

TABLE OF CONTENTS

Contents	Page No.
Information about the Company	1
Notice to Members	2
Directors' Report	11
Report on Corporate Governance.....	21
Auditors' Report	27
Balance Sheet	30
Statement of Profit & Loss	31
Cash Flow Statement	32
Notes.....	33
Ballot Form (in lieu of E-voting).....	51
Proxy & Attendance Slip.....	53

BOARD OF DIRECTORS:

Directors	Category
Mr. Pankaj Kumar Jain	Chairman & Non Independent Director
Ms. Purnima Pavle	Non- Independent Director
Mr. Babusingh Rajguru	Non- Independent Director
Mr. Deependra Gupta	Independent Director
Mr. Sagar Gawde	Independent Director
Mr. Deepak Chitnis	Manager

CHIEF FINANCIAL OFFICER Ms. Purnima Pavle

COMPANY SECRETARY Mr. Hemanshu Mumbaiwala

BANKERS HDFC Bank Limited
Kotak Mahindra Bank Limited

REGISTERED OFFICE: 216, Shah & Nahar Industrial Estate,
Dr. E. Moses Road,
Worli, Mumbai-400018
Website: www.sanathnagar.in
E-mail: investors.sel@lodhagroup.com

**REGISTRAR AND SHARE
TRANSFER AGENT** **CIL Securities Limited**
214, Raghava Ratna Tower, Chirag Ali Lane,
Hyderabad, Telangana - 500001
Email: rta@cilsecurities.com

Notice

Notice is hereby given that the Sixty-Seventh Annual General Meeting of the Members of Sanathnagar Enterprises Limited (L99999MH1947PLC252768) will be held on Tuesday, 30th September, 2014 at 3.30 p.m. at Lodha Supremus, Ground Floor, Dr. E. Moses Road, Worli Naka, Worli, Mumbai – 400 018 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2014, including the Audited Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss for the year ended on that date and the Report of the Board of Directors' and Auditors' thereon.
2. To appoint M/s. Shanker and Kapani (Registration Number: 117761W), Chartered Accountants, as Statutory Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), if any, the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 read along with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), amendment(s) or re-enactment thereof, for the time being in force) and subject to approval from such other regulatory authorities, as may be required, M/s. Shanker and Kapani, Chartered Accountants, Mumbai, in respect of whom the Company has received notice under section 140 of the Companies Act, 2013 from a member, registered with the Institute of Chartered Accountants of India vide Firm Registration No. 117761W, be and are hereby appointed as Statutory Auditors of the Company, in place of the retiring auditors, M/s. Lodha & Co. who have expressed their inability to continue as the Statutory Auditors of the Company, to hold office for a period of five years from the conclusion of this Annual General Meeting until the conclusion of the 6th consecutive Annual General Meeting of the Company, subject to ratification by the Shareholders of the Company at every Annual General Meeting on such remuneration as shall be decided by the Board of Directors or any Committee thereof."

SPECIAL BUSINESS:

3. **Appointment of Ms. Purnima Pavle, as Director, liable to retire by rotation**

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 160 of the Companies Act, 2013 read alongwith the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s), amendment(s) or re-enactment thereof, for the time being in force), Ms. Purnima Pavle (DIN: 06705133), who was appointed as an Additional Director on 08th August, 2014, pursuant to the provisions of Section 161 of the Companies Act, 2013 and in respect whom the Company has received a written notice under section 160 of the Companies Act, 2013 from a Member of the Company alongwith deposit of Rs.1 Lakh, proposing her candidature as Director, be and is hereby appointed as director of the Company, liable to retire by rotation."

4. **Appointment of Mr. Deependra Gupta as an Independent Director.**

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read alongwith Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s), amendment(s) or re-enactment thereof, for the time being in force), Mr. Deependra Gupta (DIN: 02087691), Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, alongwith the deposit of Rs.1 Lakh, proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director on the Board of the Company to hold office upto 29th September, 2019, not liable to retire by rotation.

5. **Appointment of Mr. Sagar Gawde as an Independent Director**

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read alongwith Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s), amendment(s) or re-enactment thereof, for the time being in force), Mr. Sagar Gawde (DIN: 02082205), Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, alongwith the deposit of Rs.1 Lakh, proposing his candidature for the office of

Director of the Company, be and is hereby appointed as an Independent Director on the Board of the Company to hold office up to 29th September, 2019, not liable to retire by rotation.

6. Authority to Borrow Money under Section 180(1)(c) of the Companies Act, 2013

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Section 180(1)(c) and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and Articles of Association of the Company, and further subject to approval of such authority(ies) as may be required in this regard, consent of the members be and is hereby granted to the Board of Directors of the Company (which term shall include any Committee constituted by the Board of Directors or any person(s) authorized by the Board of Directors to exercise the powers conferred on the Board of Directors by this Resolution) to borrow such sum or sums of money (including non fund based facilities) from time to time, at their discretion, for the purpose of the business of the Company, from any one or more banks, financial institutions and other persons, firms, bodies corporate or from any other sources including financial institutions or funds or other bodies, authorities/ entities whether by way of rupee loans or cash credit, advance, loans or bill discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge on the Company’s assets and properties whether movable or immovable or stock-in-trade (including raw materials, stores, spare parts and components or stock in transit) and work-in-progress of the Company on such terms and conditions as may be considered suitable by the Board of Directors, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company repayable within 6 months or payable on demand) and outstanding at any time, not exceeding the sum of Rs. 2000 crores (Rupees Two Thousand Crores Only) inclusive of interest, over and above the aggregate of the paid up capital and the free reserves of the Company and that the Board of Directors be and are hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all other acts, deeds, matters and things as may be necessary and requisite for and in relation to give effect to aforesaid resolution on behalf of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors, Director of the Company or any other person as the Board of Directors may deem fit, to give effect to the aforesaid resolution.”

7. Creation of Security under Section 180(1)(a) of the Companies Act, 2013

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) and Articles of Association of the Company, and further subject to approval of such authority(ies) as may be required in this regard, consent of the members be and is hereby granted to the Board of Directors of the Company (which term shall include any Committee constituted by the Board of Directors or any person(s) authorized by the Board of Directors to exercise the powers conferred on the Board of Directors by this Resolution) to mortgage, charge, hypothecate, lien, pledge or otherwise create an encumbrance on the Company’s assets and properties both present and future, whether movable or immovable or stock-in-trade (including raw materials, stores, spare parts and components or stock in transit) and work-in-progress of the Company, in addition to the mortgages /charges etc. already created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board of Directors may determine and consider suitable from time to time, in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed / to be availed by the Company and/or any of the Company’s holding / subsidiary / affiliate / associate Company(ies), by way of loans/any other types of borrowings, raised /to be raised, from time to time, subject to the limits of borrowing as approved by the members of the Company from time to time under Section 180(1)(c) of the Companies Act, 2013, together with the interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, remuneration of the Agent(s)/Trustees, all other costs, charges and expenses and all other monies payable by the Company in terms of the Loan Agreement(s) / Heads of Agreement(s) or any other document, entered into/to be entered into between the Company and the Lender(s)/Agent(s) and Trustee(s), in respect of the said loans / borrowings and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s)/ Agent(s)and Trustee(s).

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised on behalf of the Company to do all other acts, deeds, matters and things as may be necessary and requisite for and in relation to give effect to aforesaid resolution.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors, Director of the Company or any other person as the Board of Directors may deem fit, to give effect to the aforesaid resolution.”

8. Investments in excess of the limits prescribed under Section 186 of the Companies Act, 2013:

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Section 186 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, if any, including any statutory modification(s)/ amendment(s)/ revision(s)/ re-enactment thereof (hereinafter referred to as ‘the Act’) and/or any other law, as may be applicable, and/or any other approvals, as may be required, consent of the Company be and is hereby accorded to the Board of Directors of the Company (which term shall include any Committee constituted/to be constituted by the Board of Directors or any person(s) authorized by the Board of Directors to exercise the powers conferred on the Board of Directors by this Resolution) to invest/acquire the securities of any body corporate or any other person by way of subscription/purchase or otherwise, upto a sum of Rs. 1,000 Crores, at any point of time, notwithstanding that the aggregate of the investments so far made or to be made exceeds the limits/ will exceed the limits laid down by the Act;

RESOLVED FURTHER THAT the Board, as defined above, be and is hereby authorized to take from time to time all decisions and steps necessary, expedient or proper, in respect of the above mentioned investment(s) (collectively “transactions”) including the timing, the amount and other terms and conditions of such transactions and also to take all other decisions including varying any of them, through transfer or sale, recall, renewal, divestment or otherwise, either in part or in full, as it may, in its absolute discretion, deem appropriate, subject to the specified limits for effecting the aforesaid transaction.”

9. To adopt new Articles of Association of the Company

To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company or person authorized by the Board be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

10. Approval for Related Party Transactions:

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s), amendment(s) and re-enactment thereof, for the time being in force), amendment to Clause 49 of the Equity Listing Agreement as proposed by the Securities and Exchange Board of India, the consent of the Members of the Company be and is hereby accorded to enter into related party transactions, as under, over a period of 36 months from the date of this Meeting, on such terms and conditions as may be agreed to/ agreed by the Board:

- (i) To avail/provide loan(s) or enter into any other related party transactions from /to /with Jawala Real Estate Pvt. Ltd., a related party upto an amount of Rs. 500 Crores outstanding at any point of time
- (ii) To avail/provide loan(s) or enter into any other related party transactions from /to /with Lodha Developers Pvt. Ltd., a related party upto an amount of Rs. 500 Crores outstanding at any point of time
- (iii) To avail/provide loan(s) or enter into any other related party transactions from /to /with Shreeniwas Cotton Mills Ltd., a related party upto an amount of Rs. 500 Crores outstanding at any point of time
- (iv) To avail/provide loan(s) and to enter into contract or arrangement for share of common corporate expenses or enter into any other related party transactions with Lodha Healthy Construction and Developers Pvt. Ltd., a related party upto an amount of Rs. 50 Crores outstanding at any point of time
- (v) To enter into contract or arrangement for availing Corporate Guarantee up to an amount or Rs. 100 crore each from Lodha Developers Private Limited, Siddhnath Residential Paradise Pvt. Ltd. and Dharmanath Buildtech and Farms Pvt. Ltd. in respect of loan taken / to be taken by the Company from Banks/Financial Institutions.

- (vi) Various related party transactions with other related parties of the Company provided aggregate amount of the transaction with abovementioned companies and other related parties do not exceed the amount of Rs. 2,000 Crores outstanding at any point of time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as may be necessary and requisite for and in relation to give effect to aforesaid resolution;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors, Director of the Company or any other person as the Board of Directors may deem fit, to give effect to the aforesaid resolution.

11. Vacancy caused by retirement of Mr. Pankajkumar Jain as the Director:

Not to fill the vacancy caused by the retirement of Mr. Pankajkumar Jain, whose office is liable to retire by rotation at the Annual General Meeting and does not seek reappointment.

Registered Office:

216, Shah & Nahar Industrial Estate, Dr. E. Moses Road,
Worli, Mumbai-400018

**By Order of the Board
For Sanathnagar Enterprises Limited**

Date:08-Aug-2014

Place: Mumbai

**Sd/-
Hemanshu Mumbaiwala
Company Secretary**

Notes:

- 1) A Member entitled to attend and vote at the Annual General Meeting ("**the Meeting**") is entitled to appoint proxy to attend and vote on a poll, instead of itself and the proxy need not be a member of the Company. A person can act as proxy on behalf of members upto and not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. Proxies in order to be effective, should be duly completed, stamped and must be deposited at the Registered Office of the Company not less than forty-eight hours before the time for commencement of the Meeting.
- 2) The form of proxy is enclosed to this notice.
- 3) Every member entitled to vote at the Annual General Meeting of the Company can inspect the proxies lodged at the Company at any time during the business hours of the Company during the period beginning twenty-four (24) hours before the time fixed for the commencement of the Annual General Meeting and ending on the conclusion of the meeting. However, a prior notice of not less than three (3) days in writing of the intention to inspect the proxies lodged shall be required to be provided to the Company.
- 4) Members/Proxies should fill the Attendance Slip for attending the Meeting and bring their Attendance Slips along with their copy of the Annual Report to the Meeting.
- 5) In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 6) Members who hold shares in dematerialised form are requested to write their DP ID and Client ID number(s) and those who hold share(s) in physical form are requested to write their Folio Number(s) in the attendance slip for attending the Meeting to facilitate identification of membership at the Meeting.
- 7) Members holding shares in identical order of names in more than one folio are requested to write to the Company's Registrar and Share Transfer agent, CIL Securities Ltd., 214, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad - 500 001 enclosing their original share certificate to enable them to consolidate the holdings into one folio.
- 8) Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.
- 9) The register of Members and Share Transfer Books of the Company would remain closed from 25th September, 2014 to 30th September, 2014 (both days inclusive).
- 10) Brief profile of the Directors, proposed to be appointed, as required under Clause 49 of the Listing Agreement is indicated in the Corporate Governance Report.
- 11) Register of Director /Key Managerial Personnel and their shareholding, Register of Contracts in which Directors are interested will be available for inspection by the Members at the Meeting.

- 12) Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days between 11.00 a.m. and 4.00 p.m. up to the date of the Meeting.
- 13) In terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, a company may give notice through electronic mode addressing to the person entitled to receive such e-mail as per the records of the company or as provided by the depository, provided that the company shall provide an advance opportunity atleast once in a financial year, to the member to register his e-mail address and changes therein and such request may be made by only those members who have not got their email id recorded or to update a fresh email id and not from the members whose e-mail ID are already registered. In view of the above, the Company hereby request members who have not updated their email IDs to update the same with their respective Depository Participant(s) or CIL Securities Limited, Registrar and Share Transfer Agent of the Company. Further, Members holding shares in electronic mode are also requested to ensure to keep their email addresses updated with the Depository Participants/R&T of the Company. Members holding shares in physical mode are also requested to update their email addresses by writing to the R & T of the Company quoting their folio number(s).
- 14) In terms of Sections 107 and 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is providing the facility to its Members holding shares in physical or dematerialized form as on the cut-off date, being 29th August, 2014, to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company. Details of the process and manner of e-voting along with the User ID and Password are being sent to all the Members along with the Notice.
- 15) The Rehabilitation Scheme sanctioned by Board for Industrial and Financial Reconstruction (BIFR) vide its order dated August 22, 2005 (case No. 356/2001) provided for writing off the then existing Equity Capital by 90%. Besides, the order also directed for demerger of Bakelite Hylam Limited (now known as Sanathnagar Enterprises Limited). In terms of the Scheme, Bakelite Hylam Limited (now known as Sanathnagar Enterprises Limited) was required to issue 3 equity shares for every 10 shares held by its shareholders. In addition, 2 equity shares of Bakelite Resins & Foams Limited (now known as Bakelite Hylam Limited) and 5 equity shares of Panel Boards & Laminates Limited, both resulting companies, were required to be issued against every 10 shares held by shareholders of Bakelite Hylam Limited (now known as Sanathnagar Enterprises Limited).

