like to have their questions / queries responded to during the AGM are requested to send such questions / queries in advance within the aforesaid date and time, by following similar process as stated above..
- 14) Members holding shares of the Company as on Wednesday, September 23, 2020 (cut-off date), shall be entitled to vote by e-voting and at the Meeting of the Company. A person who is not a member as on the cut-off date should treat this notice for information purpose only.
- 15) A Statement pursuant to Section 102 (1) of the Companies Act, 2013 ("the Act"), relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 16) In terms of Section 152 of the Act, Ms. Sanjyot Rangnekar, 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.
- 17) The additional information in respect of re-appointment of Ms. Sanjyot Rangnekar 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.
- 18) 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.
- 19) The Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which will include remote e-voting as prescribed by the Companies (Management and Administration) Rules, 2014 as presently in force and the business set out in the Notice will be transacted through such voting. Information and instructions including details of User ID and password relating to such e-voting are provided as follows:
 - a. 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. For this purpose, the Company has entered into an agreement with National Securities Depository 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 venue voting on the date of the AGM will be provided by NSDL.
 - b. Any person, who acquires shares of the Company and becomes member of the Company after the dispatch of the notice and holding shares as of the cut-off date i.e., Wednesday, September 23, 2020 may obtain their login ID and password by sending a request at evoting@nsdl.co.in However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.
 - c. 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 Wednesday, September 23, 2020.

- d. 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. Wednesday, September 23, 2020 only shall be entitled to avail the facility of remote e-voting as well as e-voting at the AGM.
- e. The remote e-voting period commences on Sunday, September 27, 2020 (9:00 am) and ends on Tuesday, September 29, 2020 (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. Wednesday, September 23, 2020, 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.
- f. 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).
- g. The Company has appointed Shraavan A Gupta & Associates, Practising Company Secretary (PCS No. 9990), as the scrutinizer (the 'Scrutinizer') for scrutizing the remote e-voting process as well as voting at the AGM in a fair and transparent manner.
- h. The Members present in the AGM through VC / OAVM facility and have not cast 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 during the AGM and e-voting will be opened for 15 minutes after the close of AGM.
- i. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- j. The Scrutiniser will submit their report to the Chairman or any person authorised by him after completion of the scrutiny and the results of voting will be announced after the AGM of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM.
- k. The results declared along with the report of the Scrutinizer will be placed on the website of the Company www.sanathnagar.in and on the website of the NSDL immediately after the declaration of result by the Chairperson or a person authorized by her in writing. The results will also be immediately forwarded to the stock exchange (BSE Limited).
- l. The information and instructions including details of User ID and Password relating to such remote e-voting, e-voting at AGM and attending the AGM through VC/OAVM are as under:

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

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: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password 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. Your password details 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.
- b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on 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 mentioning your demat account number/folio number, your PAN, your name and your registered address.

- 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.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. 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 with a copy marked to 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 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 or call on toll free no.: 1800-222-990 or send a request to Sarita Mote, Asst. Manager at 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) by email to 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.

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the 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 AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the 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 AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members 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. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
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 in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.
6. Shareholders may call on toll free number of NSDL 1800-222-990, if they find any difficulty in joining the AGM.

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

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

Date: June 9, 2020

Place: Mumbai

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:

Name of the Director	Ms. Sanjyot Rangnekar (DIN: 07128992)
Date of Birth	July 6, 1970
Qualification	Member of the Institute of the Company Secretaries of India and the Institute of the Cost and Works Accountant of India
Experience	Ms. Sanjyot Rangnekar 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.
Terms & Conditions of appointment	Non-executive Director without any remuneration from the Company
Remuneration last drawn & Sought to be paid	N.A.
Date of Appointment on the Board	May 15, 2019
Directorships held in other companies as on March 31, 2020	1. Roselabs Finance Limited 2. Cowtown Software Design Private Limited 3. Center for Urban Innovation
Memberships of committees across companies (includes only Audit & Stakeholders Relationship Committee) as on March 31, 2020	1. Member of Stakeholders Relationship Committee and Audit Committee of the Company. 2. Member of Audit Committee of Roselabs Finance Limited. 3. Chairperson of Stakeholders Relationship Committee of Roselabs Finance Limited.
Shareholding in the Company (Equity)	Nil
Relationship with other Directors/ Manager/ Key Managerial Personnel	None
Number of Board meetings attended during the year 2019-20	4 (Four)

DIRECTORS' REPORT

Dear Members,

The Directors are pleased to present the 73RD Annual Report of the Company alongwith the audited financial statements for the financial year ended March 31, 2020.

FINANCIAL HIGHLIGHTS

(₹ in lakhs)

Particulars	2019-20	2018-19
Revenue from operations	67.78	68.10
Total Income	108.51	87.16
Finance costs	0.63	1.80
Total Expenditure	118.85	202.78
Profit before tax	(10.34)	(115.62)
Tax Expenses	(73.91)	-
Other Comprehensive Income under IND AS	-	-
Total Comprehensive Income	63.57	(115.62)

REVIEW OF PERFORMANCE AND FUTURE OUTLOOK

Revenue from operations reduced during the financial year 2019-20 on account of sale of balance inventory in the Company's Hyderabad project. The Company incurred a profit of ₹ 63.57 lakhs during financial year 2019-20 as against a loss of Rs 115.62 lakhs during the previous financial year.

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 business activity, there is no impact of outbreak of Covid-19 all over the world including India.

DIVIDEND AND RESERVES

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

ANNUAL RETURN

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return for financial year 2019-20 is given in **Annexure I** in Form MGT-9, which is a part of this report.

CHANGES IN SHARE CAPITAL

There was no change in the authorized and paid-up share capital of the Company during financial year 2019-20.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Ms Sanjyot Rangnekar and Mr Mayank Jain were appointed as Additional Directors with effect from May 15, 2019 and June 11, 2019 respectively, and re-appointed as directors at Annual General Meeting held on September 24, 2019. Mr Mayank Jain resigned as director w.e.f. February 21, 2020. The Board places on record its appreciation for the services rendered by him during his tenor as director.

Ms. Purnima Pavle and Mr. Manoj Vaishya resigned as directors on May 8, 2019 and June 10, 2019 respectively. The Board places on record its appreciation for the services rendered by them during their tenure as Director.

SANATHNAGAR ENTERPRISES LIMITED

Ms. Sanjyot Rangnekar retires by rotation and being eligible, offers herself for re-appointment. Necessary resolutions are included in the accompanying notice of the Annual General Meeting.

Mr Maninder Chhabra resigned as Manager w.e.f. June 19, 2019. Mr. Martin Godard was appointed as Manager w.e.f. August 9, 2019.

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. Sumit Kumar Jain, 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

Board Meetings

Four Board meetings were held during the year. These meetings were held on May 15, 2019, August 9, 2019, October 18, 2019 and January 16, 2020. 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
4.	Mr. Mayank Jain ²	Non-Independent, Non-Executive	3	3
5.	Mr. Manoj Vaishya ¹	Non-Independent, Non-Executive	1	1

1. Resigned as director on June 10, 2019
2. Appointed as director on June 11, 2019 and resigned on February 21, 2020

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 January 16, 2020.

