

SANATHNAGAR ENTERPRISES LIMITED

Annual Report
2014 - 15

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BOARD OF DIRECTORS:

DIRECTORS

Ms. Purnima Pavle
Mr. Babusingh Rajguru
Mr. Deependra Gupta
Mr. Sagar Gawde
Mr. Deepak Chitnis

CATEGORY

Chairman & Non Executive Director
Non- Executive Director
Independent Director
Independent Director (resigned w.e.f. 03 August, 2015)
Manager

BANKERS

HDFC Bank Limited
Kotak Mahindra Bank Limited
State Bank of India
State Bank of Hyderabad

COMPANY SECRETARY

Mr. Sharatkumar Shetty

REGISTERED OFFICE:

412, Floor-4, 17G, Vardhaman Chamber,
Cawasji Patel Road, Horniman Circle,
Fort, Mumbai-400001
Website: www.sanathnagar.in
E-mail: investors.sel@lodhagroup.com
Telephone No.: +9122-2302 4400
Fax No.: +9122-2302 4550

**REGISTRAR AND SHARE
TRANSFER AGENT**

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

Notice

Notice is hereby given that the Sixty-Eighth Annual General Meeting (AGM) of the Members of Sanathnagar Enterprises Limited (CIN: L99999MH1947PLC252768) will be held on Wednesday, 30th September, 2015 at 04.00 P.M. at Lodha Supremus, Ground Floor, Dr. E. Moses Road, Worli Naka, Worli, Mumbai - 400018 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2015 and the Reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Babusingh Rajguru (DIN: 02696937), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. **Ratifying the Appointment and fixing of remuneration of Statutory Auditors**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read along with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, (including any statutory modification(s), amendment(s) thereto or re-enactment thereof, for the time being in force), the appointment of M/s. Shanker and Kapani, Chartered Accountants, Mumbai, registered with the Institute of Chartered Accountants of India vide Firm Registration No. 117761W, as Auditors of the Company for a term of 5 years i.e. till the conclusion of the 72nd Annual General Meeting (AGM) of the Company, which was subject to ratification by the members of the Company at every AGM, be and is hereby ratified to hold the office from the conclusion of the 68th AGM till the conclusion of the 69th AGM of the Company to be held in the year 2016, on such remuneration as shall be decided by the Board of Directors or any Committee thereof."

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 196, 203 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "Act") and the relevant rules made thereunder (including any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force) read with Schedule V of the Act, the consent of the members be and is hereby accorded for re-appointment of Mr. Deepak Chitnis as the Manager of the Company for a period of 5 years with effect from 22nd July, 2015 till 21st July, 2020 on the terms and conditions as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as the "Board" and shall include duly constituted Committee(s) thereof) to alter and vary the terms and conditions of the said re-appointment as it may deem fit.

RESOLVED FURTHER THAT all actions taken by the Board of Directors (including any Committee thereof) and all matters related thereto are specifically approved.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) and Mr. Sharatkumar Shetty, Company Secretary, be and are hereby severally authorised to complete all the formalities, file necessary forms and to do all such acts, deeds and things as may be necessary in this regard and necessary entries be made in the statutory registers to that effect."

Date : August 28, 2015

Place : Mumbai

Registered Office:

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

Telephone No.: +9122-23024400

Fax No.: +9122-23024550

Website: www.sanathnagar.in

CIN No.: L99999MH1947PLC252768

E-mail: investors.sel@lodhagroup.com

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

**Sharatkumar Shetty
Company Secretary
ACS: 31888**

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 instead of himself/herself and the proxy need not be a member of the Company. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed, stamped and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this notice of the Meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
- 2) A person can act as proxy on behalf of members upto and not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. Members holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
- 3) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- 4) Every member entitled to vote at the Meeting of the Company can inspect the proxies lodged at the Company at any time during the normal business hours of the Company during the period beginning twenty-four (24) hours before the time fixed for the commencement of the Meeting and ending on the conclusion of the meeting. However, a prior notice of not less than three (3) days in writing of the intention to inspect the proxies lodged shall be required to be provided to the Company.
- 5) Members/Proxies attending the Meeting are requested to bring the Attednance Slip attached to the Notice duly filled in, signed and handover the same at the Venue of the Meeting. Request to carry the copy of the Annual Report to the Meeting.
- 6) 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.
- 7) Members holding shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to write to the Company’s Registrar and Share Transfer agent, CIL Securities Ltd., 214, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad - 500 001, Tel No: 91 - 040 - 23203155, Email Id: rta@cilsecurities.in enclosing their original share certificate to enable them to consolidate the holdings into one folio.
- 8) The Register of Members and Share Transfer Books of the Company would remain closed from Friday, 25th September, 2015 to Wednesday, 30th September, 2015 (both days inclusive) in terms of the provisions of Section 91 of the Companies Act, 2013.
- 9) The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
- 10) The relevant details of Director and Manager seeking re-appointment are annexed to the notice of the Meeting.
- 11) Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office and Corporate Office of the Company on all working days, excluding Saturday, Sunday and Public Holidays between 11.00 A.M. and 1.00 P.M. upto the date of the Meeting. The aforesaid documents will also be available for inspection at the Meeting. The same is available on the website of the company i.e. www.sanathnagar.in
- 12) 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 members to register their e-mail address and changes therein and such request may be made by only those members who have not got their e-mail id recorded or to update a fresh e-mail id and not from the members whose e-mail ids are already registered. In view of the above, the Company hereby request members who have not updated their e-mail ids to update the same with their respective Depository Participant(s) or the CIL Securities Limited, Registrar and Share Transfer Agent (RTA) of the Company. Further, Members holding shares in electronic mode also requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the RTA of the Company quoting their folio number(s).

- 13) Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent in the permitted mode to all the members of the Company whose address are registered with the Company or with the Depository Participant(s) or with CIL Securities Limited, the Registrar and Share Transfer Agent of the Company.
- 14) Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS) and Electronic Clearing Service (ECS) mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's record which will help the Company and the Company's Registrar and Share Transfer Agent, CIL Securities Limited (RTA) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes either to the Company or to RTA of the Company.
- 15) The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to CIL Securities Limited, Registrar and Share Transfer Agent of the Company.
- 16) Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
- 17) Members holding shares of the Company as on Thursday, 24th September, 2015, shall be entitled to vote at the Annual General Meeting of the Company. A person who is not a member as on the cut-off date should treat this notice for information purpose only.

E-VOTING

- 1) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members a facility to exercise their right to vote on business proposed to be transacted at the Annual General Meeting (AGM) by electronic means and the business may be transacted through E-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM, ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
- 2) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM through ballot paper.
- 3) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- 4) The remote e-voting period commences on Sunday, 27th September, 2015 (9:00 am) and ends on Tuesday, 29th September, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Thursday, 24th September, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be forthwith blocked by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently or vote again.
- 5) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- 6) The Voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut off date i.e. Thursday, 24th September, 2015.
- 7) Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. Thursday, 24th September, 2015, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote.
- 8) A member can opt for only one mode of voting i.e. either through remote e-voting or by Ballot process to be done at the AGM. If a member casts vote by both modes, then voting done through remote e-voting shall prevail and the Ballot form shall be treated as invalid.

- 9) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Thursday, 24th September, 2015 only shall be entitled to avail the facility of remote e-voting or voting at the AGM through ballot paper.
- 10) The Company has appointed Ms. Nehal Doshi, Practising Company Secretary, as scrutinizer (the 'Scrutinizer') for scrutizing the Remote E-voting process as well as voting at the AGM in a fair and transparent manner.
- 11) The Chairman shall, at the Annual General Meeting, at the end of discussion on the business matters on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- 12) The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report on the total votes cast in favour or against, if any, to the Chairman/ Director or a person authorized by him in writing, who shall counter sign the same and declare the result of the voting forthwith.
- 13) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.sanathnagar.in and on the website of the CDSL immediately after the declaration of result by the Chairman/ Director or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchange (BSE Limited) and shall also be displayed on the notice board of the Company.
- 14) This notice has been updated with the instructions for voting through electronic means as per the Amended Companies (Management and Administration) Rules, 2015.

THE PROCESS AND MANNER FOR REMOTE E-VOTING ARE AS UNDER:

- 15) The voting period begins on Sunday, 27th September, 2015 (9:00 am) and ends on Tuesday, 29th September, 2015 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Thursday, 24th September, 2015 may cast their vote electronically. The E-voting module shall be disabled by CDSL for voting thereafter.
 - a. Shareholders who have already voted prior to the AGM date would not be entitled to vote at the meeting venue.
 - b. The shareholders should log on to the e-voting website www.evotingindia.com
 - c. Click on Shareholders.
 - d. Now Enter your User ID
 - i. For CDSL: 16 digits beneficiary ID,
 - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - e. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - f. Next enter the Image Verification as displayed and Click on Login.
 - g. 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.
 - h. 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.

- i. After entering these details appropriately, click on “SUBMIT” tab.
- j. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that 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.
- k. For Members holding shares in physical form, the details can be used only for E-voting on the resolutions contained in this Notice.
- l. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- m. 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.
- n. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details. 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.
- o. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- p. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- q. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT ANNEXED TO THE NOTICE PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 IN RESPECT OF THE BUSINESSES MENTIONED IN THE NOTICE OF THE SIXTY EIGHTH ANNUAL GENERAL MEETING OF THE COMPANY

ITEM NO.2

The Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India requires certain disclosures with respect to appointment of Mr. Babusingh Rajguru as the Director of the Company who is liable to retire by rotation at this Annual General Meeting, which is mentioned below:

Name	Mr. Babusingh Rajguru
Director Identification Number	02696937
Age	57 years
Qualifications	B.Sc
Experience	Mr. Babusingh Rajguru has more than 25 years of experience in the real estate industry.
Terms & Conditions of appointment	As per the provisions of the Companies Act, 2013
Remuneration last drawn & Sought to be paid	Nil
Date of Appointment on the Board	21 st January, 2013
Directorships held in other companies as on 31 March, 2015	1. Lodha Facilities Management Limited 2. Shreeniwas Cotton Mills Limited
Memberships / Chairmanship of Committees across companies excluding this company as on 31 March, 2015	Nil
Shareholding in the Company (Equity)	Nil
Relationship with other Directors/ Manager/Key Managerial Personnel	None
Number of Board meetings attended during the year	12

The Company has received the necessary consent and disclosures from Mr. Babusingh Rajguru in terms of provisions of the Companies Act, 2013.

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

None of the Directors, Key Managerial Personnel and their respective relatives except Mr. Babusingh Rajguru, are in any way, concerned or interested, financially or otherwise as set out at Item No. 2 of the accompanying Notice.

ITEM NO.4

Mr. Deepak Chitnis was appointed as Manager of the Company with effect from 22nd July, 2010 for period of 5 years and the same was approved by the shareholders at the Annual General Meeting held on 12th November, 2010.

Mr. Deepak Chitnis aged 42 joined the Company as a Manager in 2010. Mr. Deepak Chitnis has been associated with organizations like Ratan J. Batliboi Architects - Design Consultancy & Oberoi Constructions Pvt. Ltd. a Real Estate firm. He has total 18 years of diverse experience in the field of Design across industries including the real estate industry. He holds a B. Arch. from Sir J. J. College of Architecture.