The Company (Sanathnagar Enterprises Limited) had given effect to the capital reduction and issuance of shares on account of demerger to shareholders holding shares in physical form.

However, corporate action for reduction of capital and demerger, as aforesaid, is under process for shareholders holding shares in demat form. The Company is taking effective steps for completion of the said corporate action.

In the meanwhile, to determine the shareholders eligible for voting (including e-voting) at the ensuing Annual General Meeting, the Company has given effect to the capital reduction and demerger even for shareholder holding shares in demat form. As a result, details of shareholders and shares held in Central Depository Services Limited (CDSL) and as per the Company's record will differ.
- 16) In case of Members who are entitled to vote but have not exercised their right to vote by electronic means, upon poll being demanded, in the larger interest of the Members, the Chairman of the Company may order a poll on his own motion or on demand at the Meeting in terms of Section 109 of the Companies Act, 2013 for all businesses specified in the accompanying Notice. For abundant clarity, in the event of poll, please note that the Members who have exercised their right to vote by electronic means shall not vote by way of poll at the Meeting. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.
- 17) Nilesh Shah and Associates, Practicing Company Secretaries have been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- 18) The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- 19) The Results shall be declared on or after the AGM of the Company. The Results declared along with Scrutinizer's Report(s) will be available on the website of the Company within two (2) days of passing of the resolutions and communication of the same to the BSE Limited

Instruction for e-voting

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Sanathnagar Enterprises Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 23rd September, 2014 at 9 a.m. and ends on 24th September, 2014 at 6 p.m. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

ANNEXURE TO NOTICE

Explanatory Statements under section 102(1) of the Companies Act, 2013

ITEM NO. 2.

M/s. Lodha & Co., Chartered Accountants & Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and the Company has received letter from the Statutory Auditors about their inability to continue as the Statutory Auditors of the Company. The Company has received a notice in writing under section 140 of the Companies Act, 2013, from a member proposing M/s. Shankar and Kapani as the Statutory Auditors of the Company. The board has also received a letter from M/s. Shankar and Kapani, Chartered Accountants giving their consent for being appointed as Statutory Auditors of the Company and confirming their eligibility under section 141 of the Act.

In terms of Section 139(1) of the Companies Act, 2013 (the Act), every company shall, at the first Annual General Meeting, appoint an individual or a firm as an Auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth Annual General Meeting and thereafter till the conclusion of every sixth meeting, subject to the ratification by the Members at every Annual General Meeting.

The Board recommends the Resolution as set out at Item No. 2 of the Notice for your approval.

None of the Directors, Key Managerial Personnel or their relatives, are in any way, concerned or interested in the resolution.

ITEM NO. 3:

Ms. Purnima Pavle was appointed as an Additional Director on the Board of the Company effective from 08-Aug-2014. Pursuant to the provisions of Section 161 of the Companies Act, 2013 and holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing, from a Member of the Company under the provisions of Section 160 of the Companies Act, 2013, along with the deposit of Rs.1,00,000/- proposing the candidature of Ms. Purnima Pavle as Director of the Company.

Ms. Pavle does not hold any shares in the Company.

The Board recommends the Resolution as set out at Item No. 3 of the Notice for your approval.

Save and except Ms. Purnima Pavle, none of the Directors, Key Managerial Personnel or their relatives thereof is, in any way, concerned or interested in the above resolution.

ITEM NO. 4.

Mr. Deependra Gupta is an Independent Director on the Board of the Company since 31st December, 2009. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Deependra Gupta being eligible and seeking re-appointment, is proposed to be appointed as an Independent Director on the Board of the Company for a term of 5 years, not liable to retire by rotation.

The Company has received a notice in writing, from a Member of the Company under the provisions of Section 160 of the Companies Act, 2013, along with the deposit of Rs.1,00,000/- proposing the candidature of Mr. Deependra Gupta. The Company has received a declaration Mr. Deependra Gupta that he is eligible for being reappointed as a director of the Company.

The Board recommends the Resolution as set out at Item No. 4 of the Notice for your approval.

Save and except Deependra Gupta, none of the Directors, Key Managerial Personnel or their relatives thereof is, in any way, concerned or interested in the above resolution.

ITEM NO. 5.

Mr. Sagar Gawde is an Independent Director on the Board of the Company since 31st December, 2009. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Sagar Gawde being eligible and seeking re-appointment, is proposed to be appointed as an Independent Director on the Board of the Company for a term of 5 years, not liable to retire by rotation.

The Company has received a notice in writing, from a Member of the Company under the provisions of Section 160 of the Companies Act, 2013, along with the deposit of Rs.1,00,000/- proposing the candidature of Mr. Sagar Gawde. The Company has received a declaration Sagar Gawde that he is eligible for being reappointed as a director of the Company.

The Board recommends the Resolution as set out at Item No. 5 of the Notice for your approval.

Save and except Mr. Sagar Gawde, none of the Directors, Key Managerial Personnel or their relatives thereof is, in any way, concerned or interested in the above resolution.

ITEM NO. 6 & 7

The Members of the Company at the Annual General Meeting held on 12th November, 2010 approved the proposal to borrow money and provide security to the extent of Rs. 2000 crores (Rupees Two Thousand Crores) by passing an ordinary resolution. However upon enforcement of the Companies Act, 2013, pursuant to the provisions of Section 180(1)(a) and Section 180(1)(c), (corresponding Section 293(1)(a) and Section 293(1)(d) of the erstwhile Companies Act, 1956) the Company is now required to seek the approval of the Members of the Company vide a special resolution in this regard.

Further, the Ministry of Corporate Affairs vide General Circular No. 04/2014 dated March 25, 2014 had clarified that the resolution passed under Section 293 would be valid only for a period of 1 year, after which, Company would be mandatorily required to pass a special resolution under the Companies Act, 2013.

In view of the foregoing, it is proposed to seek the approval of the Members by passing the aforesaid special resolution(s) under the provisions of Companies Act, 2013. Further, it is proposed to increase the limit under Section 180(1)(c) to Rs. 2000 crores (Rupees Two Thousand Crores Only).

The Board recommends the Special Resolutions as set out at Item Nos. 6 & 7 of the Notice for your approval.

None of the Directors, Key Managerial Personnel or their relatives thereof is, in any way, concerned or interested in the above resolution.

ITEM NO. 8:

The Company being engaged in the business of providing infrastructural facilities, the loans made, guarantees given or security provided by it are exempt from the provisions of Section 186 of the Companies Act, 2013 ("the Act"). However, as per Section 186 of the Act read with the Rules framed thereunder, the Company is required to obtain the prior approval of the Members by way of a Special Resolution for acquisition by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is higher. As such, any investments in securities in excess of aforesaid limit would require approval by way of a Special Resolution of the Members in general meeting.

The approval of the Members is being sought by way of a Special Resolution under Section 186 of the Act read with the Rules made thereunder, to enable the Company to acquire by way of subscription, purchase or otherwise, the securities of any body corporate or any other person upto Rs. 1000 Crores, outstanding at any point of time, which will be in excess of 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more.

The Board recommends the Special Resolution as set out at Item Nos. 8 of the Notice for your approval.

None of the Directors, Key Managerial Personnel or their relatives thereof is, in any way, concerned or interested in the above resolution.

ITEM NO. 9:

The existing Articles of Association (“AoA”) of the Company are based on the Companies Act, 1956. Several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013 (“the Act”). The Act is now largely in force. On 12th September, 2013, the Ministry of Corporate Affairs (“MCA”) had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections. As such, substantive sections of the Act which deal with the general working of companies stand notified. With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles. The new AoA to be substituted in place of the existing AoA are based on Table ‘F’ of the Act which sets out the model articles of association for a company limited by shares.

The proposed new draft AoA is being uploaded on the Company’s website /will be provided at the time of AGM for perusal by the shareholders.

Articles of Association of the Company are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. upto the date of the Meeting.

The Board recommends the Special Resolution as set out at Item Nos. 9 of the Notice for your approval.

None of the Directors, Key Managerial Personnel or their relatives thereof is, in any way, concerned or interested in the above resolution.

ITEM NO. 10

The Company had taken loans from Jawala Real Estate Private Limited, Lodha Developers Private Limited and Shreeniwas Cotton Mills Limited, related parties, which are repayable on demand. The Company has also entered into contract or arrangement for providing/availling reimbursement services of with Lodha Healthy Constructions and Developers Private Limited, and sought Corporate Guarantee from Lodha Developers Private Limited, Siddhnath Residential Paradise Private Limited and Dharmnath Buildtech and Farms Private Limited in respect of the loan availed from State Bank of India. The Company may avail further loans to various other group companies and may also enter into various other transactions with other related parties like sharing of common corporate expenditure or providing/ taking guarantee or security and making of investment/loans. The approval of shareholders is required to be obtained for such related party transactions as per amendment to Clause 49 of the Equity Listing Agreement as proposed by the Securities and Exchange Board of India vide its circular CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 as the proposed transactions will be in excess of limit specified in the said Clause 49.

In view of the foregoing, the Board proposes to seek the approval of the Members of the Company for the said related party transactions as set out in the resolution.

In view of the foregoing, the Board proposes to seek the approval of the Members of the Company for the said related party transactions as set out in the resolution.

The Board recommends the Special Resolution as set out at Item No. 10 of the Notice for your approval.

None of the Directors, Key Managerial Personnel or their relatives, are in any way, concerned or interested in the resolution.

ITEM NO. 11

Mr. Pankajkumar Jain, a director liable to retire by rotation has informed the Company his inability to continue as a director of the Company due to his preoccupations.

Registered Office:

216,Shah & Nahar Industrial Estate,
Dr. E. Moses road, Worli,
Mumbai-400018

Date:08-Aug-2014

Place: Mumbai

**By Order of the Board
For Sanathnagar Enterprises Limited**

**Sd/-
Hemanshu Mumbaiwala
Company Secretary**

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, by writing a letter to/sending email to CIL Securities Limited to this effect.

Directors' Report

Dear Shareholders,

Your directors have a pleasure in presenting the Annual Report along with the audited accounts of the Company for the financial year ended 31st March 2014.

FINANCIAL RESULTS

Particulars	For the financial year ended 31st March, 2014 (Rs. in lacs)	For the financial year ended 31st March, 2013 (Rs. in lacs)
Total Income	5,178.59	9,072.82
Less : Total Expenses	5,540.59	6,195.38
Profit before tax	(362.00)	2,877.44
Tax expenses including Deferred tax & adjustments for earlier years	559.76	(941.95)
Profit for the year	197.76	1,935.49

FINANCIAL OVERVIEW

Your Company recorded total income of Rs. 5,178.59 Lacs in FY'14 as compared to Rs. 9,072.82 Lacs in FY'13, a decrease of 42.92%. The reasons for the decrease were primarily due to revenue recognized in earlier period. The total expenditure also decreased from Rs. 6,195.38 Lacs to Rs. 5,540.59 Lacs. The Profit for the FY'14 stood at Rs. 197.76 Lacs as compared to Profit of Rs. 1,935.49 Lacs in the FY'13.

DIVIDEND

With a view to conserve the resources, your Directors have not recommended any dividend for the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of clause 49 of the Listing Agreement, the Management Discussion and Analysis Report is attached as Annexure – 1 to this report.

DIRECTORS

In terms of Articles of Association, Mr. Pankajkumar Jain retires by rotation, but does not seek re-appointment at the ensuing Annual General Meeting on account of his pre occupations.

On 8th August, 2014, Ms. Purnima Pavle was appointed as an as Additional Director and Chief Financial Officer of the Company.

The Company has received notice for appointment of Ms. Purnima Pavle as director of the Company and accordingly, the resolution seeking approval of the shareholders for her appointment have been incorporated in the Notice of the forthcoming Annual General Meeting.

AUDIT COMMITTEE

The Audit Committee ("the Committee") of the Board comprises of three Directors, namely Mr. Sagar Gawde, Mr. Deependra Gupta and Ms. Purnima Pavle. The constitution of the Committee underwent a change on 08-Aug-2014, wherein, Ms. Purnima Pavle was admitted as a member of the Committee and Mr. Pankajkumar Jain ceased to be a member.

The role and functions of the Audit Committee are in conformity with the requirements of the equity listing agreement.

AUDITORS AND THEIR REPORT

M/s. Lodha & Co., Chartered Accountants & Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and the Company has received letter from the Statutory Auditors expressing their inability to continue as Auditors of the Company. The Company has received notice from a member proposing M/s. Shankar and Kapani as the Statutory Auditors of the Company. The board has also received a letter from M/s. Shankar and Kapani, Chartered Accountants giving their consent for being appointed as Statutory Auditors of the Company and confirming their eligibility under section 141 of the Act.

A proposal seeking their appointment has been incorporated in the Notice of the Annual General Meeting.

PUBLIC DEPOSITS

Your Company has not accepted any public deposits and as such no amount on account of principal or interest on public deposits was outstanding, on the Balance sheet date.

LISTING FEE

Listing fees payment is under dispute. The Company is taking necessary steps to resolve the issue.

CORPORATE GOVERNANCE REPORT

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges forms part of the Annual Report. Certificate confirming compliance of the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is annexed to this Report as **Annexure - 2**.