Board Committees

The Board has constituted four committees as on March 31, 2020.

Audit Committee

During the year, the Audit Committee comprised Mr. Bhushan Shah, Chairman, Mr. Vinod Shah, both independent directors and Mr. Mayank Jain, 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

Officers are permanent invitees to the meetings and the Company Secretary acts as 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 May 15, 2019, August 9, 2019, October 18, 2019 and January 16, 2020.

All Directors attended all meetings which they were eligible to attend during the year

Nomination & Remuneration Committee

As on March 31, 2020, the Nomination & Remuneration Committee comprised Mr. Bhushan Shah, Chairman and Mr. Vinod Shah, both independent directors and Ms Sanjyot Rangnekar, 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 May 15, 2019 and August 9, 2019.

All members attended all meetings during the year.

Corporate Social Responsibility Committee

As on March 31, 2020, the CSR Committee comprised Ms Sanjyot Rangnekar, Chairperson, Mr. Bhushan Shah and Mr. Vinod Shah. The Committee met once during the financial year; on May 15, 2019.

All members attended all meetings during the year.

Details required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in the CSR Report appended at **Annexure II** to this Report. The Board has adopted a CSR Policy which is available on the Company's website at www.sanathnagar.in. Salient features of the Policy are set out in **Annexure III** to this Report.

Stakeholders' Relationship Committee

As on March 31, 2020, the Stakeholders' Relationship Committee comprised of Ms Sanjyot Rangnekar, Chairperson, Mr. Vinod Shah and Mr. Bhushan Shah. The Committee met four times during the year; on May 15, 2019, August 9, 2019, October 18, 2019 and January 16, 2020.

All members attended all meetings during the year.

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 and the board as a whole was evaluated, taking into account the views of 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 www.sanathnagar.in. Salient features of the Policy are reproduced in **Annexure IV** to this Report.

AUDITORS & AUDITOR'S REPORTS

• **Statutory Auditor**

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

• **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 a secretarial audit for the financial year 2019-20.

Auditor's Reports

- The Statutory Auditor's Report for financial year 2019-20 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 2019-20 does not contain any qualifications, reservations or adverse remarks. The Secretarial Audit Report is provided in **Annexure V** of this Report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

RELATED PARTY TRANSACTIONS

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

Further there are no transactions/contracts/arrangements entered by the Company with related party(ies) as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year, 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.

Vigil Mechanism

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

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

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

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) 2014 is not relevant to the company as the company has no employee, 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 do not apply as there are no employees who draw remuneration in excess of the limits set out in the said Rules.

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

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in **Annexure VI** to this report. There was no foreign exchange earnings or outgo during the financial year 2019-20.

CORPORATE GOVERNANCE REPORT

As the paid up equity share capital and networth 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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

GENERAL

Your Directors state that for the financial year ended March 31, 2020, 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. No cases were filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- c. There are no material changes or commitments affecting the financial position of the Company between March 31, 2020 and the date of this report.
- d. The Company has not accepted any deposits during financial year 2019-20.
- e. No instance of fraud has been reported to the Board by the Auditors or any other person.
- f. No significant or material orders which impact the going concern status and Company's operations in future were passed by Regulators/Courts/Tribunals.
- g. There was no change in the nature of the business of the Company during the financial year 2019 -20.
- h. There was no issue of equity shares with differential rights as to dividend, voting or otherwise during the financial year 2019-20.
- i. The Company has not issued any shares (including sweat equity shares) to its employees under any scheme during the financial year 2019-20.
- j. The Company has complied with applicable Secretarial Standards issued by the Institute of the Company Secretaries of India during the financial year 2019-20.

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 period;

- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the Directors had prepared the annual accounts on a going concern basis;
- e. the Directors had laid down internal financial controls to be followed by the Company and that such internal financial 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

Date: June 9, 2020
Place: Mumbai

Sanjyot Rangnekar
Director
DIN: 07128992

Bhushan Shah
Director
DIN: 07484485

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2020
OF
SANATHNAGAR ENTERPRISES LIMITED

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Business activities contributing 10 % or more of the total turnover of the Company:

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Holding Company					
Sr. N	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Macrotech Developers Limited (FKA Lodha Developers Limited) 412, Floor – 4, 17G, Vardhaman Chamber, Cawasji Patel Road, Horniman Circle, Fort, Mumbai – 400001	U45200MH1995PLC093041	Holding Company	72.71%	2(46)

The Company did not have any subsidiaries, joint ventures and associate companies during financial year.

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

(i) Category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year 01.04.2019				No. of Shares held at the end of the year 31.03.2020				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of total shares	
A. Promoters and Promoter Group									
(1) Indian									
(a) Individual/ HUF	18,105	0	18,105	0.57%	18,105	0	18,105	0.57%	0.00%
(b) Central Govt	0	0	0	0	0	0	0	0	0.00%
(c) State Govt(s)	0	0	0	0	0	0	0	0	0.00%
(d) Bodies Corp.	23,44,392	0	23,44,392	74.43%	23,44,392	0	23,44,392	74.43%	0.00%
(e) Banks / FI	0	0	0	0	0	0	0	0	0.00%
Sub-total (A) (1):-	23,62,497	0	23,62,497	75.00%	23,62,497	0	23,62,497	75.00%	0.00%
(2) Foreign									
(a) NRIs Individuals	0	0	0	0.00%	0	0	0	0	0.00%
(b) Other –Individuals	0	0	0	0.00%	0	0	0	0	0.00%
(c) Bodies Corp.	0	0	0	0.00%	0	0	0	0	0.00%
(d) Banks / FI	0	0	0	0.00%	0	0	0	0	0.00%
Sub-total (A) (2):-	0	0	0	0.00%	0	0	0	0	0.00%
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	23,62,497	0	23,62,497	75.00%	23,62,497	0	23,62,497	75.00%	0.00%
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	0	4,644	4,644	0.15%	0	4,644	4,644	0.15%	0.00%
(b) Banks / FI	22,333	57	22,390	0.71%	22,333	57	22,390	0.71%	0.00%
(c) Central Govt/ State Govt(s)	0	32,496	32,496	1.03%	0	32,496	32,496	1.03%	0.00%
(d) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00%
(e) Insurance Companies	0	0	0	0	0	0	0	0	0.00%
(a) FIs	0	0	0	0	0	0	0	0	0.00%
(b) Foreign	0	0	0	0	0	0	0	0	0.00%
Venture Capital	0	0	0	0	0	0	0	0	0.00%
Sub-total (B)(1):-	22,333	37,197	59,530	1.89%	22,333	37,197	59,530	1.89%	0.00%
2. Non- Institutions									
(a) Bodies Corp.									
(i) Indian	56,131	2,431	58,562	1.86%	27,998	2,430	30,428	0.97%	-0.89%
(ii) Overseas	0	0	0	0.00%	0	0	0	0.00%	0.00%
(b) Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	5,10,631	45,836	5,56,467	17.67%	5,25,602	44,157	5,69,759	18.08%	0.41%
(i) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,12,931	0	1,12,931	3.59%	1,27,766	0	1,27,766	4.06%	0.47%
(c) Others (NRI's)	3	10	13	0.00%	3	17	10	0.00%	0.00%
Sub-total (B)(2):-	6,79,696	48,277	7,27,973	23.11%	6,81,369	46,604	7,27,973	23.11%	0.00%
Total Public shareholding (B)=(B)(1)+(B)(2)	7,02,029	85,474	7,87,503	25.00%	7,03,706	83,801	7,87,503	25.00%	0.00%
C. Shares held by Custodian for GDR/ ADR	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	30,64,526	85,474	31,50,000	100.00%	30,66,199	83,801	31,50,000	100.00%	