In view of the past experiences, it is now proposed to re-appoint Mr. Deepak Chitnis as Manager of the Company for the further period of 5 years commencing from 22nd July, 2015 to 21st July, 2020. The Board of Directors at its meeting held on 22nd July,

2015 based on the recommendations of the Nomination and Remuneration Committee has approved the re-appointment of Mr. Deepak Chitnis as Manager of the Company.

This re-appointment as Manager is subject to the approval of the Members at the AGM of the Company and any other regulatory approvals, if applicable.

As required under Section 196(4) of the Companies Act, 2013, the terms and conditions of the re-appointment entered with Mr. Deepak Chitnis are as under:

1. Tenure of Appointment:

For a period of 5 years with effect from 22nd July, 2015 till 21st July, 2020.

2. Nature of Duties:

He shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in the best interest of the Company.

3. Remuneration:

He shall not receive any remuneration from the Company during the currency of his tenure as a Manager.

4. Other terms of Appointment:

He shall not become interested or otherwise concerned, directly or through his spouse and / or children, in any of the businesses of the Company.

The terms and conditions of the appointment of the Manager may be altered and varied from time to time by the Board as it may, in its discretion deem fit, in such manner as may be agreed to between the Board and the Manager, subject to such approvals as may be required.

The Company shall be entitled to terminate employment of the Manager, at any time by giving two months prior notice in writing in that regard without assigning any reason, save and except as may be mutually agreed between the Manager and the Company.

The Manager shall be entitled to terminate his employment at any time by giving to the Company two months prior notice in writing in that regard without assigning any reason.

Upon the termination by whatever means of the Manager employment, he shall not, without the consent of the Company, at any time thereafter represent himself as connected with the Company or any of the subsidiaries or associated companies.

During the period of employment of Manager with the Company or at any time thereafter, except in the course of performance of his duties, he shall not use, divulge or disclose any information to any person, association, agency or Company, any of the information/secrets concerning the affairs of and / or the business of the Company, which he may have acquired incidental to or in the course of his employment in the Company.

Further, the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India requires certain additional disclosures with respect to re-appointment of Manager, which are mentioned below:

Name	Mr. Deepak Chitnis
Age	42 years
Qualifications	B. Architecture
Experience	18 years
Terms & Conditions of appointment	As mentioned above
Remuneration last drawn & Sought to be paid	Nil
Date of Appointment on the Board	Not Applicable
Directorships held in other companies as on 31st March, 2015	1. Arihant Premises Private Limited 2. National Standard (India) Limited
Memberships / Chairmanship of Committees across companies excluding this company as on 31 March, 2015	Nil
Shareholding in the Company (Equity)	Nil
Relationship with other Directors/ Manager/Key Managerial Personnel	None
Number of Board meetings attended during the year	2

The Company has received the necessary consent and disclosures from Mr. Deepak Chitnis in terms of provisions of the Companies Act, 2013.

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

None of the Directors, Key Managerial Personnel and their respective relatives except Mr. Deepak Chitnis, are in any way, concerned or interested, financially or otherwise as set out at Item No. 4 of the accompanying Notice.

Date : August 28, 2015

Place : Mumbai

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

Registered Office:

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

**Sharatkumar Shetty
Company Secretary
ACS: 31888**

BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 68th Annual Report of the Company for the financial year ended 31st March, 2015.

FINANCIAL RESULTS

Particulars	For the financial year ended 31 st March, 2015 (Rs. in lacs)	For the financial year ended 31 st March, 2014 (Rs. in lacs)
Total Income	2489.01	5178.59
Less : Total Expenses	2446.18	5540.59
Profit/Loss before Tax	42.83	(362.00)
Tax Expenses	(15.06)	559.76
Prior Period Taxation adjustments	0.07	-
Profit for the year	27.84	197.76

THE STATE OF COMPANY'S AFFAIRS

Total Revenue:

The total income of the Company during the current financial year 2014-2015 was Rs. 2489.01 lacs (decline of 51.93%) as against the total income of Rs. 5178.59 lacs for the previous financial year 2013-2014.

Total Expenditure:

The total expenses of the Company decreased by 55.85% to Rs. 2446.18 lacs for the current financial year 2014-2015 from Rs. 5540.59 lacs for the previous financial year 2013-2014.

Profits:

The Profit before tax increased by 111.83% to Rs. 42.83 lacs for the current financial year 2014-2015 as compared to loss of Rs. 362 lacs for the previous financial year 2013-2014.

The Net Profit of the Company during the current financial year 2014-2015 was Rs. 27.84 lacs as compared to Rs. 197.76 lacs for the previous financial year 2013-2014.

During the year under review, there is no change in the nature of the business of the Company.

THE YEAR GONE BY

Indian Economy

Post May, 2014 elections, the global outlook on Indian economy and business confidence improved significantly. Effective actions in speed and effectiveness of governance has kick started investments in certain sectors like coal, road and infrastructure. Falling global commodity prices including oil and fossil fuels have fortunately reduced the pressure on balance of payments. This coupled with better management of food supply chain and moderated minimum support prices has given headroom to Central Bank to moderate interest rate. Though, Reserve Bank of India has cautiously started moderating the rates, the benefits have not been passed to the users by the banks completely due to pressures on NPAs of the past lending. We expect this process to continue in the next fiscal.

Benign inflation and larger disposable incomes have improved discretionary consumer spending as well as household savings. The GDP growth trajectory has shifted from the one witnessed in last five years. GDP growth estimates by experts like CSO, RBI, Crisil and other private organisations range from 6.8% to 7.4%. Political and legislative logjam remains a risk to major policy reforms like land and labour as well as GST.

BUSINESS OVERVIEW

The Company undertook a large mid-income residential development in the form of Casa Paradiso at Sanathnagar, Hyderabad. The project 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.

RESERVES

No amount is proposed to be transferred to reserves.

DIVIDEND

Due to accumulated losses, the Board of Directors did not recommend any dividend for the year under review.

DETAILS OF BOARD MEETINGS

The composition of Board of Directors during the financial year 2014-2015 is as under:

Name of the Director	Designation
Pankajkumar Jain*	Chairman & Non-Executive Director
Babusingh Rajguru	Non-Executive Director
Deependra Gupta	Independent Director
Sagar Gawde	Independent Director
Purnima Pavle*	Chairman & Non- Executive Director

During the year the Company has conducted Twelve (12) Board Meetings.

*Note: During the year under review, Ms. Purnima Pavle was appointed as Director and Chairman w.e.f. 08 August, 2014 and Mr. Pankajkumar Jain ceased to be the Director and Chairman w.e.f. 30th September, 2014.

COMMITTEES OF BOARD

The details of composition of the Committees of the Board of Directors are as under:-

a. Audit Committee

Name of the Director	Designation
Sagar Gawde	Chairman
Babusingh Rajguru*	Member
Deependra Gupta	Member
Pankajkumar Jain**	Member
Purnima Pavle	Member

During the year under review, Audit Committee met six (6) times.

*Note: During the year under review, Mr. Babusingh Rajguru was appointed as member of the Committee w.e.f. 28 April, 2014 and ceased to be member of the Committee w.e.f. 08 August, 2014.

**Further Ms. Purnima Pavle has been inducted as the member of the Committee w.e.f. 08 August, 2014 and Mr. Pankajkumar Jain ceased to be the member of the Committee w.e.f. 30th September, 2014.

b. Nomination & Remuneration Committee

The Committee was formed by the Board of Directors on 28 April, 2014 with the following composition:

Name of the Director	Designation
Deependra Gupta	Chairman
Sagar Gawde	Member
Babusingh Rajguru	Member

During the year under review, Nomination & Remuneration Committee met Five (5) times.

c. Corporate Social Responsibility Committee

The Committee was formed by the Board of Directors on 28 April, 2014 with the following composition:

Name of the Director	Designation
Babusingh Rajguru	Chairman
Deependra Gupta	Member
Sagar Gawde	Member

During the year under review, Corporate Social Responsibility Committee met Two (2) times.

The Committee has been entrusted with the responsibility of formulating and recommending to the Board, Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company and monitoring the implementation of the framework of the CSR Policy.

The report on CSR as prescribed under the Companies Act, 2013 has been enclosed as **Annexure 1**.

d. Stakeholders Relationship Committee

Name of the Director	Designation
Deependra Gupta	Chairman
Pankajkumar Jain*	Member
Babusingh Rajguru	Member
Purnima Pavle*	Member

During the year under review, Stakeholders Relationship committee met Four (4) times.

*Note: During the year under review, Ms. Purnima Pavle was appointed as member of the Committee w.e.f. 08 August, 2014 and Mr. Pankajkumar Jain ceased to be the member of the Committee w.e.f 30th September, 2014.

EXTRACT OF ANNUAL RETURN

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of Annual Return is enclosed as **Annexure 2**.

PARTICULARS OF LOANS GIVEN, GUARANTEES MADE AND SECURITIES PROVIDED

As per the provisions of section 186 (11), Companies providing infrastructural facilities are exempted from providing details of Loans made, Guarantees given and Securities provided and therefore the Company being engaged in the business of providing infrastructural facilities, the details of Loans given, Guarantees made and Securities provided are not forming part of the Boards Report.

PARTICULARS OF INVESTMENT MADE

During the year under review, the Company has not made any investments.

INFORMATION ON MATERIAL CHANGES AND COMMITMENTS

There are no material changes or commitments affecting the financial position of the Company which has occurred between March 31, 2015 and August 12, 2015, being the date of this Report.

RELATED PARTY TRANSACTIONS

The Company has entered into contract / arrangements with the related parties in the ordinary course of business and on arm's length basis. Thus the provisions of Section 188(1) of the Companies Act, 2013 is not applicable.

There are no material transactions entered with related parties during the year under review. Hence the relevant disclosure as required in Form AOC-2 is not applicable.

VIGIL MECHANISM

In line with the provisions of section 177 of the Companies Act, 2013, the Company has formed a Transparency and Ethics policy (TEP) to deal with instances of fraud and mismanagement, if any and to ensure a clean and transparent environment for conducting business.

The TEP policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be shown towards any person for a genuinely raised concern. Any employee can report such incident of violation and context thereto to the Ombudsman or Director concerned in writing/by email/sms or by phone. Alternatively, the Ethics Helpline can be contacted to report any suspected or confirmed incident of fraud / misconduct.

Further adequate safeguards against victimization of Director(s)/Employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

RISK MANAGEMENT POLICY

Risk is regarded as the threat of some event, action or loss of opportunity if it occurs, will adversely affect the business i.e. value to stakeholders, ability to achieve its objective, ability to implement business strategies, manner of operation, reputation & Brand Image due to Internal and External factors. The Company has a Risk Management Policy, which lays down active

process for identification and mitigation of risks. Risk Management Policy has been adopted by the Board of Directors of the Company. All concerned process owners of the Company are regularly identifying & mitigating key risks in their respective domain. The Board reviews the risk management and mitigation plan for key risks from time to time.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and verified by Internal Auditors. Appropriate actions are being taken by the responsible concerned.

COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION INCLUDING CRITERIA

The Nomination and Remuneration Committee and the Board of Directors at its Meeting held on 9th May, 2014 had laid down criteria for determining director's qualification, positive attributes and independence of director's, remuneration of directors and key managerial personnel and also criteria for evaluation of performance of directors, chairperson, non-executive directors and Board as a whole and also the evaluation process of the same.