SECRETARIAL COMPLIANCE CERTIFICATE

The Compliance Certificate in terms of Section 383A(1) of the Companies Act, 1956 read with rule 3(2) of the Companies (Compliance Certificate) Rules, 2001, is annexed herewith as **Annexure - 3** to this report.

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

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are annexed to this Report as **Annexure -4**

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, there were no employees whose particulars are required to be furnished.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:-

- I. In the preparation of the accounts for the financial year ended 31st March, 2014, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956 have been followed and that there are no material departures from the same;
- II. The Directors have 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 as at 31st March, 2014 and of the profit of the Company for the year ended on that date;
- III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. The Directors have prepared the accounts for the financial year ended 31st March, 2014 on a "going concern" basis.
- V. The Directors had laid down internal financial control to be followed by the Company and that such internal financial controls are adequate and operating effectively.
- VI. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

ACKNOWLEDGEMENTS

The Board of Directors wishes to place on record its gratitude for the faith reposed and the co-operation extended by banks, government authorities, customers and shareholders of the Company and looks forward to continued support and co-operation from them.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 08-Aug-2014

Deependra Gupta
Director

Purnima Pavle
Director

Annexure - 1

MANAGEMENT'S DISCUSSION AND ANALYSIS

Indian Economy

According to the World Bank Report, India with large current account and fiscal deficits and weaker growth, was hit particularly hard by a withdrawal of portfolio capital (resulting in steep currency depreciation) in the middle of the year, stemming from apprehensions of tapering of US quantitative easing. The GDP growth in FY14 is estimated to be around 4.9% as per CSO's estimates. That's technically a recovery from 4.5% GDP growth in FY13 on the back of a monsoon boost for agricultural sector and an improvement in services sector. The World Bank expects the pace of India's economic growth to pick up and stand at 6.2 per cent in FY15 and at 7.1 per cent in FY16.

The economy has stabilised in recent quarters, though GDP growth remains well below potential. Downside risks have receded. The rupee is less vulnerable to the US Fed tapering than it was in 2013. The economy will slowly improve across 2014 but not hit potential until well into 2015. Exports have already started to pick up, helping to narrow the CAD and on the home front, fewer downside risks, a more competent central bank governor, and the prospect of better government after the May elections have boosted business and investor confidence.

Hyderabad Real Estate

The Hyderabad residential market has remained stagnant in 2013 with slight drop in absorption after it went through the lows following the global recession, Satyam scam, State level political crisis and Telangana issue. Factors such as slow economic growth, rising interest rates by banks and high inflation among other factors have added to the uncertainties. The political uncertainties have faded away to an extent with creation of Telangana as the 29th state of India. Clarity on this issue is expected to boost the absorption by the end of the year or early 2015. The Hyderabad real estate market continues to consolidate with prices still at attractive levels in comparison to sister cities of Bangalore and Chennai. The residential prices are likely to firm up across segments in FY15 in wake of the increasing input costs. The off take in commercial and retail market continue to remain cautious and the recovery is expected to be gradual.

BUSINESS OVERVIEW

The Company undertook a large mid-income residential development in the form of Casa Paradiso at Sanathnagar, Hyderabad. The saleable area of the project is approximately 1.2 million square feet and it comprises of 2 BHK and 3 BHK air-conditioned apartments. The target profile of this project is the middle/upper middle income segment of the market. The project has been designed by Hafeez Contractor, one of the India's largest and most reputed architectural firms.

Internal Control Systems and Their Adequacy

The Company has a proper and adequate system of Internal Controls which commensurate with the size and nature of business, to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposal and commercial transactions are authorized, recorded and reported correctly. The internal control is supplemented by an extensive programme of internal and external audits. The Company accords great importance to the security of its information assets and has the requisite security controls and checks. Adequate storage and backup system is in place to ensure security and availability of data at all times.

Opportunities and Challenges

Opportunities:

With the new Government at the centre emphasizing on Infrastructural developments, it would create opportunities for housing and real estate sector, which would accelerate the demand for Real Estate.

Challenges:

While the management of your Company is confident of exploiting the opportunities, it also finds the following challenges:

- Time required for obtaining permissions.
- Swelling cost of construction.
- Acute shortage of skilled workforce at all levels.
- Very slow pace of growth in other infrastructure facilities.

Risks and Concerns

The Company is exposed to different types of risks viz., credit risk, market risk (including liquidity risk), operational risk and legal risk. The Company at regular interval monitors credit and market risk, Legal risk is subject to the review by the legal

department. The Company is exposed to specific risks in connection with the management of investments and the environment within which it operates. The Company aims to understand measure and monitor the various risks to which it is exposed and to ensure that it adheres, as far as reasonably and practically possible, to the policies and procedures established by it to mitigate these risks.

Cautionary Statement

This report may contain forward looking statements. All statements are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate and will materialize in the said order or manner or realized. The Company's performance and results or achievements could thus differ from those projected in any forward looking statements. The Company assumes no responsibility to publicly amend modify or revise such statements based on subsequent events or developments.

Annexure - 2
Certificate on Corporate Governance

The Members,

Sanathnagar Enterprises Limited

I have examined the compliance of conditions of Corporate Governance by Sanathnagar Enterprises Limited for the year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India. The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above-referred Listing Agreement. I am informed that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Jinal Shah

Company Secretary in Practice

ACS: 20255

CP No.: 9830

Place: Mumbai

Date: 08-08-2014

Annexure – 3

Jinal Shah

B Com, ACS: 20255, C.P. No: 9830

B-301, Vashistha CHS,
Saptarshi Park, Off LBS Marg,
SwapnaNagri, Mulund (W),
Mumbai – 400080
Phone +91 9833807519

SECRETARIAL COMPLIANCE CERTIFICATE

Registration No. of the Company: L99999MH1947PLC252768

Authorized Capital: Rs. 150,000,000/-

Paid-Up Capital: Rs. 31,500,000/-

To,

The Members

Sanathnagar Enterprises Limited

216, Shah & Nahar Industrial Estate,
Dr. E. Mosses Road, Worli,
Mumbai - 400 018.

I have examined the registers, records, books and papers of **Sanathnagar Enterprises Limited (“the Company”)** as required to be maintained under the Companies Act, 1956, (**“the Act”**) the Rules made thereunder and the provisions contained in the Commencement Notification of Companies Act 2013 dated September 12, 2013 (“Notification”) and also the provisions contained in the Memorandum & Articles of Association of the Company for the financial year ended on 31st March 2014. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure ‘A’** to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been recorded.
2. The Company has filed the forms and returns as stated in **Annexure ‘B’ to this** certificate, with the Registrar of Companies, Regional Director, Central Government and Company Law Board or other authorities within the time prescribed under the Act & Rules made thereunder.
3. The Company is a Public Limited Company under section 3(1)(iv) of the Companies Act, 1956 / 2(68) of the Companies Act, 2013 and therefore restrictions specified under section 3(1)(iii) for a Private Company are not applicable.
4. The Board of Directors duly met 13 (thirteen) times on 24th April 2013, 10th May 2013, 12th July 2013, 25th July 2013, 6th August 2013, 7th September 2013, 25th September, 2013, 8th November 2013, 6th December 2013, 23rd December 2013, 4th January 2014, 31st January 2014 and 5th March 2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in minutes book maintained for the purpose.
5. The Company closed its register of Members from 23rd September, 2013 to 26th September, 2013 (both days inclusive) under section 154 of the Act during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March, 2013 was held on 27th September 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.

As stipulated under Notification, the Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 185 of Companies Act 2013.

9. The Company has duly complied with the provisions of section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301(3) of the Act.

11. As there were no instances falling within purview of section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or Central Government.
12. The Company has not issued any duplicate share certificate during the financial year.
13. The Company :
 - (i) has delivered all the certificates on allotment of securities and on lodgments thereof for transfer / transmission or any other purpose in accordance with the provisions of the Act.
 - (ii) has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (iii) was not required to post warrants to any member of the company as no dividend was declared during the financial year.
 - (iv) does not have amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed/unpaid for a period of seven years and hence transferring of the same to the Investor Education and Protection Fund does not arise.
 - (v) has complied with the requirements of section 217 of the Act.
14. The Board of directors of the Company is duly constituted and the regularization of additional director has been duly recorded.
15. The Company has not appointed any Managing Director/Wholtime Director/Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year
17. The Company has availed necessary approvals of the Registrar of Companies under the various provisions of the Act during the financial year as was required to be availed from time to time. The Company was not required to avail approval of the Central Government, Company Law Board or Regional Director.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The amounts borrowed by the Company from directors, members, public, financial institutions, banks, and others during the financial year ending 31st March, 2014 is within the borrowing limits of the Company and that necessary resolutions as per Section 293(1)(d) of the Act have been passed.

With respect to section 180 of the Companies Act, 2013, clarification is issued by the MCA vide general circular No. 04/2014 dated 25.03.2014, that "the resolution passed under section 293 of the Companies Act, 1956 prior to 12.09.2013 with reference to borrowings (subject to the limits prescribed) and / or creation of security on assets of the company will be regarded as sufficient compliance of the requirements of section 180 of the Companies Act, 2013 for a period of one year from the date of notification of section 180 of the Act.
25. The Company has made loans and provided security to a bodies corporates during the financial year and accordingly necessary entries were made in the register maintained for this purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of Memorandum with respect to objects of the company's during the year under scrutiny.
28. The Company has not altered the provisions of Memorandum with respect to name of the company's during the year under scrutiny.
29. The Company has not altered the provisions of Memorandum with respect to share capital of the company during the year under scrutiny.

SANATHNAGAR ENTERPRISES LIMITED

30. The Company has not altered its Articles of Association during the financial year.
31. According to the information and explanation given to me, no prosecutions initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. According to the information and explanation given to me, the Company has not received any security from its employees which attracts the provisions of Section 417(1) of the Act during the year under scrutiny.
33. According to the information and explanations provided to me, the Company was not required to contribute Provident Fund pursuant to section 418 of the Act; hence requirement of deposits with Provident Fund Authorities does not arise.

Place: Mumbai
Date:08-Aug-2014

Jinal Shah

Practicing Company Secretary
ACS No. 20255; C.P. No. 9830

ANNEXURE A.

List of Statutory Registers maintained by the Company:

1. Register of Members u/s.150.
2. Register of charges
3. Minutes of Board and General Body Meetings u/s.193.
4. Books of Accounts u/s 209.
5. Registers as required to be maintained u/s. 301.
6. Register of Directors, Managing Director etc, u/s 303.
7. Register of Directors shareholdings u/s.307.
8. Register as required to be maintained u/s 372A.

ANNEXURE B.

Forms and Returns as filed by The Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March 2014.

Sr. No.	Form/Return	Filed under Section	Purpose	Date of filing	Whether filed within prescribed time	If delay in filing whether requisite additional fees paid
1	Form 18	17	Change of Registered office from one state to another state i.e. outside office of existing RoC	01/04/2013	Yes	N.A
2	Form 23	372A	Special resolution passed to provide loans to /security or guarantee	02/04/2013	Yes	N.A
3	Form 32	257	Regularization of Babusingh Rajguru and Pankajkumar jain	28/09/2013	Yes	N.A
4	Form 66	383A	Compliance Certificate for Financial year ended 31 st March, 2013	28/09/2013	Yes	N.A
5	Form 20B	159	Filing of Annual Return for Financial year ended 31 st March, 2013	20/11/2013	Yes	N.A
6	Form 23AC - XBRL / 23ACA -XBRL	220	Filing of Annual Accounts for the year ended 31 st March, 2013	25/10/2013	Yes	N.A

Place: Mumbai
Date:08-Aug-2014

Jinal Shah

Practicing Company Secretary
ACS No. 20255; C.P. No. 9830

Annexure - 4

Disclosure of particulars under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A	Conservation of Energy	
a)	Energy conservation measures taken	(i) Use of variable frequency drives for all elevators and air-conditioning equipment. (ii) Extensive use of materials like flyash, GGBS, etc. at the project resulting in saving of cement thus indirectly saving energy consumed in manufacturing of cement; (iii) Electrical designs have been fine tuned to contain the voltage drop to less than 5%. (iv) Use of energy efficient and insulated glasses in building facades of commercial buildings to reduce AC load. (v) Use of low voltage PL lamps.
b)	Additional Investments and proposals, if any being implemented for reduction of conservation of energy	Additional construction cost to the extent of Rs.30/- to Rs.40/- per square foot has been budgeted for/incurred for adoption of several energy conservation measures.
c)	Impact of measures for reduction of energy consumption	Reduction in over all maximum demand for the electricity in its project and consequent energy saving benefits to the residents.
d)	Total Energy Consumption and Energy Consumption per unit of production as per Form A of the Rules in respect of Specified Industries.	Details as per Form A not required since the Company is not covered in the list of specified industries.
e)	Environment protection	(i) Measures to achieve eco balance have been taken by providing extensive green cover and creating water bodies by treating waste water and rain harvesting. (ii) Waste water equipment plants are installed for treating waste water and utilising it for air-conditioning, watering of green spaces and flushing. (iii) Complete ban on use of mud bricks in construction and using light weight blocks which helps soil conservation and utilization of material like fly ash which otherwise would cause air pollution. (iv) Minimise use of paper in its offices. (v) Regulated water and power supply to labour camps. (vi) Plantation of large number of trees and providing extensive green cover creating water bodies to enhance the ecology and environment. (vii) Use of fly ash and other minerals in the construction to reduce cement consumption thus indirectly saving the energy used for manufacture of cement. (viii) Use of crushed sand in the construction instead of natural sand thus helping environmental degradation as natural sand is normally dredged from the river beds.
B	Technology Absorption	As per Form 'B' annexed.
C	Foreign Exchange Earnings and Outgo	
a)	i) Activities relating to exports	The Company is engaged in development / construction of real estate in India and selling the immovable properties to various customers.
	ii) Initiatives taken to increase exports	As of now, the Company does not export any of its products. However the properties/units offered by the Company can also be acquired by the non-resident. The Company advertises the products on various portals and publications.