SANATHNAGAR ENTERPRISES LIMITED

(ii) Shareholding of Promoters

	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in the shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	N.P.S. Shinh	14,955	0.47	-	14,955	0.47	-	-
2.	Manita Shinh	3,150	0.10	-	3,150	0.10	-	-
3.	Siddhnath Residential Paradise Private Limited	22,88,988	72.67	-	0	0	-	(72.67)
4.	Continuous Forms (Calcutta) Limited	53,985	1.71	-	53,985	1.71	-	-
5.	Arihant Premises Private Limited	993	0.03	-	0	0	-	(0.03)
6.	Macrotech Developers Limited	426	0.01	-	22,90,407	72.71	-	72.70
	Total	23,62,497	75.00	-	23,62,497	75.00	-	-

(iii) Change in Promoters' Shareholding

(i) Particulars	Date	Shareholding details		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Arihant Premises Private Limited					
At the beginning of the period	01-Apr-2019	993	0.03	993	0.03
Changes during the year					
Transfer on account of merger of Arihant Premises Private Limited with Macrotech Developers Limited	19-Mar-2020	(993)	(0.03)	-	-
At the end of the year	31-Mar-2020	-	-	-	-
Siddhnath Residential Paradise Private Limited					
At the beginning of the period	01-Apr-2019	22,88,988	72.67	22,88,988	72.67
Changes during the year					
Transfer on account of merger of Siddhnath Residential Paradise Private Limited with Macrotech Developers Limited		(22,88,988)	(72.67)	-	-
At the end of the year		-	-	-	-
Macrotech Developers Limited					
At the beginning of the period		426	0.01	426	0.01
Changes during the year					
Transfer on account of merger of Arihant Premises Private Limited with Macrotech Developers Limited		993	0.03	1419	0.04
Transfer on account of merger of Siddhnath Residential Paradise Private Limited with Macrotech Developers Limited		22,88,988	72.67	22,90,407	72.71
At the end of the year		22,90,407	72.71	22,90,407	72.71

There is no change in shareholding of any other promoter /promoter group entity / individual

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

Sr.	Top 10 shareholders	Date of change	Shareholding details		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	MAHENDRA GIRDHARILAL					
	At the beginning of the year	01-04-2019	46,399	1.47	46,399	1.47
	Acquired during the year	26-04-2019	6	0	46,405	1.47
	Acquired during the year	10-05-2019	3	0	46,408	1.47
	Acquired during the year	17-05-2019	1,336	0.04	47,744	1.51
	Acquired during the year	24-05-2019	1,336	0.04	49,080	1.55
	Acquired during the year	31-05-2019	790	0.03	49,870	1.58
	Acquired during the year	07-06-2019	10	0	49,880	1.58
	Acquired during the year	21-06-2019	230	0.01	50,110	1.59
	Acquired during the year	05-07-2019	70	0	50,180	1.59
	Acquired during the year	30-08-2019	1,910	0.06	52,090	1.65
	Acquired during the year	06-09-2019	416	0.01	52,506	1.66
	Acquired during the year	13-09-2019	850	0.03	53,356	1.69
	Acquired during the year	20-09-2019	100	0	53,456	1.69
	Acquired during the year	27-09-2019	3,000	0.1	56,456	1.79
	Acquired during the year	04-10-2019	18,114	0.58	74,570	2.37
	Acquired during the year	11-10-2019	2,000	0.06	76,570	2.43
	Acquired during the year	18-10-2019	511	0.02	77,081	2.45
	Acquired during the year	25-10-2019	400	0.01	77,481	2.46
	Acquired during the year	01-11-2019	400	0.01	77,881	2.47
	Acquired during the year	08-11-2019	500	0.02	78,381	2.49
	Acquired during the year	22-11-2019	602	0.02	78,983	2.51
	Acquired during the year	29-11-2019	3,000	0.10	81,983	2.61
	Acquired during the year	06-12-2019	1,000	0.03	82,983	2.64
	Acquired during the year	13-12-2019	2,199	0.07	85,182	2.71
	Acquired during the year	20-12-2019	300	0.01	85,482	2.72
	Acquired during the year	27-12-2019	3,000	0.10	88,482	2.81
	Acquired during the year	03-01-2020	603	0.02	89,085	2.83
	Acquired during the year	10-01-2020	1,002	0.03	90,087	2.86
	Acquired during the year	17-01-2020	1,163	0.04	91,250	2.90
	Acquired during the year	24-01-2020	1,003	0.03	92,253	2.93
	Acquired during the year	31-01-2020	4	0.00	92,257	2.93
	Acquired during the year	21-02-2020	300	0.01	92,557	2.94
	At the end of the year	31-03-2020	92,557	2.94	92,557	2.94
2	The Governor of Andhra Pradesh					
	At the beginning of the year	01-04-2019	32,496	1.03	32,496	1.03
	Changes during the year	-	-	-	-	-
	At the end of the year	31-03-2020	32,496	1.03	32,496	1.03

SANATHNAGAR ENTERPRISES LIMITED

Sr.	Top 10 shareholders	Date of change	Shareholding details		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
3	Ramavatar Badaya					
	At the beginning of the year	01-04-2019	32,064	1.02	32,064	1.02
	Acquired during the year	14-06-2019	3,145	0.10	35,209	1.12
	At the end of the year	31-03-2020	35,209	1.12	35,209	1.12
4	Hindustan Tradecom Pvt Ltd					
	At the beginning of the year	01-04-2019	23,899	0.76	23,899	0.76
	Sold During the year	24-05-2019	1,784	0.06	22,115	0.70
	Sold During the year	14-06-2019	3,145	0.10	18,970	0.60
	Sold During the year	28-06-2019	3,877	0.12	15,093	0.48
	Acquired during the year	09-08-2019	1	0.00	15,094	0.48
	Sold During the year	23-08-2019	6,210	0.20	8,884	0.28
	Sold During the year	30-08-2019	4,008	0.13	4,876	0.16
	Acquired during the year	30-08-2019	200	0.01	5,076	0.15
	Acquired during the year	06-09-2019	393	0.01	5,469	0.14
	Sold During the year	13-09-2019	4,876	0.15	593	-0.02
	Acquired during the year	04-10-2019	407	0.01	1,000	-0.03
	Sold During the year	01-11-2019	663	0.02	337	-0.05
	Acquired during the year	08-11-2019	11,626	0.37	11,963	-0.42
	Sold During the year	22-11-2019	10,963	0.35	1,000	-0.77
	Acquired during the year	29-11-2019	3	0.00	1,003	-0.77
	Sold During the year	06-12-2019	703	0.02	300	-0.79
	Acquired during the year	10-01-2020	859	0.03	1,159	-0.82
	Acquired during the year	06-03-2020	841	0.03	2,000	-0.85
	Sold During the year	13-03-2020	2,000	0.06	-	-
	At the end of the year	31-03-2020	-	-	-	-
5	Rekha Rawat					
	At the beginning of the year	01-04-2019	-	-	-	-
	Acquired during the year	13-09-2019	3,876	0.12	3,876	0.12
	Acquired during the year	15-11-2019	11,963	0.38	15,839	0.50
	At the end of the year	31-03-2020	15,839	0.50	15,839	0.50
6	Life Insurance Corporation of India					
	At the beginning of the year	01-04-2019	14,027	0.45	14,027	0.45
	Changes during the year	-	-	-	-	-
	At the end of the year	31-03-2020	14,027	0.45	14,027	0.45
7	Neha Panwar					
	At the beginning of the year	01-04-2019	12,851	0.41	12,851	0.41
	Acquired during the year	17-09-2019	10	0.00	12,861	0.41
	At the end of the year	31-03-2020	12,861	0.41	12,861	0.41
8	Kamal Kishore Paharia					
	At the beginning of the year	01-04-2019	11,336	0.36	11,336	0.36
	Sold during the year	04-10-2019	1,336	0.04	10,000	0.32
	Sold during the year	22-11-2019	397	0.01	9,603	0.31