Criteria for Performance Evaluation of Directors Performance of Executive Directors of the Company who are involved in day to day operations of the Company as per the policy is assessed on the basis of Key Performance Indicators (KPI), which would be identified based on a) their commitment to achieve Company's goals and alignment with the strategic direction, b) their decision making ability, and c) their ability and actions to safeguard the interest of shareholders of the Company and weights assigned for each measure of performance keeping in view the distinct roles of each Executive Director.

Performance of Non-Executive and Independent Directors of the Company who are not involved in day to day operations of the Company is assessed on the basis of: a) individual's continuing commitment to the role, strategic thinking, b) commitment of time for Board the other Committee meetings, c) individual's continuing commitment to spend time and effort learning about the Company and its business.

As per Section 149 of the Companies Act, 2013, a Company shall have at least One Women Director on the Board of the Company. The Company has Ms. Purnima Pavle as Director on the Board since 8th August, 2014.

The Nomination and Remuneration Committee of the Board had prepared and sent, through its Chairman, feedback forms for evaluation of the Board as a whole, Committees of the Board, Independent Directors and individual Director including the Chairman. The Independent Directors at their Meeting considered and evaluated the Board's performance, performance of the Chairman and other Non-Independent Directors. The Board subsequently evaluated performance of the Board as a whole, the Committees and Independent Directors without participation of the concerned Director.

The Company has devised a Policy which includes criteria for performance evaluation of the non-executive directors and executive directors.

The policy on Directors appointment and remuneration for Directors, Key Managerial Personnel, Senior Management Personnel including policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors is enclosed as **Annexure 3**.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS

The Company has received and taken on record declarations received from all the Independent Directors of the Company in accordance to Section 149(6) of the Companies Act, 2013 confirming their independence vis-à-vis the Company.

REPORTING WITH RESPECT TO COMPLAINTS RELATING TO SEXUAL HARASSMENT

The Company has not received any complaint of sexual harassment in terms of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the year under review.

The Company has formulated the policy for the prevention of sexual harassment. All employees of the Company are covered under the same.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

INTERNAL FINANCIAL CONTROLS

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of its business.

During the year under review, no material or serious observation were noted by the Internal Auditor of the Company for inefficiency or inadequacy of such controls.

HOLDING AND SUBSIDIARY COMPANY

The Company continues to be a subsidiary of Siddhnath Residential Paradise Private Limited. During the year under review, the Company did not have any subsidiary, joint ventures or associate companies.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Babusingh Rajguru, Ms. Purnima Pavle, Mr. Deependra Gupta and Mr. Sagar Gawde constituted the Board of Directors of the Company during the year under review. Further Ms. Purnima Pavle was appointed as CFO of the Company w.e.f. 08 August, 2014 and Mr. Pankajkumar Jain ceased to be the Director of the Company w.e.f. 30th September, 2014.

Mr. Himanshu Mumbaiwala was appointed as Company Secretary (CS) of the Company w.e.f. 09 May, 2014 and ceased to be the CS w.e.f. 18 November, 2014. Mr. Sharatkumar Shetty was appointed as Company Secretary of the Company w.e.f. 31 March, 2015.

Mr. Babusingh Rajguru (DIN: 02696937) retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

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

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year under review along with other disclosures as per Rule 5 of Companies (Appointment and Remuneration) Rules, 2014 have been enclosed as **Annexure 4**.

AUDITORS AND THEIR REPORT

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules framed thereunder, M/s Shanker and Kapani (Firm Registration No. 117761W), Chartered Accountants, were appointed as Statutory Auditors of the Company from the conclusion of the Annual General Meeting (AGM) of the Company held on 30th September, 2014 till the conclusion of the AGM to be held in the year 2019, subject to ratification of their appointment at every AGM.

The Company has received a Certificate from M/s Shanker and Kapani (Firm Registration No. 117761W), Chartered Accountant, confirming their eligibility under Section 141 of the Companies Act, 2013. Accordingly, the appointment of M/s Shanker and Kapani, Chartered Accountants as the Statutory Auditors is placed for ratification by the shareholders at the ensuing Annual General Meeting.

The report of the Auditors are self explanatory and do not call for any comments.

SECRETARIAL AUDIT

In terms of Section 204 of the Companies Act, 2013 and Rules made there under, Ms. Jinal Dawda (Membership Number: 20255, Certificate of Practice Number: 9830), Practising Company Secretary had been appointed to conduct the Secretarial Audit of the Company. The report of the Secretarial Auditor does not contain any qualification, reservation or adverse remarks. The report of the Secretarial Auditors is enclosed as **Annexure 5** to this report.

DEPOSITS

During the financial year under review, your Company has not accepted any deposits or deposits from member pursuant to provisions of Companies Act, 2013 and rules made there under and as such no amount on account of principal or interest on public deposits was outstanding as on the Balance sheet date.

CORPORATE GOVERNANCE REPORT

As per clause 1(a) of SEBI Circular CIR/CFD/POLICY CELL/7/2014 dated 15th September, 2014, compliance of the provisions of the Clause 49 of the Listing Agreement shall not be mandatory to a Company having its paid up equity share capital not exceeding Rs. 10 crores and Net Worth not exceeding Rs. 25 crores as on last day of the previous financial year.

Since the paid up Equity Share capital and Networth of the Company was not exceeding Rs. 10 crores and Rs. 25 crores respectively, the Company was not required to comply with the requirement of Clause 49 of the Listing Agreement post October 01, 2014 and hence a report on Corporate Governance and Management Discussion Analysis does not form part of this Board's Report.

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

A	Conservation of Energy	
a)	Energy conservation measures taken	(i) Installation of solar powered street lights at its township projects. (ii) Use of variable frequency drives for all its elevators and air-conditioning equipment. (iii) Occupation censor controlled lighting and air-conditioning through home automation in its projects. (iv) Extensive use of materials like fly ash, GGBS, etc. at all its projects resulting in saving of cement thus indirectly saving energy consumed in manufacturing of cement. (v) At its projects electrical designs have been fine tuned to contain the voltage drop to less than 5%. (vi) Use of low voltage PL lamps.
b)	Capital Investment on Energy Conservations Equipment	(i) Variable frequency drives for all its elevators and air-conditioning equipment. (ii) Censor controlled lighting and air-conditioning through home automation. (iii) Solar water heaters and solar powered street lights.
c)	Steps Taken for utilizing alternate source of energy	(i) Variable frequency drives for all its elevators and air-conditioning equipment. (ii) Censor controlled lighting and air-conditioning through home automation. (iii) Solar water heaters and solar powered street lights.
d)	Impact of measures for reduction of energy consumption	Reduction in overall maximum demand for the electricity in all its projects and consequent energy saving benefits to the residents.
e)	Environment protection	(i) Measures to achieve eco balance have been taken at the major sites of large developments by providing extensive green cover and creating water bodies by treating waste water and rain harvesting. (ii) Waste water equipment plants are installed at all major projects for treating waste water and utilising it for air-conditioning, watering of green spaces and flushing. (iii) Providing dust control systems for the concrete batching plant across its projects. (iv) 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. (v) Minimise use of paper in its offices across all sites. (vi) Regulated water and power supply to labour camps across all sites. (vii) Plantation of large number of trees and providing extensive green cover creating water bodies to enhance the ecology and environment. (viii) Use of fly ash and other minerals in the construction to reduce cement consumption thus indirectly saving the energy used for manufacture of cement. (ix) State of the art electronic parking management system installed to accommodate and control the movement of large number of vehicles thus helping de-congestion of the roads in the area resulting in smooth and faster passing of traffic thereby reducing fuel consumption and pollution caused due to carbon monoxide by idle running of vehicles. (x) 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. (xi) Crushing stones obtained from excavation at the construction site itself thus saving the transportation for disposal of stones as well as import of crush aggregate, saving both ways transportation and thus saving fuel.

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B	Technology absorption	
1	Efforts, in brief, made towards technology absorption, adaptation and innovation	(i) The Company has adopted latest state of the art systems for efficient electrical as well as environment air distribution in its high rise buildings and also in the area of waste water treatment, automation and surveillance.
2	the benefits derived like product improvement, cost reduction, product development or import substitution	Nil
3	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	Nil
	(a) the details of technology imported	
	(b) the year of import;	
	(c) whether the technology been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
4	the expenditure incurred on Research and Development	Nil
(c)	<u>FOREIGN EXCHANGE EARNINGS AND OUTGO</u>	
	During the year, the total foreign exchange used was Rs. 16,21,790 and the total foreign exchange earned was Nil.	

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts for the year ended March 31, 2015, read with the requirements set out under Schedule III to the Act, have been followed and there has been no material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation for employees at all levels, who have contributed to the growth and performance of your Company.

Your Directors also thank the clients, vendors, bankers, shareholders and advisers of the Company for their continued support.

Your Directors also thank the Central and State Governments, and other statutory authorities for their continued support.

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

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

**Babusingh Rajguru
Director
(DIN: 02696937)**

Place: Mumbai

Date: August 12, 2015

REPORT ON CSR ACTIVITIES/ INITIATIVES
[Pursuant to Section 135 of the Act & Rules made thereunder]

Sr. No.	Particulars	Details
1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web- link to the CSR policy and projects and programs	The Policy emphasizes initiatives in specific areas of social development that would include primary and secondary education, skills development, vocational training, health and hygiene, preventive health care and sanitation, women empowerment, environment and ecological protection, character building by providing training opportunities in sports and cultural activities etc. The Company has framed its CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is available on the Company's website at the web link http://www.sanathnagar.in/Polcies.html
2	Composition of the CSR Committee as on 31 st March, 2015	a. Mr. Babusingh Rajguru- Chairman of the Committee b. Mr. Deependra Gupta – Member of the Committee c. Mr. Sagar Gawde – Member of the Committee
3	Average Net Profit of the Company for last three financial years	Rs. 8,52,76,333/-
4	Prescribed CSR Expenditure (two percent of the amount as per item 3 above)	Rs. 17,05,527/- (2%)
5	Details of CSR spent during the financial year; a. Total amount spent for the financial year b. Amount unspent if any c. Manner in which the amount spent during the financial year is detailed below:	Nil Rs. 17,05,527 N.A
6	In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.	The real estate market had been going through a sluggish phase due to the uncertain economic conditions prevalent in the country for the last few years. The Company has one land parcel wherein the construction of projects is in the completion stage and it might explore new areas for real estate development for which it requires funds. The Company understands its responsibility and will contribute towards CSR initiatives in the coming years as per the policy adopted by the Company.

The implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

Deependra Gupta
Director

Babusingh Rajguru
Chairman of CSR Committee

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015
OF
SANATHNAGAR ENTERPRISES LIMITED

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
	Construction and development of real estate and allied activities	410	99.72%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Holding Company					
Sr. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Siddhnath Residential Paradise Private Limited (412, Floor – 4, 17G, Vardhaman Chamber, Cawasji Patel Road, Horniman Circle, Fort, Mumbai – 400001)	U70109MH2007PTC166867	Holding Company	89.99%	2(46)

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

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year 1 st April, 2014				No. of Shares held at the end of the year 31 st March, 2015				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF	18105	-	18105	0.58	18105	-	18105	0.58	NIL
(b) Central Govt	-	-	-	-	-	-	-	-	-

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Category of Shareholders	No. of Shares held at the beginning of the year 1 st April, 2014				No. of Shares held at the end of the year 31 st March, 2015				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(c) State Govt (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	53985	2835947	2889932	91.74%	53985	2835947	2889932	91.74%	NIL
(e) Banks / FI	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	72090	2835947	2908037	92.32%	72090	2835947	2908037	92.32%	-
(2) Foreign									
(a) NRIs Individuals	-	-	-	-	-	-	-	-	-
(b) Other –Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks / FI	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	72090	2835947	2908037	92.32%	72090	2835947	2908037	92.32%	-
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	-	4644	4644	0.15	-	4644	4644	0.15	NIL
(b) Banks / FI	8100	14797	22897	0.73	8100	14797	22897	0.73	NIL
(c) Central Govt/ State Govt(s)	-	32496	32496	1.03	-	32496	32496	1.03	NIL
(d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e) Insurance Companies	-	-	-	-	-	-	-	-	-
(a) FIs	-	-	-	-	-	-	-	-	-
(b) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	8100	51937	60037	1.91	8100	51937	60037	1.91	NIL
1. Non- Institutions									
(a) Bodies Corp.									
(i) Indian	15	132611	132626	4.21	15	132611	132626	4.21	NIL
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2070	47220	49290	1.56	2070	47220	49290	1.56	NIL
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
(c) Others (NRI's)	-	10	10	0.00	-	10	10	0.00	-
Sub-total (B)(2):-	2085	179841	181926	5.78	2085	179841	181926	5.78	NIL
Total Public Shareholding (B)=(B)(1)+(B)(2)	10185	231778	241963	7.68	10185	231778	241963	7.68	NIL
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	82275	3067725	3150000	100	82275	3067725	3150000	100	NIL

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 1 st April, 2014			Share holding at the end of the year 31 st March, 2015			% change in the share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	N.P.S. Shinh	14955	0.47	-	14955	0.47	-	Nil
2.	Manita Shinh	3150	0.10	-	3150	0.10	-	Nil
3.	Siddhnath Residential Paradise Private Limited	2834528	89.99	-	2834528	89.99	-	Nil

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 1 st April, 2014			Share holding at the end of the year 31 st March, 2015			% change in the share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
4.	Continuous Forms (Calcutta) Limited	53985	1.71	-	53985	1.71	-	Nil
5.	Arihant Premises Private Limited	993	0.03	-	993	0.03	-	Nil
6.	Microtec Constructions Private Limited	426	0.01	-	426	0.01	-	Nil
	Total	2908037	92.32	-	2908037	92.32	-	Nil

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

There is no change in promoters' shareholding during financial year 2014-15.

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 1 st April, 2014		Cumulative shareholding during the year and as on 31 st March, 2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	KRIKA INFRABUILD AND FARMS PRIVATE LIMITED				
	At the beginning of the year 1 st April, 2014	130000	4.127	130000	4.127
	Less: 22-08-2014 (Transfer)	30	0.001	129970	4.126
	At the End of the year 31 st March, 2015	N.A	N.A	129970	4.126
2.	THE GOVERNOR OF ANDHRA PRADESH				
	At the beginning of the year 1 st April, 2014	32496	1.0316	32496	1.0316
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year 31 st March, 2015	32496	1.0316	32496	1.0316
3.	LIFE INSURANCE CORPORATION OF INDIA				
	At the beginning of the year 1 st April, 2014	14027	0.4453	14027	0.4453
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year 31 st March, 2015	14027	0.4453	14027	0.4453
4.	ICICI BANK LIMITED				
	At the beginning of the year 1 st April, 2014	8100	0.2571	8100	0.2571
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year 31 st March, 2015	8100	0.2571	8100	0.2571
5.	UNIT TRUST OF INDIA				
	At the beginning of the year 1 st April, 2014	4644	0.147	4644	0.147
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year 31 st March, 2015	4644	0.147	4644	0.147

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Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 1 st April, 2014		Cumulative shareholding during the year and as on 31 st March, 2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6.	A P INDUSTRIAL DEVELOPMENT CORPN LIMITED				
	At the beginning of the year 1 st April, 2014	1890	0.0600	1890	0.0600
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year 31 st March, 2015	1890	0.0600	1890	0.0600
7.	SANJAY HIRALAL PATEL				
	At the beginning of the year 1 st April, 2014	1200	0.0381	1200	0.0381
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year 31 st March, 2015	1200	0.0381	1200	0.0381
8.	PRAFUL MANILAL SHAH				
	At the beginning of the year 1 st April, 2014	992	0.0315	992	0.0315
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year 31 st March, 2015	992	0.0315	992	0.0315
9.	CHIRAYUSH PRAVIN VAKIL				
	At the beginning of the year 1 st April, 2014	807	0.0256	807	0.0256
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year 31 st March, 2015	807	0.0256	807	0.0256
10.	ATUL GUPTA				
	At the beginning of the year 1 st April, 2014	759	0.0241	759	0.0241
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year 31 st March, 2015	759	0.0241	759	0.0241

(v) Shareholding of Directors and Key Managerial Personnel

During the year under review, none of the Directors and Key Managerial Personnel were holding shares in the Company.

V. INDEBTEDNESS

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

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	52,51,09,521	-	52,51,09,521
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	12,23,93,294	-	12,23,93,294
Total (i+ii+iii)	-	64,75,02,815	-	64,75,02,815
Change in Indebtedness during the financial year				
• Addition	-	2,40,52,67,425	-	2,40,52,67,425
• Reduction	-	(1,62,28,54,659)	-	(1,62,28,54,659)
Net Change	-	78,24,12,766	-	78,24,12,766
Indebtedness at the end of the financial year				
i) Principal Amount	-	1,30,75,22,287	-	1,30,75,22,287
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	13,30,18,368	-	13,30,18,368
Total (i+ii+iii)	-	1,44,05,40,655	-	1,44,05,40,655

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	NIL	NIL
	Total (1)		
2.	Other Non-Executive Directors • Fee for attending board /committee meetings • Commission • Others, please specify		
	Total (2)		
	Total (B)=(1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary*	CEO	CFO	Total
1	Gross salary				
	a. Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	Rs. 467,085	Nil	Rs. 4,413,897	Rs. 4,880,982
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total				

* Ms. Purnima Pavle and Mr. Himanshu Mumbaiwala are not on the rolls of the Company and are deputed by Lodha Developers Private Limited, Holding Company. Their remuneration is being reimbursed by the Company to the said holding company.

Further the remuneration of Rs. 467,085 paid to Mr. Himanshu Mumbaiwala pertains to the period from May 09, 2014 till November 18, 2014 and remuneration of Rs. 4,413,897 paid to Ms. Purnima Pavle pertains to the period from August 08, 2014 till March 31, 2015.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			N.A		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			N.A		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			N.A		

Annexure 3

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION FOR DIRECTORS, KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT PERSONEL AND OTHER EMPLOYEES**Background & Objectives:**

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

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

The objective of this Policy is:

- To attract, recruit and retain good and exceptional talent.
- To guide the Board in relation to appointment and removal of Directors.
- To evaluate the performance of the Members of the Board including Independent Directors.
- Formulation of criteria for evaluation of Independent Director and the Board.
- To determine criteria for payment of remuneration to Directors, Key Managerial Personnel, Senior Management and Employees.

To recommend to the Board on remuneration payable to the Directors including Key Managerial Personnel, Senior Management and Employees, if required.

Definitions:

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

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

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

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

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

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

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

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

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

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

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

Appointment– Criteria Identification:

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

Removal:

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

Retirement:

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

Evaluation:**A) Independent Directors/Non-Executive Directors**

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

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

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

B) Executive Directors

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

C) Key Managerial Personnel /Senior Management/ Employees

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

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

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

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

Section 178 of the Act, emphatically specify that the Committee, while formulating the Policy shall ensure the following:

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

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

- a) A **fixed base salary**, set at a level aimed at attracting and retaining executives with professional and personal competences required to drive the Company's performance.
- b) **Performance Bonus**, based on achieving the minimum KPI predefined at the commencement of the financial year.
- c) **Retirement benefits** including PF, gratuity, etc.
- d) **Such other emolument(s)** as the HR department may after consultation with the Management determine from time to time.

Criteria for Remuneration:**1) KMP/Senior Management/other employees**

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

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

2) Executive Director(s) (EDs)

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

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

3) Non-Executive Director/Independent Director

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

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

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

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

Amendments to the Policy:

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

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

Annexure 4

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 are as under:

Sr. No	Name of Director/ KMP and Designation	Period	Remuneration of Director / KMP for financial year 2014-15 (Amount in Rs.)	% increase in remuneration in the financial year 2014-15	Ratio of remuneration of each Director to the median remuneration of employees
1.	Purnima Pavle* Chief Financial Officer	08 August, 2014 till 31 March, 2015	4,413,897 /-	Not Applicable#	Not Applicable#
2.	Himanshu Mumbaiwala* Company Secretary	09 May, 2014 till 18 November, 2014	4,67,085/-	Not Applicable#	Not Applicable#
3.	Sharatkumar Shetty* Company Secretary	Since 31 March, 2015	--	Not Applicable#	Not Applicable#

* Ms. Purnima Pavle, Mr. Himanshu Mumbaiwala and Mr. Sharatkumar Shetty are not on the rolls of the Company and are deputed by Lodha Developers Private Limited, Holding Company. Their remuneration is being reimbursed by the Company to the said Holding company.

The Company has not paid any remuneration to the Key Managerial Personnel and Directors during the last financial year and hence, the criteria for increase in ratio of remuneration of each Director to the median remuneration of employees and the % increase in remuneration of each Director, CFO, CEO, CS or Manager, if any, in the financial year are not applicable.

2. There were 48 permanent employees on the rolls of the Company as on 31 March, 2015. The Company had no employees on the rolls of the Company as on 31 March, 2014. Hence the percentage increase in the median remuneration of employees as compared to the last financial year 2013-14 to the present financial year 2014-15 is not applicable.
3. This being the first year wherein the employees are on the rolls of the Company, the relationship between average increase in remuneration and Company's performance during the financial year ended 31st March, 2015 is not applicable.
4. Comparison of the remuneration of the Key Managerial Personnel(s) against the performance of the Company:

Sr. No	Name of Director/ KMP and Designation	Period	Comparison of the each remuneration of the KMP against the performance of the Company	Comparison of the remuneration of the KMP against the performance of the Company
1.	Purnima Pavle* Chief Financial Officer	08 August, 2014 till 31 March, 2015	Remuneration forms [48.17%] of the net profit before tax of the financial year 2014-15	Total remuneration forms [53.26%] of the net profit before tax of the financial year 2014-15
2.	Himanshu Mumbaiwala* Company Secretary	09 May, 2014 till 18 November, 2014	Remuneration forms [5.10%] of the net profit before tax of the financial year 2014-15	

* Ms. Purnima Pavle and Mr. Himanshu Mumbaiwala are not on the rolls of the company and are deputed by Lodha Developers Private Limited, holding Company. Their remuneration is being reimbursed by the Company to the said holding company.

5. a. As the trading in shares of the Company is suspended since 03 February, 2003, the variations in the market capitalization and price earnings ratio of the Company cannot be ascertained and hence the same is not disclosed.
- b. Percentage increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer – The Company had come out with rights issue at Rs. 10 in the year 1999 and it has been suspended from trading from the year 2003 and as per records available on the website of BSE limited, the last trading price was Rs. 3.65 on 03 January, 2003. Thus comparing the last trading price i.e. in January, 2003 with the last public offer i.e. in 1999, there is decrease of 63.5%. The present market quotation comparison with the last public offer is not applicable as the trading is suspended.