SANATHNAGAR ENTERPRISES LIMITED

	iii) Development of new export markets for products and services	As a result of the above initiatives taken by Company, the properties being developed by the Company are attracting the eyeballs of overseas customers.
	iv) Export plans	None.
b)	Total Foreign Exchange earned and used	Earnings: Nil Outgo: Rs. 3,873,367/-

FORM – B

Form for Disclosure of particulars with respect to Absorption

Research and Development (R&D)

1.	Specific areas in which R & D carried out by the Company	The Company has not carried out any R&D activities during the year. However the Company carries out internal research for optimising its construction activities.
2.	Benefits derived as a result of the above R & D	Economy in operations
3.	Future plan of action	To constantly provide world class construction quality
4.	Expenditure on R&D (a) Capital (b) Recurring (c) Total	Nil
5.	Total R&D expenditure as a percentage of total turnovers	Nil

Technology Absorption, Adaptation and Innovation

1.	Efforts, in brief, made towards technology absorption, adaptation and innovation	<ul style="list-style-type: none"> The company has adopted latest state of the art systems for efficient electrical distribution in its buildings and also in the area of waste water treatment, automation and surveillance. State of the art BMS system shall be installed to monitor optimum utilization of water treatment plants, timer control lighting, elevator movements, water supply and fire fighting systems in the building. Building management system ensures optimum utilization of equipment thereby utilization of minimum energy and enhancing the service life of the equipment.
2.	Benefits derived as result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.	Economy in operations
3.	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished a) Technology imported b) Year of import c) Has technology been fully absorbed? d) If not fully absorbed, areas where this has not taken place, reasons therefor and future plan of action.	Nil

For and on behalf of the Board of Directors

Place: Mumbai
Date: 08-Aug-2014

Deependra Gupta
Director

Purnima Pavle
Director

Report on Corporate Governance

1. Company's philosophy on Code of Corporate Governance

The Company's philosophy on Corporate Governance envisages transparency, accountability and equity for its operations, and for interactions with its Stakeholders.

2. Board of Directors - Composition and Particulars of Directors

Board Composition:

As on 31st March, 2014, the Board of Directors of the Company ("the Board") comprised of 4 Directors, all are Non – Executive Directors out of whom, 2 are Independent Directors. Mr. Pankajkumar Jain is the Chairman of the Board. The details regarding Composition of the Board and category of Directors are enumerated hereunder:

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees (as specified in clause 49 of the Listing Agreement) across all Public Limited Companies in which he is a Director.

Category	Name of the Director
Non-Independent Non-Executive Directors	Mr. Pankajkumar Jain Mr. Babusingh Rajguru
Independent - Non-Executive Directors	Mr. Deependra Gupta Mr. Sagar Gawde

Ms. Purnima Pavle was appointed on the board on 8th August, 2014.

No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956.

None of the Directors holds any share in the Company as on 31st March, 2014.

Directors' Profile:

Brief resume of the Directors proposed to be appointed at the forthcoming Annual General Meeting, nature of his expertise in specific functional areas, companies in which he hold directorships/chairmanships of the Board Committees and their shareholding in the Company are provided below:

- A. Ms. Purnima Pavle is a Chartered Accountant and has over 12 years of experience. She has been associated with Lodha Group since 4 years. Prior to joining Lodha Group, she has worked with Graver & Weil India Ltd and HCC Ltd.

Ms. Pavle holds directorship in Anantnath Constructions And Farms Private Limited, Sarvavasa Buildtech & Farms Private Limited, Proficient Buildwell Private Limited, Siddhnath Residential Paradise Private Limited, Adinath Builders Private Limited, Roselabs Finance Limited.

Ms. Pavle does not hold any shares in the Company.

- B. Mr. Deependra Gupta is Inter CA and Science Graduate with expertise in Accounts, Taxation & Finance. Mr. Gupta was appointed as a Director of the Company by the shareholders at the Annual General Meeting of the Company held on 31.12.2009. Mr. Deependra Gupta does not hold any Membership /Chairmanship in any other company in accordance with Clause 49 of Listing Agreement. He also does not hold any shares in the Company.

Mr. Gupta is on the on the board of Sumangla Developers And Farms Private Limited, Shantipriya Developers & Farms Private Limited, Shankarparvati Reality & Agro Private Limited, Maheshvilla Developers & Farms Private Limited, Vamadevi Developers And Farms Private Limited, Mallinath Reality & Agro Private Limited, Kunthunath Facilities Management Private Limited, Susima Buildtech And Farms Private Limited, Suvrata Infrabuild And Farms Private Limited, Saikrupa Infotech Private Limited, Shivchhaya Developers & Farms Private Limited, Susima Infotech Private Limited, Suvidhinath Quality Construction Private Limited, Access Buildtech Private Limited, Suvidhinath Buildtech Private Limited, Nayan Infracon Private Limited, Shri Bhairav Properties & Agrofarms Private Limited, Shrivasti Developers And Agro Private Limited, Shivamrut Software Support And Services Private Limited, Shankeshwer Paraswanath Developers And Farms Private Limited, Shankeshwer Paraswanath Builders Private Limited, Ramshyam Infracon Private Limited, Pushpadanta Developers & Farms Private Limited, Mahasen Developers And Farms Private Limited, Loknath Infracon Private Limited, Krutvarma Stalwart Developers And Farms Private Limited, Kritika Infrabuild And Farms Private Limited, Kesarinandan Township Private Limited, High Status Buildcon Private Limited, Flying Constructions Private Limited, Copious Developers And Farms Private Limited, Citicellar Constructions & Farms Private Limited, Brightgold Constructions Private Limited, Balaji Hi-Tech Reality And Engineers Private Limited, Accent Buildtech Private Limited, Sumatinath Reality & Agro Private Limited, Shree Shantinath Real Estate

SANATHNAGAR ENTERPRISES LIMITED

Private Limited, Vasupujya Developers And Farms Private Limited, Vardhvinayak Township Development Private Limited, Tanish Stone Crusher Private Limited, Suvrata Software Development Private Limited, Sun Villa Estates Private Limited, Siddheshwer Real Estate Private Limited, Futuretech Constructions & Precast Private Limited, Mandip Finserve Private Limited, Sarbani Association For Girls And Women.

- C. Mr. Sagar Gawde is a Commerce Graduate and has vast experience in the field of Account and Taxation. He also does not hold any shares in the Company.

Mr. Sagar Gawde is on the Board of Shivchhaya Developers & Farms Private Limited, Citicellar Constructions & Farms Private Limited, Shri Bhairav Properties & Agrofarm Private Limited, Access Buildtech Private Limited, Suvidhinath Buildtech Private Limited, Meghal Homes Private Limited, Kritika Infrabuild and Farms Private Limited, National Standard (India) Limited, Alpana Infracon Private Limited, Krutvarma Stalwart Developers and Farms Private Limited, High Status Buildcon Private Limited, Shankeshwer Paraswanath Developers and Farms Private Limited, Superior IT Solutions Limited, Vardhvinayak Township Development Private Limited, Tanish Stone Crusher Private Limited, Suvidhinath Quality Construction Private Limited, Siddheshwer Real Estate Private Limited, Shankeshwer Paraswanath Builders Private Limited, Saikrupa Infotech Private Limited, Accent Buildtech Private Limited, Futuretech Constructions & Precast Private Limited, Mandip Finserve Private Limited and Sarbani Association for Girls and Women.

Mr. Gawde does not hold any shares in the Company.

3. Attendance of Directors at Board Meetings, last Annual General Meeting and number of other Directorships and Chairmanships / Memberships of Committees of each Director in various companies

The Board met at least once in each quarter and the maximum time gap between two Board Meetings did not exceed the limit prescribed in Clause 49 of the Listing Agreement. The details of participation of directors of the company at Board Meetings and Annual General Meeting during the financial year ended March 31, 2014 are enumerated hereunder:

Name of the Director	Directors' Identification Number	Attendance at meetings during 2013-14		Number of Other Directorship(s) (*)	No of Membership(s) / Chairmanship(s) of Board Committees of Other Companies (**)
		Board Meetings	Last AGM		
Mr. Deependra Gupta	02087691	13	No	0	-
Mr. Sagar Gawde	02082205	13	Yes	2	2 memberships (acting as Chairman)
Mr. Pankajkumar Jain	05114230	13	Yes	1	-
Mr. Babusingh Rajguru	02696937	13	No	1	-

* The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

** In accordance with Clause 49, Memberships / Chairmanships of only the Audit Committees and Shareholders' / Investors' Grievance Committees of Indian Public Companies (excluding Sanathnagar Enterprises Limited) have been considered.

4. Number of Board Meetings held and the dates on which held

Thirteen Board Meetings were held during the year 2013-14. The Company has held at least one Board meeting in every three months and the maximum time gap between any such two meetings was not more than four months. The details of the Board meetings are as under:

Sr. No.	Date	Board Strength	No. of Directors Present
1.	24 th April, 2013	4	4
2.	10 th May, 2013	4	4
3.	12 th July, 2013	4	4
4.	25 th July, 2013	4	4
5.	6 th August, 2013	4	4
6.	7 th September, 2013	4	4
7.	25 th September, 2013	4	4
8.	8 th November, 2013	4	4

9.	6 th December, 2013	4	4
10.	23 rd December, 2013	4	4
11.	4 th January, 2014	4	4
12.	31 st January, 2014	4	4
13.	5 th March, 2014	4	4

5. Board Committees

Details of the Committees of the Board and other related information are provided hereunder:

(a) Audit Committee

The Audit Committee comprises of two Independent Directors and one Non Independent Director and the same is in accordance with the provisions of Section 292A of the Companies Act, 1956 and clause 49 of the Listing Agreement. The Audit Committee comprised of Mr. Deependra Gupta, Mr. Sagar Gawde and Mr. Pankajkumar Jain throughout the financial year 2013-14.

The Committee functioned under the Chairmanship of Mr. Deependra Gupta upto 06-Sep-2013, and thereafter, under the Chairmanship of Mr. Sagar Gawde.

The composition of the Committee underwent a change on 08-Aug-2014 wherein, Ms. Purnima Pavle was admitted and Mr. Pankajkumar Jain ceased to be the member of the Committee.

The terms of reference includes in particular overseeing the Company's financial reporting process and disclosure of financial reporting information, recommending appointment and removal of external auditor, reviewing statements before submission to the Board and other terms as per Clause 49 of the Listing Agreement to the extent applicable to the Company.

Accordingly, Four Audit Committee meetings were held during the year 2012-2013:

Sr. No.	Date	Member's Strength	No. of Members Present
1.	10 th May, 2013	3	3
2.	6 th August, 2013	3	3
3.	8 th November, 2013	3	3
4.	31 st January, 2014	3	3

(b) Shareholders' / Investors' Grievance Committee

The Shareholders' / Investors Grievance Committee comprised of three Directors, namely, Mr. Pankajkumar Jain, Mr. Babusingh Rajguru and Mr. Deependra Gupta throughout the year.

The composition of the Committee underwent a change on 08-Aug-2014, wherein, Mr. Pankajkumar Jain ceased to be a member of the Committee and Ms Purnima Pavle was admitted as the member.

Six Committee Meetings were held during the period from 1st April, 2013 to 31st March, 2014. The Company has held at least one committee meeting in every three months and the maximum time gap between any such two meetings was not more than four months. The details of the Committee meetings are as under:

Sr. No.	Date	Members' Strength	No. of Members Present
1.	10 th May, 2013	3	3
2.	1 st June, 2013	3	3
3.	10 th July, 2013	3	3
4.	20 th Aug, 2013	3	3
5.	30 th Dec, 2013	3	3
6.	4 th Jan, 2014	3	3

Compliance officer: Mr. Sitansh Magia was the Compliance Officer of the Company till 25th September, 2013, and then after Mr. Abhijeet Shinde was appointed as Compliance officer for complying with the requirements of Securities Laws and the Listing Agreements with the Stock Exchanges in India.

With effect from 9th May, 2014, Mr. Abhijeet Shinde resigned as Compliance officer of the Company, and Mr. Hemanshu Mumbaiwala has been appointed as Company Secretary and Compliance officer.

Investor Grievance Redressal

The number of complaints received and resolved during the year under review and their break-up are as under:

Type of Complaints	No. of Complaints Received during 2013-14	No. of Complaints Resolved during 2013-14
Non-Receipt of Annual Reports	04	04
Non-Receipt of Dividend Warrant	01	01
Non-Receipt of Share Certificates	03	03
Total	08	08

There were no outstanding complaints as on 31st March, 2014.

6. General Body Meetings

The Annual General Meetings of the Company and Special resolutions during the last 3 years are as under:

Year	Venue of the Meeting	Date and Time	Item no	Particulars
2010-2011	Alankrita Resorts, Thumkunta Village, Shameerpet Mandal, Hyderabad – 500 078	29.09.2011 at 4.00 p.m	5	Keeping of Registers and Returns at a place other than the registered office
2011-2012	Alankrita Resorts, Thumkunta Village, Shameerpet Mandal, Hyderabad – 500 078	26.09.2012 at 12.30 p.m	5	Alteration of Articles of Association of the Company
2012-2013	Lodha Excelus, 7th Floor, N M Joshi Marg, Mahalaxmi, Mumbai – 400 011.	27.09.2013 at 2.30 p.m	5	-

There were no resolutions passed during the year through postal ballot. None of the resolutions proposed for the ensuing AGM needs to be passed by Postal Ballot.

7. Disclosures

There were no monetary penalties imposed by SEBI or the stock Exchanges or by any statutory authorities for non-compliance on any matters related to capital markets.

None of the transactions with any of the related parties were in conflict with the interests of the Company.

Attention of Members is drawn to the disclosures of transactions with the related parties set out in Notes on Accounts forming part of the Annual Report.

The related party transactions are entered into based on considerations of various business exigencies such as synergy in operations, sectoral specialisation and the Company's long term strategy for sectoral investments, optimisation of market share and profitability, legal requirements, liquidity and capital resources.

All related party transactions are negotiated at arms length and are only intended to further the interests of the Company.

The code of Conduct adopted by the Company provides the mechanism to report about unethical behavior, actual or suspected fraud or violation of code and everybody has access to Audit committee.