Sr.	Top 10 shareholders	Date of change	Shareholding details		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Sold during the year	29-11-2019	2,000	0.06	7,603	0.25
	Sold during the year	20-12-2019	401	0.01	7,202	0.24
	Sold during the year	24-01-2020	5,202	0.18	2,000	0.06
	Sold during the year	06-03-2020	2,000	0.06	-	-
	At the end of the year	31-03-2020	-	-	-	-
9	Niharika Realtors Pvt Ltd					
	At the beginning of the year	01-04-2019	10,383	0.33	10,383	0.33
	Changes during the year	-	-	-	-	-
	At the end of the year	31-03-2020	10,383	0.33	10,383	0.33
10	Vandana Bajaj					
	At the beginning of the year	01-04-2019	10,281	0.33	10,281	0.33
	Changes during the year	-	-	-	-	-
	At the end of the year	31-03-2020	10,281	0.33	10,281	0.33

(v) Shareholding of Directors and Key Managerial Personnel

Directors and Key Managerial Personnel do not hold any shares in the Company.

V. INDEBTEDNESS (including interest outstanding/accrued but not due for payment)

(Amount in Lakhs)

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	1592.87	-	1592.87
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	1592.87	-	1592.87
Change in Indebtedness during the financial year				
• Addition	-	79.19	-	79.19
• Reduction	-	-	-	-
Net Change		79.19		79.19
Indebtedness at the end of the financial year				
i) Principal Amount	-	1672.06	-	1672.06
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	1672.06	-	1672.06

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager -

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Manager		Total
		Maninder Chhabra (April 1, 2019 to June 19, 2019)		
1	Gross salary			
	a. Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	92,478		92,478
	b. Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-		-
	c. Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-		-
2	Stock Option	N.A.		N.A.
3	Sweat Equity	N.A.		N.A.
4	Commission			
	- as % of profit			
	- others, specify...	N.A.		N.A.
5	Others, please specify	N.A.		N.A.
	Total	92,478		92,478

Mr. Martin Godard, Manager is not drawing any remuneration.

B. Remuneration to other directors

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors		Total amount (Rs)
		Vinod Shah	Bhushan Shah	
1.	Independent Directors			
	• Fee for attending board / committee meetings	77,500	77,500	1,55,000
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (1)	77,500	77,500	1,55,000
2.	Other Non-Executive Directors			
	• Fee for attending board / committee meetings	-	-	-
	• Commission			
	• Others, please specify			
	Total (2)	-	-	-
	Total (B)=(1+2)	77,500	77,500	1,55,000
	Total Managerial Remuneration	77,500	77,500	1,55,000
	Overall Ceiling as per the Act	N. A.		

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CS	CFO	
		Hitesh Marthak	Sumit Jain	
1	Gross salary			
	a. Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	210,341	362,065	572,406
	b. Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	c. Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	N.A.	N.A.	N.A.
3	Sweat Equity	N.A.	N.A.	N.A.
4	Commission			
	- as % of profit			
	- others, specify...	N.A.	N.A.	N.A.
5	Others, please specify			
	N.A.	N.A.	N.A.	
	Total	210,341	362,065	572,406

*the CFO and CS have been deputed by holding company. 5% of their salary has been charged to the Company and the same is being reimbursed by the Company to the holding company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended March 31, 2020.

For and on behalf of the Board
Sanathnagar Enterprises Limited

Date: June 9, 2020
Place: Mumbai

Sanjyot Rangnekar
Director
DIN: 07128992

Bhushan Shah
Director
DIN: 07484485

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

Sr. No.	Particulars	Details
1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web- link to the CSR policy and projects and programs	<p>The Policy emphasizes initiatives in specific areas of social development that would include primary and secondary education, skills development, vocational training, health and hygiene, preventive health care and sanitation, women empowerment, environment and ecological protection, character building by providing training opportunities in sports and cultural activities etc.</p> <p>The Company has framed its CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is available on the Company's website at the web link http://www.sanathnagar.in/Policies.html</p>
2.	Composition of the CSR Committee as on March 31, 2020	<ul style="list-style-type: none"> • Ms. Sanjyot Rangnekar- Chairperson • Mr. Bhushan Shah • Mr. Vinod Shah
3.	Average Net Profit of the Company for last three financial years	₹ 170.01 lakhs
4.	Prescribed CSR Expenditure (two percent of the amount as per item 3 above)	₹ 3.40 lakhs
5.	Details of CSR spent during the financial year; <ul style="list-style-type: none"> a. Total amount spent for the financial year b. Amount unspent, if any c. Manner in which the amount spent during the financial year is detailed below: 	<p>Nil.</p> <p>₹ 3.40 lakhs</p> <p>N.A.</p>
6.	In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.	The CSR requirement was met at a group level. The Group does CRS activities in the fields of environment sustainability, preventive health care, social economics development, training and education etc.

For and on behalf of the Board
Sanathnagar Enterprises Limited

Date: June 9, 2020
Place: Mumbai

Sanjyot Rangnekar
Director
DIN: 07128992

Bhushan Shah
Director
DIN: 07484485

Salient features of the CSR Policy

A. Policy Objectives:

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

B. Implementation:

All CSR projects/activities will be over and above the normal course of the Company's business and will be implemented as permissible under the applicable provisions of the Companies Act.

C. Governance :

CSR implementation shall be periodically reviewed and monitored by the CSR Committee of the Board constituted as per the requirements of Section 135 of the Companies Act, 2013.