6. Since the Company has not paid any remuneration to any of its managerial personnel either in previous financial year or in current financial year, the point pertaining to average percentile increase / decrease in the salaries of employees other than the managerial personnel is not applicable.
7. The key parameters for the variable component of remuneration availed by the directors is not applicable as none of the Directors draw any remuneration from the Company.
8. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not applicable; and
9. It is hereby confirmed that the remuneration / reimbursement paid is as per the Remuneration Policy for Directors, Key managerial Personnel and other employees.
10. Since there are no permanent employees in the Company, the Company is not required to disclose the details of employees pursuant to Rule (5)(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

FORM NO. MR-3**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED: 31.03.2015**

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

To,
The Members,
Sanathnagar Enterprises Limited
412, Floor- 4, 17G Vardhaman Chamber,
Cawasji Patel Road, Horniman Circle,
Fort, Mumbai-400001.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sanathnagar Enterprises Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the financial year ended on March 31, 2015 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the audit period according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. - **There was no Foreign Direct Investment (FDI), Overseas Direct Investment (ODI), External Commercial Borrowing (ECB).**
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Company during the Audit Period);**
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the Company during the Audit Period);**
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 w.e.f. October 28, 2014 - **(Not Applicable to the Company during the Audit Period);**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period);**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period);** and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not Applicable to the Company during the Audit Period**);

6. The other laws applicable to the Company, as per the representations made by the Management of the Company:

I have also examined compliance with the applicable clauses of the Listing Agreement entered into by the Company with BSE Ltd..

I have not examined compliance by the Company with

- a. the Secretarial Standards issued by the Institute of Company Secretaries of India as the same were not made effective by the Central Government upto March 31, 2015.
- b. applicable financial laws, like direct and indirect tax laws, accounting laws since the same have been subject to review by statutory financial audit and other designated professionals.

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

I further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

Jinal Dawda
Practicing Company Secretary
ACS: 20255; CP No: 9830

Place : Mumbai

Date : August 12, 2015

Note – This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members,
Sanathnagar Enterprises Limited
412, Floor- 4, 17G Vardhaman Chamber,
Cawasji Patel Road, Horniman Circle,
Fort, Mumbai-400001.

My report of even date is to be read along with this letter

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I follow, provide a responsible basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Jinal Dawda
Practicing Company Secretary
ACS: 20255; CP No: 9830

Place : Mumbai
Date : August 12, 2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

M/s. SANATHNAGAR ENTERPRISES LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **M/s. SANATHNAGAR ENTERPRISES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of the such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India; of the state of affairs of the Company as at 31st March, 2015; its profit and its 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143 (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 purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the Directors of the Company as on 31st March, 2015 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2015, from being appointed as a Director in terms of sub - Section (2) of Section 164 of the Act; and
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Clause 1 of Note 24 to the financial statements.
 - (ii) The Company does not have any Long-term contracts including derivative Contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

FOR SHANKER AND KAPANI
Chartered Accountants
(FIRM REGISTRATION NO.: 117761W)

JAYESH.B.KAPANI
PARTNER
MEMBERSHIP NO: - 35667

PLACE:- MUMBAI
DATE:- 30th April, 2015

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(REFERRED TO IN PARAGRAPH (1) OF OUR REPORT OF EVEN DATE)

- (i) a. The Company is maintaining proper records showing full particulars including quantitative details and situation of the fixed assets.
- b. As informed to us, all fixed assets have been physically verified by the management. No material discrepancies were noticed on such physical verification.
- (ii) a. The inventory has been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- b. The procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- c. The Company is maintaining proper records of inventory. Discrepancies noticed on verification have been properly dealt with in the books of accounts.
- (iii) As the Company has not granted any loans, secured or unsecured, to parties covered in the register maintained under Section 189 of the Act, the provisions of clause (iii)(a) and (b) of paragraph 3 of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the internal control system is commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods and Services (developed units of buildings/flats). During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- (v) The Company has not accepted any deposits from the public within the provisions of the Act and the Rules framed thereunder. Therefore, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.
- (vi) 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 sub-section (1) of Section 148 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 cost records with a view to determine whether they are accurate or complete.
- (vii) a. According to the records of the Company, the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year 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 in respect of Income Tax, Sales tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess, which have not been deposited on account of any dispute. Refer Clause 1 (a) of Note 24 in the financial statements.
- c. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company's accumulated losses as at 31st March, 2015 exceeds fifty percent of its net worth however the Company has not incurred cash losses during the financial year ended on that date but had incurred cash losses in the immediately preceding financial year.
- (ix) As the Company has neither borrowed money from bank or financial institution nor issued any debentures, the provisions of clause (ix) of paragraph 3 of the Order are not applicable to the Company.
- (x) As the Company has not given any guarantee or security for loans taken by others from Banks or Financial Institutions, the provisions of clause (x) of paragraph 3 of the Order are not applicable to the Company.

- (xi) As the Company has not obtained any term loans, the provisions of clause (xi) of paragraph 3 of the Order are not applicable to the Company.
- (xii) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

FOR SHANKER AND KAPANI
Chartered Accountants
(FIRM REGISTRATION NO.: 117761W)

JAYESH.B.KAPANI
PARTNER
MEMBERSHIP NO: - 35667

PLACE:- MUMBAI
DATE:- 30th April, 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

	Notes	As at 31st March, 2015 ₹ in Lakhs	As at 31st March, 2014 ₹ in Lakhs
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share Capital	2	315.00	315.00
Reserves and Surplus	3	(3,783.17)	(3,811.01)
		(3,468.17)	(3,496.01)
Non-Current Liabilities			
Other Long Term Liabilities	4	402.02	303.55
Long-Term Provisions	5	15.24	-
		417.26	303.55
Current Liabilities			
Short-Term Borrowings	6	13,075.22	8,913.54
Trade Payables	7	934.17	1,173.19
Other Current Liabilities	8	4,569.72	4,996.25
Short Term Provisions	9	5.85	-
		18,584.96	15,082.98
Total		15,534.05	11,890.52
<u>ASSETS</u>			
Non-Current Assets			
Fixed Assets (Net)			
Tangible Assets	10	24.03	145.12
Deferred Tax Asset (Net)	11	815.41	830.40
Long-Term Loans and Advances	12	926.54	719.45
		1,765.98	1,694.97
Current Assets			
Inventories	13	13,515.14	9,211.90
Trade Receivables	14	143.92	184.18
Cash and Bank Balances	15	36.01	74.14
Short-Term Loans and Advances	16	70.01	40.38
Other Current Assets	17	2.99	684.95
		13,768.07	10,195.55
Total		15,534.05	11,890.52
Summary of Significant Accounting Policies	1		
The accompanying notes form an integral part of Financial Statements	1 - 24		

As per our attached Report of even date

For Shanker and Kapani For and on behalf of the Board

Chartered Accountants

Firm Registration No. : 117761W

Jayesh B. Kapani
Partner

Purnima Pavle
Director & Chief
Financial Officer
DIN: 06705133

Deependra Gupta
Director
DIN: 02087691

Sharatkumar Shetty
Company Secretary
ACS: 31888

Place : Mumbai

Date : 30-Apr-2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Notes	For the Year ended 31st March, 2015 ₹ in Lakhs	For the Year ended 31st March, 2014 ₹ in Lakhs
INCOME			
Revenue From Operations	18	2,482.12	5,178.59
Other Income	19	6.89	-
Total		2,489.01	5,178.59
EXPENSES			
Cost of Projects	20	1,441.27	4,538.66
Employee Benefits Expense	21	200.42	133.13
Finance Costs (Net)	22	553.74	706.30
Depreciation and Amortisation Expense	10	123.52	65.27
Other Expenses	23	127.23	97.23
Total		2,446.18	5,540.59
Profit / (Loss) Before Tax		42.83	(362.00)
Tax Expense:			
Deferred Tax		(15.06)	559.76
Profit after Tax		27.77	197.76
Prior Period Deferred Tax Adjustments		0.07	-
Net Profit for the year		27.84	197.76
Earnings Per Share			
Basic and Diluted Earnings Per Share (in ₹)		0.88	6.28
(Face Value of ₹ 10 per share)			
Summary of Significant Accounting Policies	1		
The accompanying notes form an integral part of Financial Statements	1 - 24		

As per our attached Report of even date

For Shanker and Kapani For and on behalf of the Board

Chartered Accountants

Firm Registration No. : 117761W

Jayesh B. Kapani
Partner

Purnima Pavle
Director & Chief
Financial Officer
DIN: 06705133

Deependra Gupta
Director
DIN: 02087691

Sharatkumar Shetty
Company Secretary
ACS: 31888

Place : Mumbai

Date : 30-Apr-2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

		For the Year ended 31st March, 2015 ₹ in Lakhs	For the Year ended 31st March, 2014 ₹ in Lakhs
Cash flow from Operating activities			
Profit / (Loss) Before Tax		42.83	(362.00)
Adjustments for:			
Depreciation and Amortisation Expense		123.52	65.27
Sundry Balances Written Back (Previous year ₹ 63)		0.28	0.00
Unrealised Foreign Exchange (Gain) / Loss (Net)		0.02	(0.93)
Interest Income		(1.19)	(684.14)
Finance Cost		1,452.81	1,658.94
Operating profit before working capital changes		1,618.27	677.14
Increase in Inventories		(4,303.24)	(2,626.96)
Decrease in Trade Receivables		40.26	92.94
(Increase) / Decrease in Loans and Advances and Other Current Assets		(225.31)	860.41
Decrease in Trade Payables, Other Liabilities and Provisions		(650.38)	(1,267.15)
Cash flow used in operations		(3,520.40)	(2,263.62)
Income Tax Paid		(11.41)	(6.02)
Net cash flow used in Operating Activities	(A)	(3,531.81)	(2,269.64)
Cash flow from Investing Activities			
Purchase of Fixed Assets		(2.43)	(5.86)
Loan Received back (Net)		-	16,195.83
Interest Received		683.15	114.15
Net cash from Investing Activities	(B)	680.72	16,304.12
Cash flow from Financing Activities			
Proceeds from Borrowings		24,901.72	67,726.61
Repayment of Borrowings		(20,740.04)	(80,426.23)
Finance Cost Paid		(1,348.72)	(2,325.37)
Net cash flows from / (used in) Financing Activities	(C)	2,812.96	(15,024.99)
Net Decrease in Cash and Cash Equivalents	(A+B+C)	(38.13)	(990.51)
Add : Cash and Cash Equivalents at the beginning of the year		63.62	1,054.13
Cash and Cash Equivalents at the end of the year		25.49	63.62
Notes:			
1. Cash and Cash Equivalents as disclosed in Note 15:			
Cash and Bank Balances		36.01	74.14
Less: Fixed Deposits held as Margin money		(10.52)	(10.52)
		25.49	63.62
2. Previous year's figures have been regrouped / rearranged wherever necessary to conform to current year's classification.			