8. Means of Communication

The Quarterly, half yearly results were published in the Financial Express (all editions) and Apla Mahanagar. The annual result of the Company was published in in the Financial Express (all editions) and Apla Mahanagar Paper (Regional). The financial results, shareholding patterns and annual reports are also available on the website of the Company i.e. www.sanathnagar.in. The Company has designated exclusive email ID viz., investors.sel@lodhagroup.com for investor servicing.

9. General Shareholder Information

(a) Company Registration Details:	The Corporate Identity Number (CIN) allotted to the Company by Ministry of Corporate Affairs (MCA) is L99999MH1947PLC252768.
(b) Annual General Meeting (Day, Date, Time and Venue)	Monday, 30 th September, 2014 at 3.30 p.m. Lodha Supremus, Ground Floor, Dr. E. Moses Road, Worli Naka, Worli, Mumbai – 400 018

(c)	Financial Calendar	Financial Year 1 st April, 2013 to 31 st March, 2014
(d)	Book Closure Period	From 25 th September 2014 to 30 th September, 2014 (both days inclusive) for the purpose of the Annual General Meeting of the Company.
(e)	Dividend Payment Date	No dividend on equity is recommended by the Board.
(f)	Listing of Equity Shares at Stock Exchange (nation wise trading terminal)	BSE LIMITED (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
(g)	Stock Code	
	(i) Trading Symbol at	BSE Limited (Scrip Code : 509423) (Trading suspended) The Company is in the process of completing all corporate actions with BSE Limited.
	(ii) Demat ISIN Numbers	Equity Shares CDSL-INE 367E01017 – Inoperative since 2001 in view of trading suspended
(h)	Outstanding GDRs/ ADRs/ Warrants/ Convertible Instruments	Not applicable
(j)	Investor Correspondence For change in address, change of bank mandate, Nomination, transfer, Dematerialisation of shares.	CIL Securities Limited, 214,Raghava Ratna Towers, Chirag Ali Lane, Hyderabad-500001
	Any query of Annual Report	10 th Floor, The Company Secretariat Department, Lodha Excelus, Apollo Mills Compound, N.M. Joshi Marg, Mahalaxmi, Mumbai -400011 Phone – (022) 61959493
(k)	E-mail address for shareholders :	investors.sel@lodhagroup.com
(l)	Share Transfer Agent	CIL Securities Limited, 214,Raghava Ratna Towers, Chirag Ali Lane, Hyderabad-500001 E-Mail: rta@cilsecurities.com Telephone Nos. : +91-040-23202465, 23203145 Fax No. : +91-040-23203028

(k) Share Transfer System

Share Transfer forms, which are received in Physical form, are processed and the Share Certificates are returned to the shareholders, subject to the documents being valid and complete in all respects.

The Company was offering the facility of Transfer cum De-mat. However, due to trading being suspended, CDSL is unable to process demat requests/ transmissions. Request to permit the operation of CDSL is pending.

Further, all work relating to Share registry in terms of both Physical and electronic mode are being maintained with CIL Securities Limited, a SEBI registered Registrar and Share Transfer Agent.

(l) Distribution of Shareholding as on 31st March, 2014

Sl. No.	Category	No. of Shares Held	% of total shares held to total Share- holding
1.	Promoters	2908037	92.32
2.	Mutual Funds & UTI	4644	0.15
3.	Banks, Financial Institutions and Insurance Companies	22897	0.73
4.	Central Government/State Government.	32496	1.03
5.	FII's	0	0
6.	Private Corporate Bodies	132626	4.21
7.	Indian Public	49290	1.56
8.	NRI/OCBs	10	-
	Grand Total	3150000	100.00

(m) Shareholding Pattern by Size as on 31st March, 2014

SHARES		No of Holders Held	%	No of Shares Held	%
From	Upto				
UPTO	5000	9926	99.95	56674	1.85
5001	10000	0	0.00	0.00	0.00
10001	20000	1	0.01	14027	0.46
20001	30000	0	0.00	0.00	0.00
30001	40000	1	0.01	32496	1.06
40001	50000	0	0.00	0.00	0.00
50001	100000	0	0.00	0.00	0.00
100001 and above		3	0.03	2964528	96.64
		9931	100.0	3150000	100.00

(n) Liquidity

The Company's shares are presently suspended on the Stock Exchanges. 7.68% of the Company's shares are held by the Public Shareholders.

(o) High low prices:

The annual high-low prices of the Stock cannot be ascertained as the trading of the shares has been suspended.

(p) Performance in comparison to BSE and DSE Indices

The performance comparison cannot be ascertained as the trading of the Company is suspended.

10. Compliance Certificate

Certificate confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of Listing Agreement, is annexed to the Directors' Report forming part of the Annual Report.

11. CEO and CFO Certification

The Manager of the Company and the Chief Financial Officer of the Company have given annual certification on financial reporting and internal controls to the Board in terms of Clause 49.

12. Capital Integrity Audit

The Company has been submitting quarterly Reconciliation of Share Capital Audit Report to the Stock Exchanges in India where the securities of the Company are listed.

13. Fees to Statutory Auditors

Audit Fees to the Statutory Auditors for the year ended 31st March, 2014 was Rs. 3, 50,000.

14. Non Mandatory Requirements

The Company has not adopted non mandatory requirements of Corporate Governance during the year under report.

Code of Business Conduct and Ethics for Directors and Senior Management

The Company adopted the Code of Business Conduct and Ethics for Directors and Senior Management (the Code).

Declaration for compliance of Code of Conduct

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management team, an affirmation, of compliance with the code of conduct for Directors and Senior Management in respect of financial year ended March 31, 2014.

Place: Mumbai
Date:

Deepak Chitnis
Manager

INDEPENDENT AUDITORS' REPORT

To

The Members of

Sanathnagar Enterprises Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Sanathnagar Enterprises Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 5/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- (2) As required by section 227(3) of the Act, we report that:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books;
 - (c) the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- (d) in our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
- (e) On the basis of the written representations received from the directors as on 31st March 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act

For LODHA & COMPANY
ICAI FRN: 301051E
Chartered Accountants

A.M. Hariharan
Partner
Membership No. : 38323

Mumbai
April 28, 2014

ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF SANATHNAGAR ENTERPRISES LIMITED

On the basis of our examination of the books and records of the Company carried out in accordance with the auditing standards generally accepted in India and according to the information and explanations given to us, we state that:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b) The fixed assets have been physically verified by the management at the year-end which is considered reasonable and no material discrepancies were noticed on such verification.
c) No substantial part of the fixed assets has been disposed off by the Company during the year.
2. a) As per the information furnished, the inventory has been physically verified by the management at reasonable intervals during the year.
b) In our opinion, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification of inventory as compared to book records.
3. The Company has not granted / taken any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Consequently, clause (iii) of the said Order is not applicable to the Company during the year covered by the report.
4. In our opinion and according to the information and explanations given to us, and having regard to the explanation that certain items are of specialized nature and suitable alternative quotations are not available there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
5. According to the information and explanations given to us, there are no contracts or arrangements entered into during the year that need to be entered into the register maintained under Section 301 of the Act.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975 during the year. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. According to the information and explanation given to us, the Companies (Cost Accounting Records) Rules, 2011 have become applicable to the Company for its real estate operations; however, no specific format for the maintenance of the cost records in respect of the real estate projects have been prescribed under the said rules. In terms of the clarification issued by the Ministry of Corporate Affairs vide notification No. F. No. 52/1/CAB/-2012, dated May 25, 2012, the management believes that the cost records currently maintained by the Company provide the information required under the said rules. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act in respect of

real estate operations, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether these are accurate or complete.

9. 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 the appropriate authorities the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues applicable to it. No undisputed amounts payable in respect of aforesaid statutory dues were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.
- b) According to the records of the Company, there are no dues of Income Tax / Sales Tax / Wealth Tax / Service Tax / Custom Duty / Excise Duty / Cess which have not been deposited on account of any dispute. Attention is also invited to Note No. 21(1)(a).
10. The Company's accumulated losses as at 31st March, 2014 is more than its net worth. The Company has incurred cash losses during the financial year covered by our audit, however there were no cash losses in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayments of dues to its bank.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
13. In our opinion and according to the information and explanations given to us, the nature of the activities of the Company does not attract any special statute applicable to the chit fund and nidhi / mutual benefit fund / societies.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
15. Accordingly to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us, the Company has not availed any term loan during the year.
17. According to the information and explanations given to us and on an overall examination of the cash flow statement and balance sheet of the Company, in our opinion, the funds raised on short-term basis have, prima facie, not been used for long term investment.
18. In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act during the year.
19. Accordingly to the information and explanations given to us, the Company did not have any outstanding debentures during the year covered by this report or in the recent past.
20. The Company has not raised any money by way of public issues during the year or in the recent past.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For LODHA & COMPANY
ICAI FRN: 301051E
Chartered Accountants

A.M. Hariharan
Partner
Membership No. : 38323

Mumbai
April 28, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

	Notes	As at 31st March, 2014 ₹ in Lakhs	As at 31st March, 2013 ₹ in Lakhs
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	315.00	315.00
Reserves and Surplus	3	(3,811.01)	(4,008.77)
		<u>(3,496.01)</u>	<u>(3,693.77)</u>
Current Liabilities			
Short-Term Borrowings	4	8,913.54	21,613.16
Trade Payables	5	1,507.48	1,138.91
Other Current Liabilities	6	5,005.87	7,268.60
Short Term Provisions	7	488.15	494.17
		<u>15,915.04</u>	<u>30,514.84</u>
Total		<u>12,419.03</u>	<u>26,821.07</u>
ASSETS			
Non-Current Assets			
Fixed Assets (Net)			
Tangible Assets	8	145.12	204.54
Deferred Tax Asset (Net)	9	830.40	270.65
Long-Term Loans and Advances	10	1,273.43	1,025.62
Other Non-Current Assets	11	10.52	10.52
		<u>2,259.47</u>	<u>1,511.33</u>
Current Assets			
Inventories	12	9,211.90	6,584.94
Trade Receivables	13	158.72	277.11
Cash and Bank Balances	14	63.62	1,054.13
Short-Term Loans and Advances	15	40.37	17,278.60
Other Current Assets	16	684.95	114.96
		<u>10,159.56</u>	<u>25,309.74</u>
Total		<u>12,419.03</u>	<u>26,821.07</u>
Summary of Significant Accounting Policies	1		
The accompanying notes form an integral part of Financial Statements	1 - 21		

As per our attached Report of even date

For LODHA & CO.
Chartered Accountants
FRN : 301051E

For and on behalf of the Board

A. M. Hariharan
Partner

Director

Director

Manager

Place : Mumbai
Date : 28-April-14

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Notes	For the Year ended 31st March, 2014 ₹ in Lakhs	For the Year ended 31st March, 2013 ₹ in Lakhs
INCOME			
Revenue from Operations	17	5,178.59	9,072.82
Total Income		5,178.59	9,072.82
EXPENSES			
Cost of Projects	18	4,284.66	5,007.63
Finance Costs (net)	19	706.30	806.31
Depreciation and Amortisation Expense	8	65.27	94.12
Other Expenses	20	484.36	287.32
Total Expenses		5,540.59	6,195.38
Profit / (Loss) Before Tax		(362.00)	2,877.44
Tax Expense:			
Current Tax			
Minimum Alternate Tax (MAT)		-	(580.64)
MAT Credit Entitlement		-	580.64
Deferred Tax		559.76	(941.95)
Profit after Tax		197.76	1,935.49
Earnings Per Share			
Basic and Diluted earning per share (in ₹)		6.28	61.44
(Face Value of ₹ 10 per share)			
Summary of Significant Accounting Policies	1		
The accompanying notes form an integral part of Financial Statements	1 - 21		

As per our attached Report of even date
For LODHA & CO.
Chartered Accountants
FRN : 301051E

For and on behalf of the Board

A. M. Hariharan
Partner

Director

Director

Manager

Place : Mumbai
Date : 28-April-14

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

		For the Year ended 31st March, 2014 ₹ in Lakhs	For the Year ended 31st March, 2013 ₹ in Lakhs
Cash flow from Operating activities			
Profit / (Loss) Before Tax		(362.00)	2,877.44
Adjustments for:			
Depreciation and Amortisation Expense		65.27	94.12
Finance Cost (including Capitalised to Qualifying Assets)		1,658.94	2,469.34
Operating profit before working capital changes		1,362.21	5,440.90
Increase in Inventories		(2,626.96)	(90.47)
Decrease in Trade Receivables		118.39	763.78
Decrease in Loans and Advances and Other Current Assets		224.59	2,935.06
Increase in Trade Payables		368.59	464.03
Increase / (Decrease) in Other Current Liabilities		(1,596.30)	791.23
Cash from / (used in) operations		(2,149.48)	10,304.53
Income Tax Paid		(6.02)	(436.48)
Net cash from / (used in) Operating activities	(A)	(2,155.50)	9,868.05
Cash flow from Investing activities			
Purchase of Fixed Assets		(5.85)	(1.14)
Net cash used in Investing activities	(B)	(5.85)	(1.14)
Cash flow from Financing activities			
Proceeds / (Repayment) from / of Borrowings		(12,699.62)	1,033.67
Repayment / (Proceeds) of Loans given		16,195.83	(10,695.82)
Finance Cost paid		(2,325.37)	(578.97)
Net cash flows from / (used in) Financing activities	(C)	1,170.84	(10,241.12)
Net Decrease in cash and cash equivalents	(A+B+C)	(990.51)	(374.21)
Add : Cash and cash equivalents at the beginning of the year		1,054.13	1,428.34
Cash and Cash Equivalents at the end of the year		63.62	1,054.13

Notes:

- The above Cash Flow Statement has been prepared by using the indirect method as per Accounting Standard 3 - Cash Flow Statement as notified under the Companies (Accounting Standards) Rules, 2006.
- Previous year's figures have been regrouped / rearranged wherever necessary to conform current year's classification.