D. CSR focus areas:

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

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
2. Promoting education, hosting events, performances in pure arts including special education and employment enhancing vocational skills especially among children, women and the differently abled and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; day care centers and such other facilities and measures for reducing inequalities faced by socially and economically backward groups;
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna and conservation of natural resources;
5. Protection of national heritage, art and culture; setting up public libraries; promotion and development of traditional arts and handicrafts;
6. Contributions to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
7. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
8. Rural development projects;

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

For and on behalf of the Board
Sanathnagar Enterprises Limited

Date: June 9, 2020
Place: Mumbai

Sanjyot Rangnekar
Director
DIN: 07128992

Bhushan Shah
Director
DIN: 07484485

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

Date: June 9, 2020
Place: Mumbai

Sanjyot Rangnekar
Director
DIN: 07128992

Bhushan Shah
Director
DIN: 07484485

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[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, 2020, 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, 2020 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 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: A027484B000312945
Date: 03.06.2020

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

Date: June 9, 2020
Place: Mumbai

Sanjyot Rangnekar
Director
DIN: 07128992

Bhushan Shah
Director
DIN: 07484485

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:

Economic Overview

The World Economic Outlook (WEO) Update of January 2020 published by IMF has estimated the global output to grow at 2.9 per cent in 2019, declining from 3.6 per cent in 2018 and 3.8 per cent in 2017. The global output growth in 2019 is estimated to be the slowest since the global financial crisis of 2009, arising from decline in manufacturing activity and trade. Trade tensions between China and the USA have also contributed to the decline of World output and trade. The onset of Covid 19 has caused the Global economy to come to a standstill due to Covid 19 related lockdowns and social distancing measures. Several advanced economies have contracted in Q1 2020. While economic activity has restarted in several economies with easing of Covid 19 related lockdowns in Q2 2020, the outlook for global economy for 2020 remains bleak.

The WEO update of October 2019 has estimated India's economy to become the fifth largest in the world, as measured using GDP at current US\$ prices, moving past United Kingdom and France. The size of the Indian economy is estimated at US\$ 2.9 trillion in 2019. India is targeting to become a US\$ 5 trillion economy by 2024-25.

The economic growth in 2019-20 has decelerated owing to a weak global economic environment, stress in the domestic financial sector and the onset of Covid 19 in Q4 of 2019-20. The growth in GDP during 2019-20 is estimated at 4.2% as compared to 6.1% in 2018-19. The onset of Covid 19 and consequent lockdown measures announced by the Indian Government have significantly impacted the economic output. The Government and the Reserve Bank of India have announced a number of monetary policy and fiscal policy measures to minimise the damage caused by Covid 19 and to bring the economy back on path of high growth. RBI cut the policy repo rate by 115 bps to 4.0% in Q1 2020-21 and by 225 bps since April 2019. The Government of India announced a stimulus package of INR 20 lakh crore to kick-start the economy and also announced a number of economic reforms to provide impetus to manufacturing growth in India across various sectors. These measures are expected to boost economic growth in the long term. Notwithstanding the near term economic headwinds, the long term outlook for economic growth in India is positive as the fundamentals of the Indian economy continue to remain strong.

Real Estate sector in India

The Indian real estate sector, which includes residential, office, retail, industrial and hospitality segments, is a key contributor to GDP growth and one of the largest employers in India.

The absorption of residential real estate across top 8 cities in India for 2019 grew by 1% to 245,861 units. The new launches grew by 25% to 223,325 units. Improvement in affordability through right sizing of units and reduction in mortgage rates have driven absorption. The new launches have been focussed on the affordable and mid-income segment. The consolidation in favour of large organised players which started with introduction of structural reforms like RERA and GST and change in consumer preferences is expected to accelerate in the wake of Covid 19. Ready to move in Inventory (RTMI) and affordable/ mid-income segment will continue to perform well.

The office segment continued its impressive growth in 2019 with the commercial stock in top 8 Indian cities increasing by 9% to 758m sq.ft. The new lease transactions have increased by 27% to 60.6m sq.ft. About 61.3m sq.ft of new supply has been completed in 2019. Despite the new supply, the overall vacancy is around 13% indicating strong demand for quality office space.

The industrial and warehousing segment continues to grow at a healthy rate driven by structural reforms such as GST and the growth of e-commerce and 3PL segments. The total stock grew by 25% to 211m sq.ft in 2019. This segment is expected to remain resilient to the impact of Covid 19. The increased penetration of digital economy and increase in manufacturing activity driven by Government impetus and growing trend of geographical diversification are expected to drive high growth in warehousing and industrial stock.

The MMR Residential Real Estate Market

Overview of the Mumbai Metropolitan Region Real Estate Segment

Mumbai is the financial hub of the country, generating approximately 5% of India's total GDP and accounting for a significant portion of India's total FDI inflows (approximately 29% of FDI inflows in India over 2000-2019). Mumbai is also the largest city in terms of population and is home to approximately 2% of India's population.

The MMR region is the largest real estate market in India compared to other key regions and cities across new sales value, units sold and average price realization. The absorption of residential real estate in Mumbai region fell by 5% to 60,943 units in 2019. The new launches increased by 7% to 79,810 units primarily in the affordable and mid-income space. The new Office leasing in MMR region grew by 22% to 9.7m sq.ft in 2019. The office stock grew by a mere 4% to 146m sq.ft and the vacancy level reduced from 19.5% to 17.5%. MMR witnessed an absorption of 7m sq.ft of warehousing space in 2019. The large consumer base and presence of the largest port in India will drive growth of industrial segment in MMR

(b) Opportunities and Threats.

The Govt. of Maharashtra has realized that rapid urbanization of Mumbai City is of utmost importance and has accordingly drawn up ambitious plans. With the introduction of RERA, rapid urbanization and improved living standard, the demand for housing in affordable sector is robust.

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. Mumbai is expected to be the most favoured property investment destination for NRIs.

(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 is 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 and vendors of the Company.

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

Significant Changes in Key Financial Ratios :	2020	2019	Changes
(i) Debtors Turnover:	NA	NA	NA
(ii) Inventory Turnover:	0.17	0.18	(2%)
(iii) Interest Coverage Ratio	NA	NA	NA
(iv) Current Ratio:	0.05	0.08	(33%)
(v) Debt equity Ratio:	5.31	5.06	(5%)
(vi) Operating Profit Margin (%)	(9%)	(131%)	(93%)
(vii) Net Profit Margin (%)	(59%)	(133%)	(144%)

(j) Details of any change in Return on Net Worth

There are no significant changes in return on networth during the financial year 2019-20 and 2018-19.

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

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, 2020 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, 2020, 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.

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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 24 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: 20122071AAAAC1785

Place: Mumbai

Date: June 9, 2020

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, 2020.**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: 20122071AAAACI1785

Place: Mumbai

Date: June 9, 2020

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SANATHNAGAR ENTERPRISES LIMITED FOR THE YEAR ENDED MARCH 31, 2020.

[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, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other statutory dues applicable to it. No undisputed statutory dues were in arrears, as at March 31, 2020 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, goods and service tax and custom duty 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: 20122071AAAAC1785

Place: Mumbai

Date: June 09, 2020

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, 2020.