As per our attached Report of even date

For Shanker and Kapani For and on behalf of the Board

Chartered Accountants

Firm Registration No. : 117761W

Jayesh B. Kapani
PartnerPurnima Pavle
Director & Chief
Financial Officer
DIN: 06705133Deependra Gupta
Director
DIN: 02087691Sharatkumar Shetty
Company Secretary
ACS: 31888

Place : Mumbai

Date : 30-Apr-2015

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

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, 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. Some such estimates, particularly those under the percentage of completion method, relating to costs, degree of completions, costs to completion and expected revenues, are of a technical nature and are relied upon by the auditors. 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. 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 :

a) Depreciation on Tangible Assets is provided on Written Down Value method in the manner specified in Schedule II of the Companies Act, 2013 except for the following:

- i) Costs of 'Site / Sales Office and Sample Flats' which are being amortized over a period of project life cycle or demolition whichever is earlier.
- ii) The carrying values of Tangible Fixed Assets as on 1st April, 2014 which are depreciated equally over the remaining useful life of the asset.

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

c) The Depreciation on assets other than used for construction of Capital Asset is treated as Period Cost.

E. Inventories :

i) Stock of Building Materials 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, premium for development rights, construction costs, borrowing 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 :

I 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, revenue is recognised on incurring at least 25% of estimated construction and development cost excluding land and borrowing cost, when atleast 25% of the total saleable 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.

II Finished Flats:

Revenue from Finished Flats is recognised when significant risk and rewards in respect of ownership are transferred to customers.

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. Employee Benefits :

Expenses and liabilities in respect of employee benefits are recorded in accordance with Revised Accounting Standard 15 - Employee Benefits:

i) Provident Fund

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

ii) Gratuity

Gratuity is a post employment benefit and is in the nature of defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit /obligation at the balance sheet date less the fair value of plan assets, together with any adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the balance sheet date by an independent Actuary using the projected unit credit method.

Actuarial gains and losses arising from the past experience and changes in actuarial assumptions are charged or credited to the Statement of Profit and Loss in the year to which such gains or losses relate.

iii) Earned Leave

Liability in respect of earned leave expected to become due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of benefit expected to be availed by the employees. Liability in respect of earned leave expected to become due or expected to be availed more than one year after the balance sheet date is estimated on the basis of actuarial valuation performed by an independent Actuary using the projected unit credit method.

iv) Other Short Term Benefits

Expense in respect of other short term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

K. 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.

L. 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, 2015 ₹ in Lakhs		As at 31st March, 2014 ₹ in Lakhs	
Note : 2				
Share Capital	Numbers		Numbers	
(A) Authorised				
Equity Shares of ₹ 10 each	14,700,000	1,470.00	14,700,000	1,470.00
9.5% Redeemable Cumulative Preference Shares of ₹ 50 each	7,520	3.76	7,520	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				
Equity Shares of ₹ 10 each fully paid up	3,150,000	315.00	3,150,000	315.00
Total		315.00		315.00
(C) Reconciliation of number of shares and amount				
As per Last Financial Statement	3,150,000	315.00	3,150,000	315.00
Changes during the year	-	-	-	-
Total	3,150,000	315.00	3,150,000	315.00
(D) Rights and preferences attached to Equity Shares	<p>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.</p> <p>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.</p>			
(E) Shares held by and Shareholder Holding more than 5%	Numbers	%	Numbers	%
Siddhnath Residential Paradise Pvt. Ltd.**	2,834,528	89.99%	2,834,528	89.99%
** Refer clause 8 of Note 24				

	As at 31st March, 2015 ₹ in Lakhs	As at 31st March, 2014 ₹ in Lakhs
Note : 3		
Reserves and Surplus		
Capital Redemption Reserve		
As per last Financial Statement	3.76	3.76
	3.76	3.76
Deficit in the Statement of Profit and Loss		
As per last Financial Statement	(3,814.77)	(4,012.53)
Less : Profit as per the annexed Statement of Profit and Loss	27.84	197.76
	(3,786.93)	(3,814.77)
Total	(3,783.17)	(3,811.01)

NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2015

	As at 31st March, 2015 ₹ in Lakhs	As at 31st March, 2014 ₹ in Lakhs
Note : 4		
Other Long Term Liabilities		
Trade Payables		
Micro, Small and Medium Enterprises (Refer Clause 17 of Note 24)	-	-
Others	402.02	303.55
Total	402.02	303.55
Note : 5		
Long-Term Provisions		
Employee Benefits :		
Gratuity	6.63	-
Leave Entitlements	8.61	-
Total	15.24	-
Note : 6		
Short-Term Borrowings		
A. Secured		
Cash Credit Facility from a Bank (Repayable on Demand)	-	3,662.44
Rate of Interest - NA ; (Previous Year - 11.70% p.a.)		
Was Secured by first charge by way of mortgage of Land and Constructions 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		
Related Parties (Repayable on demand)	13,075.22	5,251.10
Rate of Interest - 12.85% p.a. to 13.40% p.a. (Previous Year - 15.30% p.a. to 15.95% p.a.)		
(Refer Clause 9 (B) (ii) of Note 24)		
Total	13,075.22	8,913.54
Note : 7		
Trade Payables		
Micro, Small and Medium Enterprises (Refer Clause 17 of Note 24)	14.61	14.29
Others	919.56	1,158.90
Total	934.17	1,173.19

NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2015

	As at 31st March, 2015 ₹ in Lakhs	As at 31st March, 2014 ₹ in Lakhs
Note : 8		
Other Current Liabilities		
Interest accrued but not due on Borrowings	1,330.18	1,223.94
Advance Received From Customers	2,904.45	3,620.99
Others:		
Employee Payables	50.93	-
Duties and Taxes	235.75	118.69
Cancelled Flats	48.41	32.63
Total	4,569.72	4,996.25
Note : 9		
Short Term Provisions		
Employee Benefits :		
Gratuity	5.18	-
Leave Entitlements	0.67	-
Total	5.85	-

NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2015

Note : 10

Fixed Assets

(₹ in Lakhs)

Particulars	Gross Block (At cost)			Depreciation / Amortisation			Net Block	
	As at 01 April/14	Additions	As at 31/March/15	Upto 31/March/14	For the year *	As at 31/March/15	As at 31/March/15	As at 31/March/14
Tangible Assets :								
Site / Sales Offices and Sample Flats	431.79	-	431.79	315.69	116.10	431.79	-	116.10
Plant and Equipment	24.26	0.10	24.36	8.59	1.31	9.90	14.46	15.67
Office Equipment	17.00	2.33	19.33	9.55	5.21	14.76	4.57	7.45
Furniture and Fixtures	16.81	-	16.81	10.98	0.86	11.84	4.97	5.83
Computers	0.14	-	0.14	0.07	0.04	0.11	0.03	0.07
Total	490.00	2.43	492.43	344.88	123.52	468.40	24.03	145.12
Previous Year	484.14	5.86	490.00	279.60	65.28	344.88	145.12	

* Refer clause 5 of Note 24

NOTES TO FINANCIAL STATEMENTS AS AT 31ST MARCH, 2015

	As at 31st March, 2015 ₹ in Lakhs	As at 31st March, 2014 ₹ in Lakhs
Note : 11		
Deferred Tax Asset (Net)		
Timing differences on account of		
Book and Tax Depreciation	88.06	57.83
Carried forward Business Loss and Unabsorbed Depreciation	1,613.72	1,449.67
Expenses allowable but not charged to Statement of Profit and Loss	(886.37)	(677.10)
Total	815.41	830.40
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 : 12		
Long-Term Loans and Advances		
(Unsecured, Considered Good)		
Income Tax Payments (Net of Provisions of ₹ 955.32 Lakhs; Previous Year ₹ 955.32 Lakhs and include MAT Credit eligible for set off of ₹ 930.64 Lakhs; Previous year ₹ 930.64)	453.90	442.49
Service Tax Input Credit Receivable	472.64	276.96
Total	926.54	719.45
Note : 13		
Inventories		
(at Lower of Cost and Net Realisable Value)		
Building Materials	280.02	292.84
Land and Property Development Work-in-Progress	11,799.84	8,919.06
Finished Flats	1,435.28	-
Total	13,515.14	9,211.90
Note : 14		
Trade Receivables		
(Unsecured, Considered good)		
Outstanding for a period more than six months from the date they became due for payment	3.51	56.84
Others	140.41	127.34
Total	143.92	184.18

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at 31st March, 2015 ₹ in Lakhs	As at 31st March, 2014 ₹ in Lakhs
Note : 15		
Cash and Bank Balances		
Cash and Cash Equivalents		
Balances with Banks	25.25	62.90
Cash on Hand	0.24	0.72
	25.49	63.62
Other Bank Balances		
Fixed Deposits held as Margin money of Maturity more than 12 months	10.52	10.52
Total	36.01	74.14
Note : 16		
Short-Term Loans and Advances		
(Unsecured, Considered good)		
Advances to Related Parties*	0.55	-
Advances to :		
Suppliers and Contractors	50.21	26.82
Employee	14.15	8.08
Prepaid Expenses	5.10	5.48
* (Refer Clause (9)(B)(ii) of Note 24)		
Total	70.01	40.38
Note : 17		
Other Current Assets		
Interest Receivables	2.99	684.95
Total	2.99	684.95

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	For the Year ended 31st March, 2015 ₹ in Lakhs	For the Year ended 31st March, 2014 ₹ in Lakhs
Note : 18		
Revenue From Operations		
Income from Property Development	2,473.93	5,147.84
Other Operating Revenue	8.19	30.75
Total	2,482.12	5,178.59
Note : 19		
Other Income		
Miscellaneous Income	6.61	-
Sundry Balances Written Back (Previous year ₹ 63)	0.28	0.00
Total	6.89	0.00
Note : 20		
Cost of Projects		
Opening Stock of Land and Property Development Work-in-Progress	8,919.06	6,426.37
Add: Expenditure during the year : *		
Construction Contract	2,412.02	3,342.95
Project Consultancy	78.16	119.18
Building Material Consumed (Net)	1,483.30	2,479.58
Rates and Taxes	359.37	44.25
Repairs and Maintenance	0.09	-
Insurance	2.35	2.61
Electricity	116.01	111.59
Other Construction Expenses	58.16	264.33
Overheads Allocated	1,268.70	693.91
Less:		
Scrap Sales	(20.83)	(6.26)
Miscellaneous Receipts from Customers	-	(20.79)
Closing Stock of :		
Land and Property Development Work-in-Progress	(11,799.84)	(8,919.06)
Finished Flats	(1,435.28)	-
Total	1,441.27	4,538.66
* Net of Foreign Exchange Gain of ₹ 0.01 Lakhs (Previous Year ₹ 0.80 Lakhs)		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Note : 21		
Employee Benefits Expense		
Salaries and Wages	531.11	397.78
Contribution to Provident and Other Funds	10.62	6.98
Staff Welfare	4.16	2.95
	545.89	407.71
Less: Allocated to Cost of Projects	(345.47)	(274.58)
Total	200.42	133.13

Note : 22		
Finance Costs (Net)		
Interest Expense on :		
Borrowings and Others	1,452.81	1,657.38
Other Borrowing Costs	-	1.56
	1,452.81	1,658.94
Less : Interest Income on :		
Loans Given	-	(683.04)
Customers' Overdues	(20.39)	-
Fixed Deposit with Bank	(1.19)	(1.10)
	1,431.23	974.80
Less: Allocated to Cost of Projects	(877.49)	(268.50)
Total	553.74	706.30