As per our attached Report of even date

For LODHA & CO.
Chartered Accountants
FRN : 301051E

For and on behalf of the Board

A. M. Hariharan
Partner

Director

Director

Manager

Place : Mumbai
Date : 28-April-14

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2014

NATURE OF OPERATIONS

Effective 1st April, 2013 the Registered Office of Sanathnagar Enterprises Limited has been transferred from Hyderabad, Andhra Pradesh to Mumbai, Maharashtra. It is primarily engaged in the business of promotion, construction, development and sale of integrated townships, residential and commercial multi-storied buildings, houses, flats, shopping malls etc. It is a subsidiary of Siddhnath Residential Paradise Private Limited, ultimate parent company whereof is Sambhavnath Infrabuild and Farms Private Limited.

Note 1

Summary of Significant Accounting Policies

A. Basis of Accounting :

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India, the Accounting Standards as notified under Companies (Accounting Standards) Rules, 2006, read with general circular 15/2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013, the Provisions of the Companies Act, 1956 and 2013 and on the accounting principle of going concern. Expenses and Income to the extent considered payable and receivable, respectively, are accounted for on accrual basis, except those with significant uncertainties.

B. Use of Estimates :

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates are made to the best of the management's knowledge considering all necessary information. Differences, if any, between actual results and estimates are recognized in the period in which the results are ascertained.

C. Fixed Assets :

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation / amortization. Cost includes all incidental expenses related to acquisition and installation, other pre-operation expenses and borrowing cost in case of construction.

The carrying amount of cash generating units / assets is reviewed at the balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated at the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

D. Depreciation / Amortisation :

Depreciation on Fixed Assets is provided on written down value method at the rates specified in Schedule of the Companies Act, 1956 and 2013 except for cost of 'site / sales office and sample flats' which are being amortized equally over the project lifecycle / demolition, whichever is earlier and intangible assets which are amortized proportionately over a period of five years.

Depreciation on Additions / Deletions of assets is provided on a pro-rata basis.

Depreciation on assets used for construction is treated as period cost.

E. Inventories :

- i) Stock of Building Materials, Traded Goods and Transferrable Development Rights is valued at lower of cost and net realizable value. Cost is generally ascertained on weighted average basis.
- ii)
 - a) Work-in-Progress is stated at Cost or Net Realizable value, whichever is lower. Work-in-Progress includes costs of incomplete projects for which the Company has not entered into contracts and the costs incurred on the projects where the revenue is yet to be recognized.
 - b) Completed unsold inventory is valued at lower of cost or net realizable value.
 - c) Cost for this purpose includes cost of land, shares with occupancy rights, premium for development rights, construction costs, borrowing cost, contribution towards land, construction / development cost and other overheads incidental to the projects undertaken.
 - d) Net realizable value is the estimated selling price in the ordinary course of business net of direct cost.

F. Operating Cycle :

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

G. Revenue Recognition :

Income from Property Development:

- i) Income from property development and shares with occupancy rights of units of immovable property is recognized on the transfer of all significant risks and rewards of ownership to the buyers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration. However, if at the time of transfer, substantial acts are yet to be performed under the contract, revenue is recognized on proportionate basis as the acts are being performed and monies received i.e. on the percentage completion method :

For projects on or before March 31, 2012 revenue is recognised on achieving at least 30% of physical progress of project and receipt of 20% of the sales consideration. The percentage of completion is stated on the basis of physical measurement of work actually completed as at the balance sheet date and certified by the Architect.

For projects other than covered above, as per revised Guidance Note on "Accounting for Real Estate Transactions" issued by the Institute of Chartered Accountant of India, revenue is recognised on incurring at least 25% of estimated construction and development cost excluding land and borrowing cost, when at least 25% of the total salable area is secured by contract with buyers and on receipt of 10% of the sales consideration per contract. The percentage of completion is worked out based on the total project costs incurred to total estimated project costs including land.

As the projects necessarily extend beyond one year, revision in costs and revenues estimated during the course of the contract are reflected in the accounting period in which the said estimates are revised. Revenue is not recognised on units cancelled upto a reasonable date close to the date of approval of the financial statements and hence, such cancelled units are included in the inventory.

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

H. Borrowing Costs :

Borrowing costs that are directly attributable to long term project development activities are inventorised as part of project cost. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Borrowing costs are inventorised as part of project cost when the activities that are necessary to prepare the asset for its intended use or sale are in progress. Inventorisation of Borrowing costs are suspended once development work on the project is interrupted for extended periods and there is no imminent certainty of recommencement of work.

I. Foreign Exchange Transactions :

The transactions in foreign exchange are accounted at the exchange rates prevailing on the date of transactions. All monetary assets and liabilities in foreign currency are translated at the exchange rate prevailing at the date of the Balance Sheet. Any exchange gain or loss arising on the translation or settlement of such transactions are accounted for in the Statement of Profit and Loss.

J. Taxation :

Provision for the current income tax is made on the basis of the estimated taxable income for the current accounting year in accordance with Income Tax Act, 1961.

MAT credit asset is recognized and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

Deferred Tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the tax rate and tax laws enacted or substantively enacted at the balance sheet date, to the extent that the timing differences are expected to crystallize. Deferred tax assets are recognized and carried forward only if there is a virtual / reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

K. Provisions and Contingent Liabilities :

Provisions are recognized in the accounts in respect of present probable obligation, the amount of which can be reliably estimated. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2014

	As at 31st March, 2014 ₹ in Lakhs	As at 31st March, 2013 ₹ in Lakhs
Note : 2		
Share Capital		
(A) Authorised		
14,700,000 Equity Shares of ₹ 10 each fully paid up	1,470.00	1,470.00
7,520 9.5% Redeemable Cumulative Preference Shares of ₹ 50 each	3.76	3.76
Unclassified Shares *	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.		
Total	1,500.00	1,500.00
(B) Issued, Subscribed and Paid-up :-		
3,150,000 Equity Shares of ₹ 10 each fully paid up	315.00	315.00
Total	315.00	315.00
(C) Rights and preferences attached to Equity Shares		
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, if any.		
(D) Equity Shares held by Holding Company: *	%	Numbers
Siddhnath Residential Paradise Pvt. Ltd.	89.99%	28,34,528
* Refer Note : 21 (7)		
	%	Numbers
Siddhnath Residential Paradise Pvt. Ltd.	89.99%	28,34,528
* Refer Note : 21 (7)		
	As at 31st March, 2014 ₹ in Lakhs	As at 31st March, 2013 ₹ in Lakhs
Note : 3		
Reserves and Surplus		
Capital Redemption Reserve		
As per last Financial Statement	3.76	3.76
Deficit in the Statement of Profit and Loss		
As per last Financial Statement	(4,012.53)	(5,948.02)
Add : Profit as per the annexed Statement of Profit and Loss	197.76	1,935.49
	(3,814.77)	(4,012.53)
Total	(3,811.01)	(4,008.77)

NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2014

	As at 31st March, 2014 ₹ in Lakhs	As at 31st March, 2013 ₹ in Lakhs
Note : 4		
Short-Term Borrowings		
Repayable on Demand		
A. Secured		
Cash Credit Facility from a Bank	3,662.44	6,943.28
Rate of Interest - 10.60% p.a. to 13.45% p.a. (Previous Year - 13.45% p.a. to 13.55% p.a.)		
Secured by first charge by way of mortgage of Land and Construction thereon at its realty project situated at Sanathnagar, Hyderabad and further secured by Corporate Guarantees of Lodha Developers Pvt. Ltd., Siddhnath Residential Paradise Pvt. Ltd. and Dharmanath Buildtech and Farms Pvt. Ltd.		
B. Unsecured		
Loans and Advances from Related Parties*		
Repayable on demand		
Loans and Advances from Related parties	5,251.10	14,669.88
Rate of Interest - 15.30% p.a. to 15.95% p.a. (Previous Year - 15.25% p.a.)		
* Refer Note : 21 (9) (B) (ii)		
Total	8,913.54	21,613.16
Note : 5		
Trade Payables		
Micro, Small and Medium Enterprises	14.29	14.50
Trade Payables	1,493.19	1,124.41
	1,507.48	1,138.91
Based on the information available with the Company, there are no dues outstanding in respect of Micro, Small and Medium Enterprises as of Balance Sheet date.		
Note : 6		
Other Current Liabilities		
Advance received from customers	3,653.62	5,302.40
Others:		
Interest accrued but not due from related parties	1,223.94	1,890.37
Duties and Taxes	128.31	75.83
Total	5,005.87	7,268.60
Note : 7		
Short Term Provisions		
Income Tax (Net of Advance Tax and TDS of ₹ 467.17 Lakhs; Previous Year ₹ 461.15 Lakhs)	488.15	494.17
Total	488.15	494.17

NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2014**Note : 8****Fixed Assets (At cost)**

(₹ in Lakhs)

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As at 01-April-13	Additions	Disposal / (Adjustments)	As at 31-March-14	Upto 31-March-13	For the year	Disposal / (Adjustments)	As at 31-March-14	As at 31-March-14	As at 31-March-13
Tangible Assets										
Site / Sales Offices and Sample Flats	431.79	-	-	431.79	257.62	58.07	-	315.69	116.10	174.17
	(432.03)	-	(0.24)	(431.79)	(170.76)	(87.10)	(0.24)	(257.62)	(174.17)	(261.27)
Plant and Equipment	24.10	0.16	-	24.26	6.07	2.52	-	8.59	15.67	18.03
	(27.38)	(0.37)	(3.65)	(24.10)	(6.49)	(3.22)	(3.64)	(6.07)	(18.03)	(20.89)
Office Equipment	14.57	2.43	-	17.00	8.59	0.96	-	9.55	7.45	5.98
	(15.56)	(0.64)	(1.63)	(14.57)	(7.82)	(2.40)	(1.63)	(8.59)	(5.98)	(7.74)
Furniture and Fixtures	13.54	3.27	-	16.81	7.30	3.68	-	10.98	5.83	6.24
	(13.54)	-	-	(13.54)	(5.92)	(1.38)	-	(7.30)	(6.24)	(7.62)
Computer Equipment	0.14	-	-	0.14	0.02	0.05	-	0.07	0.07	0.12
	-	(0.14)	-	(0.14)	-	(0.02)	-	(0.02)	(0.12)	-
Total	484.14	5.86	-	490.00	279.60	65.28	-	344.88	145.12	204.54
	(488.51)	(1.15)	(5.52)	(484.14)	(190.99)	(94.12)	(5.51)	(279.60)	(204.54)	(297.52)

NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2014

	As at 31st March, 2014 ₹ in Lakhs	As at 31st March, 2013 ₹ in Lakhs
Note : 9		
Deferred Tax Asset (Net)		
Timing differences on account of		
<u>Deferred Tax Asset:</u>		
Unabsorbed Depreciation	810.92	270.65
Carried forward Business Loss	696.58	-
	<u>1,507.50</u>	<u>270.65</u>
<u>Deferred Tax Liability:</u>		
Expense claimed as allowable but pending to be charged to Statement of Profit and Loss	(677.10)	-
Total	<u>830.40</u>	<u>270.65</u>
The Company has recognized deferred tax asset considering the flats booked / sold by the Company. The management is virtually certain that sufficient future taxable income would be available against which brought forward business losses and unabsorbed depreciation would be absorbed.		
Note : 10		
Long-Term Loans and Advances		
(Unsecured, Considered Good)		
MAT Credit Entitlement	930.64	930.64
Service Tax Receivable	342.79	94.98
Total	<u>1,273.43</u>	<u>1,025.62</u>
Note : 11		
Other Non-Current Assets		
Fixed Deposits held as Margin money	10.52	10.52
Total	<u>10.52</u>	<u>10.52</u>
Note : 12		
Inventories		
(at lower of cost and net realisable value)		
Construction Materials	292.84	158.57
Land and Property Development Work-in-Progress	8,919.06	6,426.37
Total	<u>9,211.90</u>	<u>6,584.94</u>
Note : 13		
Trade Receivables		
Unsecured, Considered good		
Outstanding for a period more than six months from the date they became due for payment	56.84	-
Outstanding for a period less than six months	101.88	277.11
Total	<u>158.72</u>	<u>277.11</u>

NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2014

	As at 31st March, 2014 ₹ in Lakhs	As at 31st March, 2013 ₹ in Lakhs
Note : 14		
Cash and Bank Balances		
A. Cash and Cash Equivalents		
Balances with Banks	62.90	1,053.96
Cash on hand	0.72	0.17
	<u>63.62</u>	<u>1,054.13</u>
B. Others		
Fixed Deposits with original maturity of more than 12 months	10.52	10.52
Less: Shown under Other Non - Current Assets (Refer Note 11)	(10.52)	(10.52)
	-	-
Total	<u>63.62</u>	<u>1,054.13</u>

Note : 15		
Short-Term Loans and Advances		
Unsecured, Considered good		
Loans and advances to related parties*		
In the nature of Loans	-	16,195.83
Others	-	0.01
Advances to Suppliers and Contractors	34.89	1,033.94
Prepaid Expenses	5.48	48.82
* Refer Note : 21 (9) (B) (ii)		
Total	<u>40.37</u>	<u>17,278.60</u>

Note : 16		
Other Current Assets		
Interest Receivable		
- from related parties	683.04	114.02
- from a bank	1.91	0.94
Total	<u>684.95</u>	<u>114.96</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	For the Year ended 31st March, 2014 ₹ in Lakhs	For the Year ended 31st March, 2013 ₹ in Lakhs
Note : 17		
Revenue from Operations		
Income from Property Development	5,147.84	8,978.13
Other Operating Revenue	30.75	94.69
Total	5,178.59	9,072.82

Note : 18		
Cost of Projects		
Opening Stock of Land and Property Development Work-in-Progress	6,426.37	6,476.09
Add: <u>Expenditure during the year</u> : *		
Construction Contract Works	3,342.95	1,623.19
Project Consultancy	119.18	113.67
Building Material Consumed	2,479.58	2,122.38
Rates and Taxes	44.25	385.37
Repairs and Maintenance - Building	28.79	14.36
Insurance	2.61	0.82
Power and Fuel	100.43	47.42
Machinery Hire Charges	42.52	4.19
Other Construction Expenses	224.76	36.37
Overheads Allocated	419.33	903.87
Less:		
Scrap Sales	(6.26)	(23.91)
Miscellaneous receipts from Customers	(20.79)	(269.82)
Closing Stock of Land and Property Development Work-in-Progress	(8,919.06)	(6,426.37)
Total	4,284.66	5,007.63
* Net of Foreign Exchange Gain of ₹ 0.80 lakh (Previous Year ₹ 0.02 lakh)		