[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, 2020 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, 2020, 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: 20122071AAAACI1785

Place: Mumbai

Date: June 9, 2020

BALANCE SHEET AS AT 31ST MARCH, 2020

	Notes	As at 31-March-20 □ in Lakhs	As at 31-March-19 □ in Lakhs
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	3.65	4.89
Non - Current Tax Assets (Net)	3	179.66	121.49
Deferred Tax Assets	21	343.27	343.27
Other Non - Current Assets	4	133.13	135.61
Total Non-Current Assets		659.71	605.26
Current Assets			
Inventories	5	98.34	98.34
Financial Assets			
Trade Receivables	6	-	49.92
Cash and Cash Equivalents	7	1.79	5.48
Total Current Assets		100.13	153.74
Total Assets		759.84	759.00
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	8	315.00	315.00
Other Equity			
Retained Earnings	9	(1,471.14)	(1,534.71)
Other Reserves	10	3.76	3.76
Equity attributable to owners of the Company		(1,152.38)	(1,215.95)
Current Liabilities			
Financial Liabilities			
Borrowings	11	1,672.06	1,592.87
Trade Payables	12		
Due to Micro and Small Enterprises		-	-
Due to Others		50.03	72.71
Other Financial Liabilities	13	163.89	271.52
Other Current Liabilities	14	26.24	37.85
Total Current Liabilities		1,912.22	1,974.95
Total Liabilities		759.84	759.00
Total Equity and Liabilities		759.84	759.00
Significant Accounting Policies	1		
See accompanying notes to the Financial Statements	1 - 36		

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 : 9-June-2020

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

Sanjyot Rangnekar
(Director)
DIN : 07128992

Sumit Jain
(Chief Financial Officer)

Bhushan Shah
(Director)
DIN : 07484485

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

	Notes	For the Year ended 31-March-20 ₹ in Lakhs	For the Year ended 31-March-19 ₹ in Lakhs
I INCOME			
Revenue From Operations	15	67.78	68.10
Other Income	16	40.73	19.06
Total Income		108.51	87.16
II EXPENSES			
Cost of Projects	17	-	-
Employee Benefits Expense	18	7.28	15.74
Finance Costs	19	0.63	1.80
Depreciation and Amortisation Expense	2	2.22	2.37
Other Expenses	20	108.72	182.87
Total Expense		118.85	202.78
III Loss Before Tax (I-II)		(10.34)	(115.62)
IV Tax Expense	21		
Current Tax		73.91	-
Total Tax Expense		73.91	-
V Profit/(Loss) for the year (III-IV)		63.57	(115.62)
VI Other Comprehensive Income (OCI)		-	-
Total Other Comprehensive Income for the year (Net of Tax) (A+B)		-	-
VII Total Comprehensive Income for the year (VI + V)		63.57	(115.62)
VIII Earnings per Equity Share (in ₹)			
(Face value of ₹ 10 per Equity Share)			
Basic	31	2.02	(3.67)
Diluted		2.02	(3.67)
Significant Accounting Policies	1		
See accompanying notes to the Financial Statements	1 - 36		

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

Sumit Jain
(Chief Financial Officer)

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

Place : Mumbai
Date : 9-June-2020

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2020

	For the Year ended 31-March-20 □ in Lakhs	For the Year ended 31-March-19 □ in Lakhs
(A) Operating Activities		
Loss Before Tax	(10.34)	(115.62)
Adjustments for:		
Depreciation and Amortisation Expense	2.22	2.37
Finance Costs	0.63	1.80
Sundry Balances / Excess Provision Written Back	(40.40)	(18.55)
Sundry Balances written off	67.35	-
Working Capital Adjustments:		
(Increase) / Decrease in Trade and Other Receivables	(14.95)	52.57
Increase in Inventories	-	(3.93)
Decrease in Trade and Other Payables	(102.50)	(183.22)
Cash generated used in Operating Activities	(98.00)	(264.58)
Income Tax (paid)/ refund received (net)	(5.75)	(0.83)
Net Cash Flows used in Operating Activities	(82.25)	(265.41)
(B) Investing Activities	-	-
(C) Financing Activities		
Finance Costs paid	(0.63)	(3.60)
Proceeds from borrowings	79.19	248.59
Net Cash Flows from Financing Activities	78.56	244.99
(D) Net Decrease in Cash and Cash Equivalents (A+B+C) :	(3.69)	(20.42)
Cash and Cash Equivalents at the beginning of the year	5.48	25.90
Cash and Cash Equivalents at end of the year (Refer Note 8)	1.79	5.48

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-20	31-March-19
Borrowings		
Balance at the beginning of the year	1,592.87	1,344.28
Cash flow	79.19	248.59
Non cash changes	-	-
Balance at the end of the year	1,672.06	1,592.87

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

Sumit Jain
(Chief Financial Officer)

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

Place : Mumbai
Date : 9-June-2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

(A) EQUITY SHARE CAPITAL

□ in Lakhs

Particulars	As at 31-March-20	As at 31-March-19
Balance at the beginning of the reporting year	315.00	315.00
Changes in Equity Share Capital during the reporting year	-	-
Balance at the end of the reporting year	315.00	315.00

(B) OTHER EQUITY

□ in Lakhs

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

□ in Lakhs

Particulars	Reserves and Surplus		Total
	Capital Reserve	Retained Earnings	
As at 01-April -18	3.76	(1,419.09)	(1,415.33)
Loss for the year	-	(115.62)	(115.62)
Other Comprehensive Income	-	-	-
Total Comprehensive Income for the year	-	(115.62)	(115.62)
As at 31-March -19	3.76	(1,534.71)	(1,530.95)

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

Sumit Jain
(Chief Financial Officer)

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

Place : Mumbai
Date : 9-June-2020

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020

1 SIGNIFICANT ACCOUNTING POLICIES

A Company's Background

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

B Significant Accounting Policies

I Basis of Preparation

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

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

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

II Summary of Significant Accounting Policies

1 Current and Non-Current Classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020

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

ii. Subsequent costs

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

iii. Derecognition

The carrying amount of an item of Property, Plant and Equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of Property, Plant and Equipment 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 assets sold during the year is charged to the Statement of Profit and Loss up to the month preceding the month of sale.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020

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.

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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020

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.

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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020

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 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020

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 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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020

period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of Financial Instruments

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

7 Fair Value Measurement

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

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

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

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

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

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

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

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

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

8 Cash and Cash Equivalents

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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020
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.

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.

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."

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020

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.