Note : 23		
Other Expenses		
Legal and Professional Fees	23.82	12.78
Payments to Auditor (excluding Service Tax) as:		
Audit Fees	6.92	3.50
Taxation Matters	1.00	1.00
Printing and Stationery	3.36	10.42
Postage and Courier	4.89	4.06
Rates and Taxes	4.28	0.02
Insurance	2.82	-
Advertisement and Publicity	31.65	87.03
Brokerage	11.04	55.26
Business Promotion	21.10	9.69
Incentives	24.13	25.81
Miscellaneous Expenses	37.96	38.49
	172.97	248.06
Less: Allocated to Cost of Projects	(45.74)	(150.83)
Total	127.23	97.23

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Note : 24

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	2014-2015	2013-2014
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:

(₹ in Lakhs)

Particulars	2014-2015	2013-2014
Disputed demands of few Customers	40.78	-

- 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.
- 4 In the opinion of the management, the assets other than fixed assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.
- 5 Consequent to the enactment of the Companies Act, 2013 and its applicability for accounting periods commencing from 1-April-2014, the Company has realigned the remaining useful life of its fixed assets in accordance with the provisions prescribed under Schedule II to the Companies Act, 2013. Consequently, tangible fixed assets whose useful life has not been completed as at 1-April-2014, the carrying value of such assets are being depreciated over the revised remaining useful life. However, the same has no material impact on the results for the year.
- 6 Balances in certain accounts of Trade Payables are subject to reconciliation / confirmation.
- 7 As the Company has only one segment, segment reporting in terms of Accounting Standard 17 is not applicable.
- 8 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.
- 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:**
Mr. Mangalprabhat Lodha, Controlling Shareholder of Ultimate Holding Company
- 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, 2014**
- i) Holding Companies:**
Lodha Developers Pvt. Ltd. (LDPL) (Holding Company of SRPPL)
Siddhnath Residential Paradise Pvt. Ltd. (SRPPL)

ii) Fellow Subsidiary Companies:

Aasthavinayak Estate Company Pvt. Ltd. (merged with Lodha Land Developers Pvt. Ltd. w.e.f. 24-December-14, Appointed date being 1-April-13)

Aasthavinayak Real Estate Pvt. Ltd. (merged with Ajitnath Hi-Tech Builders Pvt. Ltd. w.e.f. 6-January-15, Appointed date being 1-April-14)

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. (merged with Palava Dwellers Pvt. Ltd. w.e.f. 17-February-15, Appointed date being 1-April-13)

Gandhar Builders Pvt. Ltd.

Hi-Class Buildcon Pvt. Ltd.

Hotel Rahat Palace Pvt. Ltd.

International Airport Builders & Management Services Pvt. Ltd. (merged with Lodha Developers Pvt. Ltd. w.e.f. 27-February-15, Appointed date being 1-April-13)

Ishwer Realty and Technologies Pvt. Ltd.

Jawala Real Estate Pvt. Ltd.

Kidderpore Holdings Ltd.

Krona Realities Pvt. Ltd.

Kundan Realtors Pvt. Ltd.

Lodha Attentive Developers and Farms Pvt. Ltd. (merged with Lodha Developers Pvt. Ltd. w.e.f. 27-February-15, Appointed date being 1-April-13)

Lodha Aviation Pvt. Ltd.

Lodha Buildcon Pvt. Ltd.

Lodha Building and Construction Pvt. Ltd.

Lodha Buildtech Pvt. Ltd. (merged with Lodha Developers Pvt. Ltd. w.e.f. 27-February-15, Appointed date being 1-February-14)

Lodha Crown Buildmart Pvt. Ltd.

Lodha Designer Construction Pvt. Ltd.

Lodha Developers International Ltd. (Formerly known as Lodha Developers International (Mauritius) Ltd.)

Lodha Developers International (Netherlands) B. V.

Lodha Developers 48CS Ltd. (Formerly known as Lodha Developers International (Jersey) Ltd.)

Lodha Developers 1GSQ Ltd. (Formerly known as Lodha Developers International (Jersey) II Ltd.)

Lodha Developers International (Jersey) I Holdings Ltd.

Lodha Developers UK Ltd.

Lodha Elevation Buildcon Pvt. Ltd.

Lodha Estate Pvt. Ltd.

Lodha Glowing Construction Pvt. Ltd. (merged with Lodha Developers Pvt. Ltd. w.e.f. 27-February-15, Appointed date being 1-April-13)

Lodha Hi-Rise Builders Pvt. Ltd.

Lodha Home Developers Pvt. Ltd.

Lodha Home Styles Pvt. Ltd. (merged with Ajitnath Hi-Tech Builders Pvt. Ltd. w.e.f. 6-January-15, Appointed date being 1-April-14)

Lodha Impression Real Estate Pvt. Ltd.

Lodha Land Developers Pvt. Ltd.

- Lodha Pinnacle Buildtech and Farms Pvt. Ltd.
- Lodha Pranik Landmark Developers Pvt. Ltd. (merged with Lodha Developers Pvt. Ltd. w.e.f. 27-February-15, Appointed date being 1-February-14)
- Lodha Prime Buildfarms Pvt. Ltd. (merged with Lodha Developers Pvt. Ltd. w.e.f. 27-February-15, Appointed date being 1-April-13)
- Lodha Properties Development Pvt. Ltd.
- Lodha Strategic Development Pvt. Ltd. (merged with Lodha Developers Pvt. Ltd. w.e.f. 27-February-15, Appointed date being 1-January-14)
- Mahavir Build Estate Pvt. Ltd. (merged with Palava Dwellers Pvt. Ltd. w.e.f. 17-February-15, Appointed date being 1-April-13)
- Mahavir Premises Pvt. Ltd.
- Manan Finserve Pvt. Ltd.
- Microtec Constructions Pvt. Ltd.
- Nabhiraja Software Design Pvt. Ltd.
- Naminath Builders and Farms Pvt. Ltd. (merged with Ajitnath Hi-Tech Builders Pvt. Ltd. w.e.f. 6-January-15, Appointed date being 1-April-14)
- National Standard (India) Ltd.
- Odeon Theatres and Properties Pvt. Ltd.
- Palava City Management Pvt. Ltd. (Formerly known as Palava Utilities Pvt. Ltd.)
- Palava Dwellers Pvt. Ltd.
- Proficient Buildwell Pvt. Ltd.
- Roselabs Finance Ltd.
- Sahajanand Hi-Tech Constructions Pvt. Ltd.
- Sai Ishwer Finvest Pvt. Ltd.
- Sambhavnath Reality and Farms Pvt. Ltd. (merged with Lodha Developers Pvt. Ltd. w.e.f. 27-February-15, Appointed date being 1-January-14)
- Samvara Buildtech Pvt. Ltd.
- Sarvavasa Buildtech and Farms Pvt. Ltd.
- Shantinath Designer Construction Pvt. Ltd. (merged with Ajitnath Hi-Tech Builders Pvt. Ltd. w.e.f. 6-January-15, Appointed date being 1-April-14)
- Shree Sainath Enterprises Construction and Developers Pvt. Ltd.
- Shreeniwas Abode and House Ltd. (Formerly known as Shreeniwas Abode and House Pvt. Ltd.)
- Shreeniwas Cotton Mills Ltd.
- Shri Nakoda Bhirav Realtors Pvt. Ltd.
- Shri Vardhvinayak Builders Pvt. Ltd. (merged with Ajitnath Hi-Tech Builders Pvt. Ltd. w.e.f. 6-January-15, Appointed date being 1-April-14)
- Simtools Pvt. Ltd.
- Sitaldas Estate Pvt. Ltd.
- Suryakrupa Constructions Pvt. Ltd.
- iii) Limited Liability Partnerships :**
- Lodha Fincorp Distribution Services LLP
- iv) Partnership Firms Under Control:**
- Lodha Construction (Dombivli) (merged with Lodha Developers Pvt. Ltd. w.e.f. 27-February-15, Appointed date being 1-April-13)
- Lodha Palazzo (merged with Lodha Developers Pvt. Ltd. w.e.f. 27-February-15, Appointed date being 1-January-14)
- 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.

Dharmanath Buildtech and Farms Pvt. Ltd.

d) **Entities added during the year**

From

Lodha Developers International (Jersey) III Ltd.

Lodha Ideal Buildcon Pvt. Ltd.

Odeon Theatres Pvt. Ltd. (Formerly known as

Shri Mangalya Constructions and Farms Pvt. Ltd.)

Lodha Developers International Holding Ltd.

Tropical Adventures Ltd.

Anant Developers Pvt. Ltd.

Lodha Developers Dorset Close Ltd.

Fellow Subsidiaries

17-April-2014

15-June-2014

05-August-2014

20-October-2014

01-November-2014

10-December-2014

26-January-2015

e) **Entities ceased / Struck off during the year**

Upto

i) **Limited Liability Partnerships under control**

Ajeethnath Hi-Tech Buildtech LLP

30-December-2014

Lodha Dwellerz LLP

30-December-2014

ii) **Association**

Palava City Management Association (Section 8 Company)

30-December-2014

f) **Key Managerial Personnel**

Purnima Pavle

B. Transactions during the year ended and Balances Outstanding as at 31st March, 2015 with related parties are as follows:

(i) **Transactions:**

(₹ in Lakhs)

Sr. No.	Nature of Transactions	Holding Company / Relatives of Controlling Shareholder	Fellow Subsidiaries	Others
1	Reimbursements Given	59.44 (1.21)	- (-)	149.16 (483.14)
2	Reimbursements Taken	- (-)	- (-)	34.77 (-)
3	Amount paid on behalf of	- (0.01)	0.83 (15.03)	4.33 (0.18)
4	Amount paid on behalf by	- (-)	0.42 (0.95)	5.84 (58.29)
5	Sale of Materials	- (-)	- (-)	- (2.54)
6	Purchase of Materials	0.41 (-)	0.60 (2.01)	- (-)
7	Interest Expense	724.62 (600.37)	678.10 (663.22)	- (-)
8	Interest Income	- (-)	- (683.04)	- (-)
9	Loans Taken	13,885.24 (61,480.63)	11,016.48 (6,784.40)	- (-)
10	Loans Given	- (-)	- (96.93)	- (-)
11	Deposit Given	3.00 (-)	- (-)	- (-)

(ii) Outstanding Balances:

(₹ in Lakhs)

Sr. No.	Nature of Transactions	Holding Company / Relatives of Controlling Shareholder	Fellow Subsidiaries	Others
1	Loan Taken	3,190.50 (1,910.33)	9,884.72 (3,340.77)	- (-)
2	Trade Payable	- (1.21)	0.33 (1.16)	- (190.26)
3	Interest Receivables	- (-)	- (683.04)	- (-)
4	Interest accrued but not due	652.16 (568.27)	678.02 (622.17)	- (-)
5	Advances Given	- (-)	0.55 (-)	- (-)
6	Guarantee Taken		- (7,000.00)	

(iii) Disclosure in respect of material transactions with related parties:

(₹ in Lakhs)