Note : 19		
Finance Costs (net)		
<u>Interest Expenses on</u> :		
Borrowings and Others	1,657.38	2,444.43
Income Tax	-	24.60
Other Borrowing Costs	1.56	0.31
	1,658.94	2,469.34
Less : <u>Interest Income on</u> :		
Loan Given	(683.04)	(884.19)
Fixed Deposits with Bank	(1.10)	(1.03)
	974.80	1,584.12
Less : Allocated to Cost of Projects	(268.50)	(777.81)
Total	706.30	806.31

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	For the Year ended 31st March, 2014 ₹ in Lakhs	For the Year ended 31st March, 2013 ₹ in Lakhs
Note : 20		
Other Expenses		
Legal and Professional Fees	12.78	8.77
Infrastructure Expenses	-	173.50
Electricity Charges	11.16	8.34
Payment to auditors as :		
Audit Fees	3.50	3.50
Taxation Matters	1.00	1.00
Bank Charges	0.78	0.70
Printing and Stationery	10.42	3.30
Postage and Courier	4.06	5.92
Rates and Taxes	0.02	2.39
Conveyance	3.25	2.67
Corporate Chargeout	404.76	77.77
Advertisement Expenses	83.19	91.29
Brokerage	55.26	16.93
Miscellaneous Expenses	45.01	17.30
	635.19	413.38
Less: Allocated to Cost of Projects	(150.83)	(126.06)
Total	484.36	287.32

Note : 21**Notes on accounts****1** Contingent Liabilities not provided for in respect of :

- a) The Company had assigned all the rights and obligations in respect of appeals in Income Tax / Other Taxes / Cases to Bakelite Hylam Ltd (BHL) (formerly Bakelite Resins & Foams Ltd) (i.e. the resulting company, on account of demerger) vide Deed of Assignment dated March 31, 2009 entered into by the Company for a consideration of ₹ 5.00 Lakhs and accordingly, any liability arising on this account upto March 31, 2009 would be borne by BHL. The details of contingent liabilities at the time of such assignment are as under:

(₹ in Lakhs)

Particulars	2013-2014	2012-2013
Disputed Income Tax Liability	14.75	14.75
Disputed Central Excise Liability	158.41	158.41
Disputed Sales Tax Liability	36.31	36.31

- b) Civil suits filed by certain buyers of the apartments before various judicial forums for specific performance/s, financial impact whereof is presently not ascertainable.
- 2** Based on an expert opinion taken, the Company has been advised that VAT on sale of immovable property is payable only at the time of registration and it is being complied with accordingly.
- 3** The accumulated losses of the Company have far exceeded its entire net worth. The financial statements have, however, been prepared by the management on a going concern basis in view of expected profits to be earned on agreements to sale executed with the customers, improved market conditions and sale of apartments at newly launched buildings.

The promoters of the Company have assured financial support as and when required apart from providing technical and administrative support on regular basis.

- 4 In the opinion of the management, all of the assets other than Non-Current Assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated. The provision for depreciation and all other known liabilities are adequate and not in excess of the amount reasonably necessary.
- 5 Balances in certain accounts of Trade Payables, Trade Receivables and Short Term Loans and Advances are subject to reconciliation/confirmation and consequent adjustments, if any. The management does not expect any material difference affecting the current year's financial statements on such reconciliations / adjustments.
- 6 In terms of Accounting Standard – 17, the Company operates only in one business segment i.e., real estate development and has its projects / assets located in India.
- 7 Consequent to Order dated 4th June, 2013 of SEBI served to the Company, it is in the process of complying with the requirements of Rule 19(2)(b) of Securities Contracts (Regulation) (Amendment) Rules 2010, with regard to achieving public shareholding at the prescribed minimum level of 25% of the total equity shares issued by the Company, impact whereof is presently not ascertainable.
- 8 Based on an expert opinion, the Company in its return of income filed for the year ended 31st March, 2012 and 2013, has worked out MAT liability by claiming deduction as provided in clause (iii) to Explanation to Section 115JB of the Income Tax Act, 1961. While doing so, in absence of any method specified in the aforesaid section with regard to adjustment of profits earned during the previous year(s) , the same has been adjusted either from brought forward losses or/and unabsorbed depreciation retaining the MAT provision made in the books of account of earlier year(s).
- 9 The information as required by Accounting Standard 18 relating to 'Related Party Disclosures' is given below:

A. List of related parties and relied upon by auditors:

(As identified by the management)

a) Individual Controlling the Company and his relatives:

Mr. Mangalprabhat Lodha, Controlling Shareholder

b) Ultimate Holding Company:

Sambhavnath Infrabuild and Farms Pvt. Ltd. (Holding company of LDPL w.e.f. 17-July-2013)

c) Entities as at 1st April, 2013

i) Holding Company:

Lodha Developers Pvt. Ltd. (Holding Company of SRPPL)

Siddhnath Residential Paradise Pvt. Ltd. (SRPPL)

ii) Fellow Subsidiary Companies:

Aasthavinayak Estate Company Pvt. Ltd.

Aasthavinayak Real Estate Pvt. Ltd.

Adinath Builders Pvt. Ltd.

Ajitnath Hi-Tech Builders Pvt. Ltd.

Anantnath Constructions and Farms Pvt. Ltd.

Arihant Premises Pvt. Ltd.

Cowtown Land Development Pvt. Ltd.

Dalhousie Leasing & Financial Services Pvt. Ltd.

Galaxy Premises Pvt. Ltd.

Gandhar Builders Pvt. Ltd.

Hi-Class Buildcon Pvt. Ltd.

Hotel Rahat Palace Pvt. Ltd.

International Airport Builders & Management Services Pvt. Ltd.

Jawala Real Estate Pvt. Ltd.

Kidderpore Holdings Ltd.

Krona Realities Pvt. Ltd.
 Lodha Attentive Developers and Farms Pvt. Ltd.
 Lodha Buildcon Pvt. Ltd.
 Lodha Building and Construction Pvt. Ltd.
 Lodha Crown Buildmart Pvt. Ltd.
 Lodha Designer Construction Pvt. Ltd.
 Lodha Developers UK Ltd.
 Lodha Elevation Buildcon Pvt. Ltd.
 Lodha Estate Pvt. Ltd.
 Lodha Glowing Construction Pvt. Ltd.
 Lodha Hi–Rise Builders Pvt. Ltd.
 Lodha Home Developers Pvt. Ltd.
 Lodha Home Styles Pvt. Ltd.
 Lodha Impression Real Estate Pvt. Ltd.
 Lodha Land Developers Pvt. Ltd.
 Lodha Pinnacle Buildtech and Farms Pvt. Ltd.
 Lodha Prime Buildfarms Pvt. Ltd.
 Macrotech Constructions Pvt. Ltd.
 Mahavir Build Estate Pvt. Ltd.
 Mahavir Premises Pvt. Ltd.
 Manan Finserve Pvt. Ltd.
 Microtec Constructions Pvt. Ltd.
 Nabhiraja Software Design Pvt. Ltd.
 Naminath Builders and Farms Pvt. Ltd.
 National Standard (India) Ltd.
 Odeon Theatres and Properties Pvt. Ltd.
 Palava Dwellers Pvt. Ltd. (Formerly known as Lodha Dwellers Pvt. Ltd.)
 Palava Utilities Pvt. Ltd.
 Proficient Buildwell Pvt. Ltd.
 Sahajanand Hi–Tech Constructions Pvt. Ltd.
 Sai Ishwer Finvest Pvt. Ltd.
 Samvara Buildtech Pvt. Ltd.
 Sarvavasa Buildtech and Farms Pvt. Ltd.
 Shantinath Designer Construction Pvt. Ltd.
 Shreeniwas Abode and House Pvt. Ltd.
 Shreeniwas Cotton Mills Ltd.
 Shri Kailash Properties and Agrofarms Pvt. Ltd.
 Shri Nakoda Bhirav Realtors Pvt. Ltd.
 Shri Vardhvinayak Builders Pvt. Ltd.
 Simtools Pvt. Ltd.
 Sitaldas Estate Pvt. Ltd.
 Suryakrupa Constructions Pvt. Ltd. (Formerly known as Suryakrupa Farms and Constructions Pvt. Ltd.)

iii) Limited Liability Partnerships :

Ajeethnath Hi–Tech Buildtech LLP
 Lodha Dwellersz LLP
 Lodha Fincorp Distribution Services LLP

iv) Partnership Firms Under Control:

Lodha Construction (Dombivli)
Lodha Palazzo
Mahavir Associates
Vivek Enterprises

v) Others (Enterprises owned by controlling shareholder and / or his relatives with whom the Company had transactions):

Lodha Healthy Constructions and Developers Pvt. Ltd.

d) Entities added during the year

From

Fellow Subsidiaries

Kundan Realtors Pvt. Ltd.	29-May-2013
Roselabs Finance Ltd.	10-June-2013
Lodha Buildtech Pvt. Ltd.	01-July-2013
Lodha Pranik Landmark Developers Pvt. Ltd.	01-July-2013
Lodha Aviation Pvt. Ltd.	21-August-2013
Palava City Management Association (Section 25 Company)	06-November-2013
Lodha Developers International (Mauritius) Ltd.	25-November-2013
Shree Sainath Enterprises Construction and Developers Pvt. Ltd. *	28-November-2013
Lodha Developers International (Jersey) Ltd.	05-December-2013
Ishwer Realty and Technologies Pvt. Ltd.	26-December-2013
Lodha Strategic Development Pvt. Ltd.	31-December-2013
Sambhavnath Reality and Farms Pvt. Ltd.	31-December-2013
Lodha Developers International (Jersey) II Ltd.	29-January-2014
Lodha Properties Development Pvt. Ltd.	17-July-2013
Lodha Developers International (Neatherlands) B. V.	03-March-2014
Lodha Developers International (Jersey) I Holdings Ltd.	05-March-2014

e) Entities ceased / Struck off during the year

Upto

Fellow Subsidiaries

Lodha Home Finance Ltd. (Applied for strike off) 24-March-2014

Partnership Firms under control

Shree Sainath Enterprises * 27-November-2013

f) Key Managerial Personnel

Pankajkumar Jain

* converted into Private Limited Company under the provisions of Part IX of the Companies Act, 1956

B. Transactions during the year ended and Balances Outstanding as at 31st March, 2014 with related parties are as follows:

(i) Disclosure in respect of material transactions with parties:

Sr. No.	Particulars	Name of the Company	Nature of Relationship	₹ in Lakhs
1	Reimbursement of expenses	Siddhnath Residential Paradise Pvt. Ltd.	Holding Company	1.21 (-)
		Lodha Healthy Constructions and Developers Pvt. Ltd.	Others	78.38 (-)

Sr. No.	Particulars	Name of the Company	Nature of Relationship	₹ in Lakhs
2	Payment on behalf of	Lodha Crown Buildmart Pvt. Ltd.	Fellow Subsidiary	1.10 (4.17)
		Lodha Healthy Constructions and Developers Pvt. Ltd.	Others	0.18 (0.93)
		Lodha Pranik Landmark Developers Pvt. Ltd.	Fellow Subsidiary	12.77 (-)
		Macrotech Constructions Pvt. Ltd.	Fellow Subsidiary	1.16 (4.02)
		Siddhnath Residential Paradise Pvt. Ltd.	Holding Company	0.01 (-)
		Palava Dwellers Pvt. Ltd.	Fellow Subsidiary	- (14.32)
		Lodha Novel Buildfarms Pvt. Ltd.	Fellow Subsidiary	- (0.14)
3	Receipt on behalf of	Lodha Healthy Constructions and Developers Pvt. Ltd.	Others	58.29 (9.05)
		Palava Dwellers Pvt. Ltd.	Fellow Subsidiary	- (26.58)
		Macrotech Constructions Pvt. Ltd.	Fellow Subsidiary	0.95 (-)
4	Corporate Chargeout	Lodha Healthy Constructions and Developers Pvt. Ltd.	Others	404.76 (-)
		Lodha Developers Pvt. Ltd.	Holding Company of SRPPL	- (77.77)
5	Infrastructure Expenses	Nabhiraja Software Design Pvt. Ltd.	Fellow Subsidiary	- (191.59)
6	Sale of Materials	Lodha Healthy Constructions and Developers Pvt. Ltd.	Others	2.54 (-)
7	Purchase of Material	Lodha Healthy Constructions and Developers Pvt. Ltd.	Others	- (0.16)
		Cowtown Land Development Pvt. Ltd.	Fellow Subsidiary	- (18.12)
		Macrotech Constructions Pvt. Ltd.	Fellow Subsidiary	2.01 (-)
8	Interest Expenses	Siddhnath Residential Paradise Pvt. Ltd.	Holding Company	- (0.87)
		Lodha Developers Pvt. Ltd.	Holding Company of SRPPL	600.37 (1,157.13)
		Lodha Pranik Landmark Developers Pvt. Ltd.	Fellow Subsidiary / Others	363.42 (755.04)
		Cowtown Land Development Pvt. Ltd.	Fellow Subsidiary	211.97 (52.12)
		Shreeniwas Cotton Mills Ltd.	Fellow Subsidiary	22.49 (-)
		Jawala Real Estate Pvt. Ltd.	Fellow Subsidiary	42.76 (-)
		Nabhiraja Software Design Pvt. Ltd.	Fellow Subsidiary	22.58 (-)