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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020

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
Gross Carrying Amount						
As at 1-April-18	431.79	23.34	16.81	20.07	0.14	492.15
Additions	-	-	-	-	-	-
Disposals / Adjustments		-	-	-	-	
As at 31-March-19	431.79	23.34	16.81	20.07	0.14	492.15
Additions	-	-	-	-	-	-
Disposals / Adjustments	-	(9.84)	(6.70)	(14.39)	-	(30.93)
As at 31-March-20	431.79	13.50	10.11	5.68	0.14	461.22
Depreciation and Impairment						
As at 1-April-18	431.79	19.50	14.28	19.18	0.14	484.89
Depreciation charge for the year	-	1.43	0.59	0.35	-	2.37
Disposals / Adjustments	-	-	-	-	-	-
As at 31-March-19	431.79	20.93	14.87	19.53	0.14	487.26
Depreciation charge for the year		2.69	(0.32)	(0.15)	-	2.22
Disposals / Adjustments	-	(11.75)	(6.05)	(14.11)	-	(31.91)
As at 31-March-20	431.79	11.87	8.50	5.27	0.14	457.57
Net Carrying Value						
As at 31-March-20	-	1.63	1.61	0.41	-	3.65
As at 31-March-19	-	2.41	1.94	0.54	-	4.89

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020

	As at 31-March-20 □ in Lakhs	As at 31-March-19 □ in Lakhs
3 Non - Current Tax Assets (Net)		
Advance Income Tax (Net of Provision)	179.66	121.49
Total	179.66	121.49
4 Other Non - Current Assets (Unsecured considered good unless otherwise stated)		
Indirect Tax Receivable (Refer note 34)	133.13	135.61
Total	133.13	135.61
5 Inventories		
Building Materials	12.86	12.86
Finished Stock	85.48	85.48
Total	98.34	98.34
6 Trade Receivables (Unsecured)		
Considered Good	-	49.92
Total	-	49.92
Trade Receivables are disclosed net of advances, as per agreed terms.		
7 Cash and Cash Equivalents		
Balances with Banks	1.79	5.48
Total	1.79	5.48
8 Equity Share Capital		
A) Authorised Share Capital		
(i) Equity Shares at □10 each		
Numbers		
Balance at the beginning of the year	147,00,000	147,00,000
Increase/(Decrease) during the year	-	-
Balance at the end of the year	147,00,000	147,00,000
Amount		
Balance at the beginning of the year	1,470.00	1,470.00
Increase/(Decrease) during the year	-	-
Balance at the end of the year	1,470.00	1,470.00

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020

	As at 31-March-20 □ in Lakhs	As at 31-March-19 □ in Lakhs
(ii) 9.50% Redeemable Cumulative Preference Shares of □ 50 each		
Numbers		
Balance at the beginning of the year	7,520	7,520
Increase/(Decrease) during the year	-	-
Balance at the end of the year	7,520	7,520
Amount		
Balance at the beginning of the year	3.76	3.76
Increase/(Decrease) during the year	-	-
Balance at the end of the year	3.76	3.76
(iii) Unclassified Shares *		
Balance at the beginning of the year	26.24	26.24
Increase/(Decrease) during the year	-	-
Balance at the end of the year	26.24	26.24

* Unclassified Shares shall be divided into such number of class or classes and of such denominations as the Company may determine from time to time by Special Resolution.

B) Issued Equity Capital

Equity Shares of □ 10 each issued, Subscribed and fully paid up

Numbers

Balance at the beginning of the year	31,50,000	31,50,000
Increase/(Decrease) during the year	-	-
Balance at the end of the year	31,50,000	31,50,000

Amount

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

C) Terms/ rights attached to Equity Shares

The Company has only one class of equity shares having par value of □10 per share.

Each Shareholder is entitled for one vote per share. The Shareholders have the right to receive interim dividends declared by the Board of Directors and final dividend proposed by the Board of Directors and approved by the Shareholders.

In the event of liquidation, the shareholders will be entitled in proportion to the number of equity shares held by them to receive remaining assets of the Company, after distribution of all preferential amounts.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020

	As at 31-March-20 □ in Lakhs	As at 31-March-19 □ in Lakhs
D) Shares held by Holding Company		
Macrotech Developers Ltd.		
Numbers	22,90,407	-
Amount	229.04	-
Siddhnath Residential Paradise Pvt. Ltd.(Merged with Macrotech Developers Ltd. W.e.f. 19-March-20)		
Numbers	-	22,88,988
Amount	-	228.90
E) Details of Shareholders holding more than 5% shares in the Company		
Macrotech Developers Ltd.		
Numbers	22,90,407	-
% of Holding	72.71%	-
Siddhnath Residential Paradise Pvt. Ltd.(Merged with Macrotech Developers Ltd. W.e.f. 19-March-20)		
Numbers	-	22,88,988
Amount	-	72.67%
F) There are no shares issued for consideration other than cash during the period of five years.		
9 Retained Earnings		
Balance at the beginning of the year	(1,534.71)	(1,419.09)
Decrease during the year	63.57	(115.62)
Balance at the end of the year	(1,471.14)	(1,534.71)
10 Other Reserves		
Capital Redemption Reserve		
Balance at the beginning of the year	3.76	3.76
Increase/(Decrease) during the year	-	-
Balance at the end of the year	3.76	3.76
11 Current Borrowings		
Unsecured :		
Loans/ Inter Corporate Deposits from Related Parties (Refer note 25)*	1,672.06	1,592.87
Total	1,672.06	1,592.87
* Interest Free, Repayable on demand.		

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020

	As at 31-March-20 □ in Lakhs	As at 31-March-19 □ in Lakhs
12 Current Trade Payables		
Due to Micro and Small Enterprises	-	-
Due to Others	50.03	72.71
Total	50.03	72.71
<p>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.</p>		
13 Other Current Financial Liabilities		
Society Payables	155.54	211.55
Advances Received from Customers	-	50.00
Payable on Cancellation of Allotted units	6.87	9.97
Payable to Related Party (Refer note 25)	1.48	-
Total	163.89	271.52
14 Other Current Liabilities		
Duties and Taxes	0.66	1.52
Other Liabilities	25.58	36.33
Total	26.24	37.85
	For the Year ended 31-March-20 □ in Lakhs	For the Year ended 31-March-19 □ in Lakhs
15 Revenue From Operations		
Sale of Land	65.00	65.00
Other Operating Revenue	2.78	3.10
Total	67.78	68.10
16 Other Income		
Interest Income on:		
Customers' Overdues	-	0.35
Income Tax refund	0.29	-
Sundry Balances / Excess Provision Written Back	40.40	18.55
Miscellaneous Income	0.04	0.16
Total	40.73	19.06

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020

	For the Year ended 31-March-20 □ in Lakhs	For the Year ended 31-March-19 □ in Lakhs
17 Cost of Projects		
Opening Stock of Finished Units	85.48	85.48
Closing Stock Finished Units	(85.48)	(85.48)
Total	-	-
18 Employee Benefits Expense		
Salaries and Wages*	7.28	15.74
Total	7.28	15.74
* Salaries and Wages of □ 5.64 Lakhs (31-March-19 □ 15.74 Lakhs) reimbursable to Holding Company.		
19 Finance Costs		
Interest Expense on Borrowings and others	0.63	1.80
Total	0.63	1.80
20 Other Expenses		
Rates and Taxes	3.99	62.45
Printing and Stationery	1.20	3.68
Legal and Professional	3.41	62.11
Payment to Auditors as:		
Audit Fees	1.50	3.00
Taxation Matters	-	0.25
Other Services	0.25	0.25
Business Promotion	0.65	5.29
Brokerage and Commission	0.75	-
Sundry Balances written off	67.35	-
Compensation	23.91	3.20
Office Expenses	3.77	33.02
Miscellaneous Expenses	1.94	9.62
Total	108.72	182.87