Sr. No.	Nature of Transactions	Name of the Company	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
1	Reimbursements Given	Siddhnath Residential Paradise Pvt. Ltd.	-	1.21
		Lodha Developers Pvt. Ltd.	59.44	-
		Lodha Healthy Constructions and Developers Pvt. Ltd.	149.16	483.14
2	Reimbursements Taken	Lodha Healthy Constructions and Developers Pvt. Ltd.	34.77	-
3	Amount paid on behalf of	Lodha Crown Buildmart Pvt. Ltd.	-	1.10
		Lodha Healthy Constructions and Developers Pvt. Ltd.	4.33	0.18
		Lodha Pranik Landmark Developers Pvt. Ltd.	-	12.77
		Macrotech Constructions Pvt. Ltd.	-	1.16
		Siddhnath Residential Paradise Pvt. Ltd.	-	0.01
		Palava Dwellers Pvt. Ltd.	0.33	-
		Shreeniwas Cotton Mills Ltd.	0.03	-
		Lodha Hi-Rise Builders Pvt. Ltd.	0.07	-
		Samvara Buildtech Pvt. Ltd.	0.34	-
		Arihant Premises Pvt. Ltd.	0.06	-
4	Amount paid on behalf by	Lodha Healthy Constructions and Developers Pvt. Ltd.	5.84	58.29
		Palava Dwellers Pvt. Ltd.	0.08	-
		Lodha Crown Buildmart Pvt. Ltd.	0.27	-
		Macrotech Constructions Pvt. Ltd.	-	0.95
		Lodha Hi-Rise Builders Pvt. Ltd.	0.07	-
5	Sale of Materials	Lodha Healthy Constructions and Developers Pvt. Ltd.	-	2.54

SANATHNAGAR ENTERPRISES LIMITED

6	Purchase of Materials	Cowtown Land Development Pvt. Ltd.	0.14	-
		Lodha Developers Pvt. Ltd.	0.41	-
		Lodha Buildcon Pvt. Ltd.	0.01	-
		Odeon Theatres & Properties Pvt. Ltd.	0.03	-
		Lodha Hi-Rise Builders Pvt. Ltd.	0.12	-
		Macrotech Constructions Pvt. Ltd.	-	2.01
		Samvara Buildtech Pvt. Ltd.	0.30	-
7	Interest Expense	Lodha Developers Pvt. Ltd.	724.62	600.37
		Lodha Pranik Landmark Developers Pvt. Ltd.	-	363.42
		Cowtown Land Development Pvt. Ltd.	-	211.97
		Shreeniwas Cotton Mills Ltd.	-	22.49
		Jawala Real Estate Pvt. Ltd.	678.10	42.76
		Nabhiraja Software Design Pvt. Ltd.	-	22.58
8	Interest Income	Lodha Land Developers Pvt. Ltd.	-	66.60
		Proficient Buildwell Pvt. Ltd.	-	435.37
		Lodha Crown Buildmart Pvt. Ltd.	-	181.07
9	Loans Taken	Lodha Developers Pvt. Ltd.	13,885.24	61,480.63
		Shreeniwas Cotton Mills Ltd.	-	4,000.00
		Jawala Real Estate Pvt. Ltd.	11,016.48	2,018.00
		Cowtown Land Development Pvt. Ltd.	-	46.91
		Lodha Pranik Landmark Developers Pvt. Ltd.	-	719.49
10	Loans Given	Lodha Crown Buildmart Pvt. Ltd.	-	15.01
		Proficient Buildwell Pvt. Ltd.	-	11.27
		Lodha Land Developers Pvt. Ltd.	-	70.65
11	Deposit Given	Siddhnath Residential Paradise Pvt. Ltd.	3.00	-

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

- 10 Disclosure as per Clause 32 of the Equity Listing Agreement : Loans and advances in the nature of loans where there is no repayment schedule and are repayable on demand :

(₹ in Lakhs)

Particulars	Balance as at 31st March, 2015	Maximum Balance during the year ended 31st March, 2015	Balance as at 31st March, 2014	Maximum Balance during the year ended 31st March, 2014
Lodha Land Developers Pvt. Ltd.	-	-	-	570.65
Lodha Crown Buildmart Pvt. Ltd.	-	-	-	6,010.84
Proficient Buildwell Pvt. Ltd.	-	-	-	9,711.27

These Companies do not hold any shares in the Company.

- 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	2014-15	2013-14
Lodha Land Developers Pvt. Ltd.	Interest Receivable	-	66.60

12 Basic and Diluted Earnings Per Share:

(₹ in Lakhs)

	2014-15	2013-14
(a) Net Profit After Tax (₹ in Lakhs)	27.84	197.76
(b) No. of Equity Shares as on April 1, Add: Shares Allotted	3,150,000	3,150,000
No. of Equity Shares as on Mar 31, Weighted Average number of Equity Shares outstanding during the year	3,150,000	3,150,000
(c) Face Value of Equity Shares (in ₹)	10	10
(d) Basic and Diluted Earnings Per Share (in ₹)	0.88	6.28

13 Building Materials Consumption (Net):

(₹ in Lakhs)

Materials	2014-15	2013-14
Cement	410.70	636.08
Steel	89.96	320.58
Tile and Flooring	257.28	430.78
Masonry	130.22	178.24
Plumbing Fixture	128.06	39.88
Others	467.08	874.02
Total	1,483.30	2,479.58

14 Value of Imports on CIF Basis :

(₹ in Lakhs)

	2014-15	2013-14
Building Materials	19.10	44.50

15 Value of Imported and Indigenous Materials Consumed (Net):

	%	₹ in Lakhs
Building Materials -		
- Imported	1.44	21.43
	(2.68)	(66.47)
- Indigenous	98.56	1,461.87
	(97.32)	(2,413.11)
Total	100.00	1,483.30
	(100.00)	(2,479.58)

16 Unhedged Foreign Currency Exposures / Balances Outstanding as at 31st March, 2015:

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)	(0.13)
Liabilities			
Trade Payables (Current Year USD 229.76; Previous Year USD 229.76)	USD	0.14	0.00
		(0.14)	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	2014-15 (₹ in Lakhs)	2013-14 (₹ in Lakhs)
Amount unpaid as at year end - Principal	14.61	14.29
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 Defined Benefit Plan:

The employees gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build in the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

	(₹ in Lakhs)	
	Gratuity (unfunded)	Leave encashment (unfunded)
a. Reconciliation of opening and closing balances of Defined Benefit obligation		
Defined Benefit obligation at beginning of the year	0.00	0.00
	(-)	(-)
Current Service Cost	2.41	2.20
	(-)	(-)
Interest Cost	0.70	0.96
	(-)	(-)
Transferred in	7.67	10.58
	(-)	(-)
Actuarial (gain) / loss	2.63	(0.90)
	(-)	(-)
Benefits Paid	0.00	3.56
	(-)	(-)
Defined Benefit obligation at year end	13.41	9.28
	(-)	(-)

(₹ in Lakhs)

	Gratuity (unfunded)	Leave encashment (unfunded)
b. Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the year	-	-
	(-)	(-)
Expected return on plan assets	0.13	-
	(-)	(-)
Transferred In	1.48	-
	(-)	(-)
Actuarial (gain) / loss	0.01	0.00
	(-)	(-)
Employer contribution	-	-
	(-)	(-)
Benefits Paid	-	-
	(-)	(-)
Fair value of plan assets at year end	1.60	-
	(-)	(-)
Actual return on plan assets	1.60	0.00
	(-)	(-)
c. Reconciliation of fair value of assets and obligation		
Present value of obligation as at 31st March	13.41	9.28
	(-)	(-)
Fair value of plan assets as at 31st March	1.60	0.00
	(-)	(-)
(Accrued liability) / Prepaid benefit	(11.81)	(9.28)
	(-)	(-)
d. Expenses recognized during the year ended (Under the head Employees Benefits Expense-refer)		
Current Service Cost	2.41	2.20
	(-)	(-)
Interest Cost	0.70	0.96
	(-)	(-)
Expected return on plan assets	0.13	-
	(-)	(-)
Actuarial (gain) / loss	2.64	(0.90)
	(-)	(-)
Net Cost	5.62	2.26
	(-)	(-)
e. Investment details	% invested as at	% invested as at
L.I.C. Group Gratuity (Cash Accumulation) Policy	100%	0%

(₹ in Lakhs)

	Gratuity (unfunded)	Leave encashment (unfunded)
f. Actuarial assumptions		
Mortality Table (L.I.C.)	LIC (2006-08)	LIC (2006-08)
	Ultimate	Ultimate
Discount Rate (Per annum)	7.80%	7.80%
Expected rate of return on plan assets (per annum)	8.00%	0.00%
Rate of escalation in salary (per annum)	5.00%	5.00%
The estimates of rate of escalation in salary considered in actuarial valuation of Gratuity, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.		

- 19 (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.

**As per our attached Report of even date
 For Shanker and Kapani For and on behalf of the Board
 Chartered Accountants
 Firm Registration No. : 117761W**

**Jayesh B. Kapani
 Partner**

**Purnima Pavle
 Director & Chief
 Financial Officer
 DIN: 06705133**

**Deependra Gupta
 Director
 DIN: 02087691**

**Sharatkumar Shetty
 Company Secretary
 ACS: 31888**

**Place : Mumbai
 Date : 30-Apr-2015**

SANATHNAGAR ENTERPRISES LIMITED

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

FORM NO. MGT-11

PROXY FORM

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

CIN : L99999MH1947PLC252768
Name of the Company : Sanathnagar Enterprises Limited
Registered Office : 412, Floor- 4, 17G, Vardhaman Chamber,
Cawasji Patel Road, Horniman Circle, Fort, Mumbai-400001
Name of the Member(s) :
Registered address :
E-mail Id :
Folio No./Client Id & DP. Id :

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

1. Name : _____
Address : _____
E-mail Id : _____
Signature : _____, or failing him
2. Name : _____
Address : _____
E-mail Id : _____
Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 68th Annual General Meeting of the Company, to be held on Wednesday, 30th September, 2015 at 04.00 P.M. at Lodha Supremus, Ground Floor, Dr. E. Moses Road, Worli Naka, Worli, Mumbai - 400018 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions	For	Against
To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2015 and the Reports of the Board of Directors' and Auditors' thereon		
To appoint a Director in place of Mr. Babusingh Rajguru (DIN: 02696937), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment		
Ratifying the appointment and fixing of remuneration of Statutory Auditors		
Re-appointment of Mr. Deepak Chitnis as a Manager of the Company.		

Signed this.....day of2015

Signature of shareholder(s) :

Signature of Proxy holder(s) :

Notes:

1. This form of proxy in order to be effective should be duly completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the Sixty Eighth Annual General Meeting.
3. Kindly affix 15 paise revenue stamp on the proxy form before depositing at the registered office.

Affix a
15 paise
Revenue
Stamp

SANATHNAGAR ENTERPRISES LIMITED

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

ATTENDANCE SLIP

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

1. Name of the Member / Proxy :
2. Folio No. / Client Id & DP. Id :
3. Number of Shares held :

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

I hereby record my presence at the Sixty Eighth Annual General Meeting of the Company held on Wednesday, 30 September, 2015 at 04.00 p.m. at Lodha Supremus, Ground Floor, Dr. E. Moses Road, Worli Naka, Worli, Mumbai – 400018.

Name of the member / Proxy

Signature of the member / Proxy

Note :

- Kindly complete the Folio / DP ID - Client ID No. and name, sign this Attendance Slip at the entrance of the Meeting hall.
- Corporate members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING

Address : Lodha Supremus, Ground Floor, Dr. E. Moses Road, Worli Naka, Worli, Mumbai-400 018.

Landmark : Behind Konark Empress



Courier / Registered Post

If Undelivered, please return to:

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