SANATHNAGAR ENTERPRISES LIMITED

Sr. No.	Particulars	Name of the Company	Nature of Relationship	₹ in Lakhs
9	Interest Income	Lodha Land Developers Pvt. Ltd.	Fellow Subsidiary	66.60 (78.50)
		Proficient Buildwell Pvt. Ltd.	Fellow Subsidiary	435.37 (12.52)
		Aasthavinayak Estate Company Pvt. Ltd.	Fellow Subsidiary	- (781.13)
		Lodha Crown Buildmart Pvt. Ltd.	Fellow Subsidiary	181.07 (12.04)
10	Unsecured Loans taken	Lodha Developers Pvt. Ltd.	Holding Company of SRPPL	61,480.63 (48,340.04)
		Shreeniwas Cotton Mills Ltd.	Fellow Subsidiary	4,000.00 (-)
		Jawala Real Estate Pvt. Ltd.	Fellow Subsidiary	2,018.00 (-)
		Cowtown Land Development Pvt. Ltd.	Fellow Subsidiary	46.91 (9,985.00)
		Lodha Pranik Landmark Developers Pvt. Ltd.	Fellow Subsidiary	719.49 (-)
11	Loan given	Lodha Crown Buildmart Pvt. Ltd.	Fellow Subsidiary	15.01 (6,000.00)
		Proficient Buildwell Pvt. Ltd.	Fellow Subsidiary	11.27 (9,700.00)
		Lodha Land Developers Pvt. Ltd.	Fellow Subsidiary	70.65 (-)

(ii) Outstanding Balances:

Sr. No.	Particulars	Name of the Company	Nature of Relationship	₹ in Lakhs
1	Unsecured Loans Taken	Lodha Developers Pvt. Ltd.	Holding Company of SRPPL	1,910.33 (434.88)
		Cowtown Land Development Pvt. Ltd.	Fellow Subsidiary	- (9,985.00)
		Shreeniwas Cotton Mills Ltd.	Fellow Subsidiary	- (-)
		Jawala Real Estate Pvt. Ltd.	Fellow Subsidiary	1,378.00 (-)
		Lodha Pranik Landmark Developers Pvt. Ltd.	Fellow Subsidiary	1,962.77 (-)
		Lodha Pranik Landmark Developers Pvt. Ltd.	Others	- (4,250.00)
2	Loan Given	Lodha Land Developers Pvt. Ltd.	Fellow Subsidiary	- (500.00)
		Lodha Crown Buildmart Pvt. Ltd.	Fellow Subsidiary	- (5,995.83)
		Proficient Buildwell Pvt. Ltd.	Fellow Subsidiary	- (9,700.00)
3	Other Advances	Lodha Healthy Constructions and Developers Pvt. Ltd.	Others	- (0.01)

4	Trade payable	Nabhiraja Software Design Pvt. Ltd.	Fellow Subsidiary	-
				(185.68)
		Macrotech Constructions Pvt. Ltd.	Fellow Subsidiary	1.16
				(-)
5	Interest Receivable	Siddhnath Residential Paradise Pvt. Ltd.	Holding Company	1.21
				(-)
		Lodha Healthy Constructions and Developers Pvt. Ltd.	Others	190.26
				(-)
6	Interest Accrued but not due	Lodha Land Developers Pvt. Ltd.	Fellow Subsidiary	66.60
				(70.65)
		Proficient Buildwell Pvt. Ltd.	Fellow Subsidiary	435.37
				(11.27)
7	Guarantee taken	Aasthavinayak Estate Company Pvt. Ltd.	Fellow Subsidiary	-
				(21.27)
		Lodha Crown Buildmart Pvt. Ltd.	Fellow Subsidiary	181.07
				(10.83)
		Lodha Developers Pvt. Ltd.	Holding Company of SRPPL	568.27
				(1,135.96)
		Siddhnath Residential Paradise Pvt. Ltd.	Holding Company	-
				(0.79)
Cowtown Land Development Pvt. Ltd.	Fellow Subsidiary	210.91		
		(46.91)		
Shreeniwas Cotton Mills Ltd.	Fellow Subsidiary	20.24		
		(-)		
Lodha Pranik Landmark Developers Pvt. Ltd.	Fellow Subsidiary	327.08		
		(-)		
Jawala Real Estate Pvt. Ltd.	Fellow Subsidiary	41.37		
		(-)		
Nabhiraja Software Design Pvt. Ltd.	Fellow Subsidiary	22.57		
		(-)		
Lodha Pranik Landmark Developers Pvt. Ltd.	Others	-		
		(706.71)		
7	Guarantee taken	Lodha Developers Pvt. Ltd.	Holding Company of SRPPL	7,000.00
				(7,000.00)
		Siddhnath Residential Paradise Pvt. Ltd.	Holding Company	
		Dharmanath Buildtech and Farms Pvt. Ltd.	Others	

Note: No amount pertaining to related parties have been written off / back or provided for except as stated above.

10 Loans and Advances in the nature of loans to Companies (Disclosure pursuant to clause 32 of the listing agreement)

(₹ in Lakhs)

Particulars	Balance as at 31-March-14	Maximum Balance during the year
Aasthavinayak Estate Company Private Limited	-	-
	(-)	(5,000.00)
Lodha Land Developers Private Limited	-	570.65
	(500.00)	(500.00)
Lodha Crown Buildmart Private Limited	-	6,010.84
	(5,995.83)	(6,000.00)
Proficient Buildwell Pvt. Ltd.	-	9,711.27
	(9,700.00)	(9,700.00)

These Companies do not hold any shares in the Company.

SANATHNAGAR ENTERPRISES LIMITED
11 Disclosure in respect of amounts due from Private Companies in which director of the Company is director there:

(₹ in Lakhs)

Name of the Company	Nature of Dues	2013-14	2012-13
Lodha Land Developers Pvt. Ltd.	Loan Given	-	500.00
	Interest Receivable	66.60	70.65
Aasthavinayak Estate Company Pvt. Ltd.	Interest Receivable	-	21.27

12 Basic and Diluted earnings per share:

		2013-2014	2012-2013
(a)	Net Profit after Tax (₹ in Lakhs)	197.76	1,935.49
(b)	No. of Equity Shares as on April 1,	31,50,000	31,50,000
	Add: Shares Allotted	-	-
	No. of Equity Shares as on Mar 31,	31,50,000	31,50,000
	Weighted average no. of Equity Shares outstanding during the year	31,50,000	31,50,000
(c)	Face Value of equity shares (in ₹)	10	10
(d)	Basic and Diluted Earnings Per Share (in ₹)	6.28	61.44

13 Building Materials Consumption :

(₹ in Lakhs)

Materials	2013-2014	2012-2013
Cement	636.08	803.26
Steel	320.58	571.09
Tile and Flooring	430.78	219.96
Others	1,092.14	528.07
Total	2,479.58	2,122.38

14 Value of Imports on CIF Basis :

(₹ in Lakhs)

	2013-14	2012-13
Building Materials	44.50	24.94

15 Value of Imported and Indigenous Materials Consumed :

	%	₹ in Lakhs
Building Materials -		
- Imported	2.68 (1.72)	66.47 (37.81)
- Indigenous	97.32 (98.28)	2,413.11 (2,160.20)
Total	100.00 (100.00)	2,479.58 (2,198.01)

16 Unhedged Foreign Currency exposures / Balances outstanding as at 31st March, 2014

Disclosure in accordance with announcement dated December 2, 2005 issued by the Council of the Institute of Chartered Accountants of India (ICAI) with respect to foreign currency balances not hedged:

Particulars	Currency	₹ in Lakhs	Foreign Currency in Lakhs
Assets			
Advances to Suppliers / Vendors	USD	7.77 (8.50)	0.13 (0.15)
Liabilities			
Trade Payables (Current Year : USD 229.76; Previous Year : USD 229.76)	USD	0.14 (0.12)	0.00 (0.00)

17 Details of dues to Micro, Small and Medium Enterprises as per The Micro, Small and Medium Enterprises Development Act, 2006 :

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding is given below :

Particulars	2013-14 (₹ in Lakhs)	2012-13 (₹ in Lakhs)
Amount unpaid as at year end - Principal	14.29	14.50
Amount unpaid as at year end - Interest	(-)	(-)
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	(-)	(-)
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	(-)	(-)
The amount of interest accrued and remaining unpaid at the end of each accounting year	(-)	(-)
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	(-)	(-)

- 18** (a) Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year's presentation.
 (b) Figures in brackets are related to previous year.

For and on behalf of the Board

Director

Director

Manager

**Place : Mumbai
 Date : 28-April-14**

SANATHNAGAR ENTERPRISES LIMITED

CIN: L99999MH1947PLC252768

216, Shah & Nahar Industrial Estate, Dr. E. Moses Road, Worli, Mumbai-400 018, Maharashtra

Website: www.sanathnagar.in E-mail: Investors.SEL@lodhagroup.com

Tel.: +91.22.61959493 Fax: +91.22.23024550

BALLOT FORM

(In lieu of e-voting)

1. Name and Registered Address of the sole/first named Shareholder :
2. Name(s) of the Joint Shareholder(s), if any :
3. Registered Folio No./DP ID No./Client ID No.* (*Applicable to investors holding shares in dematerialized form)
4. Number of Equity Shares held :

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed for the business stated in the Notice of 67th Annual General Meeting of the Company to be held on 30th September, 2014 by conveying my/our assent or dissent to the said Resolution(s) by placing the tick (/) mark at the appropriate box below:

Item No.	Description	No. of Equity Shares	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
1	Consider and adopt the Audited Financial Statement, Reports of the Board of Directors and Auditors			
2	To appoint M/s. Shanker and Kapani (Registration Number: 117761W), Chartered Accountants, as Statutory Auditors and to fix their remuneration			
3	Appointment of Ms. Purnima Pavle, as Director, liable to retire by rotation			
4	Appointment of Mr. Deependra Gupta as an Independent Director			
5	Appointment of Mr. Sagar Gawde as an Independent Director			
6	Authority to Borrow Money under Section 180(1)(c) of the Companies Act, 2013			
7	Creation of Security under Section 180(1)(a) of the Companies Act, 2013			
8	Investments in excess of the limits prescribed under Section 186 of the Companies Act, 2013			
9	To adopt new Articles of Association of the Company			
10	Approval for Related Party Transactions			

Place :

Date :

Signature of Shareholder

Note: Kindly read the instructions printed overleaf before filling the form. The Ballot Forms received by the Scrutinizer not later than the close of working hours (6.00 p.m.) on 24th September, 2014 shall only be considered as valid.

INSTRUCTIONS

- 1. In terms of Clause 35B of the Listing Agreement, those members, who do not have access to e-voting facility provided by the Company for the AGM in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, may send their assent or dissent in writing on the Ballot Form. Accordingly, this Ballot Form is being provided under Clause 35B of the Listing Agreement to facilitate e-voting provided under Section 108 of the Companies Act, 2013 at 67th AGM of the Company.**
- 2. A member desiring to exercise vote by Ballot may complete this Ballot Form and send it to the Scrutinizer at 211 (back side), 2nd floor, Blgd.no. 1, Sona Udyog Industrial Estate, Parsi Panchayat road, Andheri (east), Mumbai - 400 069.**
3. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the Registrar and Transfer Agent of the Company (i.e. CIL Securities Limited). Members are requested to keep the same updated.
4. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
5. Where the Ballot Form has been signed by an Authorized Representative of the Body Corporate/Trust/ Society, etc. a certified copy of the relevant authorization/Board Resolution to vote should accompany the Ballot Form.
6. Duly completed Ballot Form should reach the scrutinizer not later than the close of working hours (6.00 p.m.) on 24th September, 2014. All Ballot Forms received after this date will be strictly treated as if reply from such member has not been received.
7. A member may request for a duplicate Ballot Form, if so required. However the duly filled in duplicate Ballot Form should reach the Scrutinizer not later than the time and date specified above.
8. The right of voting by Ballot Form shall not be exercised by a proxy.
9. A member need not use all votes nor needs to cast all votes in the same way.
10. The consent must be accorded by recording the assent in the Column 'FOR' and dissent in the column 'AGAINST' by placing a tick mark (/) in the appropriate column.
11. Voting Rights shall be reckoned on the paid-up value of shares registered in the name of the members as on 29th August, 2014 which is the cut off date fixed for this purpose
12. Members are requested not to send any other paper along with the Ballot Form.

SANATHNAGAR ENTERPRISES LIMITED

CIN: L99999MH1947PLC252768

216, Shah & Nahar Industrial Estate, Dr. E. Moses Road, Worli, Mumbai-400 018, Maharashtra

Form No. MGT-11

Proxy form

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

CIN: L99999MH1947PLC252768

Name of the company : Sanathnagar Enterprises Limited

Registered office : 216, Shah & Nahar Industrial Estate, Dr. E. Moses Road, Worli, Mumbai-400 018, Maharashtra

Name of the member (s) :	
Registered address :	
E-mail Id:	
Folio No/ Client Id :	DP ID:

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

1. Name:

Address:

E-mail Id:

Signature: _____, or failing him

2. Name:

Address:

E-mail id :

Signature: _____, or failing him

3. Name:

Address:

E-mail Id:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 67th Annual General Meeting of the company, to be held on the 30th September, 2014 at 3.30 P.M. at Lodha Supremus, Ground Floor, Dr. E. Moses Road, Worli Naka, Worli, Mumbai – 400 018, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.

1.

2.

3.

Signed this _____ day of _____ 2014

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

SANATHNAGAR ENTERPRISES LIMITED

CiN: L99999MH1947PLC252768

Regd. Off.: 216, Shah & Nahar Industrial Estate, Dr. E. Moses Road, Worli, Mumbai-400 018 Maharashtra

Website: www.sanathnagar.in e-mail: investor.SEL@lodhagroup.com

Tel.: +91.22.61959493 Fax: +91.22.23024550

ATTENDANCE SLIP

67TH ANNUAL GENERAL MEETING

Name of the member / Proxy: _____

DP ID / Client id / Folio No.: _____

No. of Share: _____

I/We hereby record my/our presence at the 67th Annual General Meeting of the Company held at Lodha Supremus, Ground Floor, Dr. E. Moses Road, Worli Naka, Worli, Mumbai – 400 018, Maharashtra on Tuesday, September 30, 2014 at 3.30 p.m.

Member's/Proxy's Signature

Note:

1. Please complete the Folio / DP ID – Client ID No. and name, sign this Attendance Slip and handover at the entrance of the Meeting hall.

BOOK POST

If Undelivered, please return to:

The Secretarial Department
SANATHNAGAR ENTERPRISES LIMITED
216, Shah & Nahar Industrial Estate,
Dr. E. Moses Road, Worli,
Mumbai-400 018 Maharashtra