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020

21 Tax Expense:

a. The major components of Income Tax Expense are as follows

	For the Year ended 31-March-20 □ in Lakhs	For the Year ended 31-March-19 □ in Lakhs
1 Income Tax recognized in the Statement of Profit and Loss		
Current Income Tax (Expense) / Benefit:		
Current Income Tax	-	-
Adjustments in respect of current Income Tax of previous year	73.91	-
Total	73.91	-
Income Tax Expense reported in the Statement of Profit or Loss	73.91	-

b. Reconciliation of Tax Expense and the Accounting Profit multiplied by India's Tax Rate :

	For the Year ended 31-March-20 □ in Lakhs	For the Year ended 31-March-19 □ in Lakhs
Accounting Loss before Income Tax	(10.34)	(115.62)
Income tax expense calculated at corporate tax rate		
Tax effect of adjustment to reconcile expected income tax expense to reported Income Tax expense:	3.61	40.01
Non-deductible expenses for tax purposes:		
Permanent differences	(3.61)	(40.01)
Adjustments in respect of current Income Tax of previous year	73.91	-
Total	73.91	-

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-20 □ in Lakhs	31-March-19 □ in Lakhs
MAT Credit	343.27	343.27
Net Deferred Tax Assets	343.27	343.27
d. Reconciliation of Deferred Tax		
Opening balance	343.27	343.27
Closing balance	343.27	343.27

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020

22 Category wise classification of Financial Instruments

	As at 31-March-20 □ in Lakhs	As at 31-March-19 □ in Lakhs
Financial Assets carried at Amortised Cost		
Trade Receivables	-	49.92
Cash and Cash Equivalents	1.79	5.48
	1.79	55.40
Financial Liabilities carried at Amortised Cost		
Borrowings	1,672.06	1,592.87
Trade Payables	50.03	72.71
Other Financial Liabilities	163.89	271.52
	1,885.98	1,937.10

23 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

The Company is in the business of real estate construction and development primarily. During the year ended 31-March- 2020, the Company has used cash in operations amounting to □ 230.07 Lakhs and as at 31-March-2020, the Company has negative net worth of □ 1,152.38 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".

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020

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 results have been prepared using the going concern basis.

(v) Estimation uncertainty due to pandemic on coronavirus (COVID-19)

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus, which was further extended in phases till May 31, 2020. This pandemic and government response are creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown.

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that no there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

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

Claims against the company not acknowledged as debts	As at 31-March-20 □ in lakhs	As at 31-March-19 □ in lakhs
Disputed Taxation Matters	31.36	0.84
Disputed Demand of customers excluding Amounts not ascertainable	17.81	-
Total	49.17	0.84

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

25 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 (MPL) | Person in Control |
| 2 | Abhishek Lodha | Son |

II Close family members of person having Control

- | | | |
|---|---------------|------------|
| 1 | Manjula Lodha | Wife |
| 2 | Vinti Lodha | Son's wife |

III Ultimate Holding Company

Sambhavnath Infrabuild and Farms Pvt. Ltd.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020

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.

VI Others

Bellissimo Healthy Constructions and Developers Pvt. Ltd.

VII Key Management Personnel

- 1 Martin Godard (Manager) w.e.f. 9- August-19
- 2 Sumit Jain (CFO) w.e.f. 30-Oct-18
- 3 Vishal Ghadigaonkar (CFO) upto 30-October-18
- 4 Hitesh Marthak (Company Secretary)
- 5 Sanjyot Rangnekar (Director) w.e.f. 15-May-19
- 6 Purnima Pavle (Director) upto 8-May-19
- 7 Vinod Shah (Director)
- 8 Bhushan Shah (Director)

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-20	-	1,672.06
		31-March-19	-	1,592.87
2	Trade Payables	31-March-20	-	-
		31-March-19	2.57	-
3	Other Financial Liabilities	31-March-20	1.48	-
		31-March-19	-	-

(ii) Disclosure in respect of transactions with parties:

□ in Lakhs

Sr No	Nature of Transactions	Particulars	Relationship	For the Year ended	
				31-March-20	31-March-19
1	Loans/ Advances Taken/ (returned)(Net)	Macrotech Developers Ltd.	Holding Company	-	(1,343.14)
		Bellissimo Healthy Constructions and Developers Pvt. Ltd.	Others	-	(1.14)
		Palava Dwellers Pvt. Ltd.	Subsidiary of Holding Company	79.19	1,592.87
2	Salaries and Wages	Macrotech Developers Ltd.	Holding Company	6.65	16.98

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020
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.

26 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.

27 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.

28 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020

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

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
As at 31-March-20				
Borrowings	1,672.06	-	-	1,672.06
Trade Payables	50.03	-	-	50.03
Other Financial Liabilities	163.89	-	-	163.89
	1,885.98	-	-	1,885.98
As at 31-March-19				
Borrowings	1,592.87	-	-	1,592.87
Trade Payables	72.71	-	-	72.71
Other Financial Liabilities	271.52	-	-	271.52
	1,937.10	-	-	1,937.10

29 Details of Corporate Social Responsibility CSR Expenditure (CSR)

The gross amount required to be spent for CSR activity by the company during the year was □ 0.03 Lakhs (31-March-19 □ 25.13 Lakhs). Amount spent during the year was □ Nil (31-March-19 □ Nil).

30 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020

31 Basic and Diluted Earnings Per Share:

		For the Year ended 31-March-20	For the Year ended 31-March-19
(a) Net Profit/ (Loss) for the year	□ in Lakhs	63.57	(115.62)
(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	(□)	2.02	(3.67)

32 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.

33 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-20	31-March-19
Trade receivables (Refer Note 6)	-	49.92
Contract Assets- Accrued revenue	-	-
Contract Liabilities-Advance from customers (Refer Note 13)	-	50.00

(b) Movement of Contract Liabilities

□ in Lakhs

Particulars	As at	
	31-March-20	31-March-19
Amounts included in contract liabilities at the beginning of the year	50.00	-
Amount received during the year	15.00	115.00
Performance obligations satisfied in current year	(65.00)	(65.00)
Amounts included in contract liabilities at the end of the year	-	50.00

34 The Company is in the process of identifying suitable business operation which will ensure appropriate utilization of Indirect Tax credit as mentioned in Note 4 and utilization of unutilised Minimum Alternate Tax Credit as mentioned in Note 21. Further, the Company has assessed that there is no time barrier for utilization/ recoverability of Indirect Tax Credit under the law. Accordingly no Provision / write off of part or full balance of input tax credit is considered necessary by the Company.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2020

- 35** Pursuant to the Taxation Laws (Amendment) Act, 2019, with effect from 01-April-19 domestic companies have the option to pay corporate income tax at a rate of 22% plus applicable surcharge and cess ('New Tax Rate') subject to certain conditions. As of 31-March-20, the company is in the process of evaluating as to when and whether it should apply impact of New Tax Rate in books of account of the Company. Accordingly, for the current period, no impact of the New Tax Rate has been considered in this financial statements. The Company continued to compute tax as per old tax rate for the year 2019-20.
- 36** 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**

**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**

**Sumit Jain
(Chief Financial Officer)**

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

**Place : Mumbai
Date : 9-June-2020**

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