NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

1 SIGNIFICANT ACCOUNTING POLICIES

A Company's Background

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

B Significant Accounting Policies

I Basis of Preparation

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

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

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

II Summary of Significant Accounting Policies

1 Current and Non-Current Classification

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

i) Expected to be realised or intended to be sold or consumed in normal operating cycle.

ii) Held primarily for the purpose of trading

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

i) It is expected to be settled in normal operating cycle

ii) It is held primarily for the purpose of trading

iii) It is due to be settled within twelve months after the reporting period, or

iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

The Company classifies all other liabilities as non-current.

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

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

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

2 Property, Plant and Equipment

i. Recognition and measurement

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

ii. Subsequent costs

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

iii. Derecognition

The carrying amount of an item of Property, Plant and Equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of Property, Plant and Equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

iv. Depreciation

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

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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

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

3 Inventories

Stock of Building Materials and Traded Goods is valued at lower of cost and net realizable value. Cost is ascertained on weighted average basis.

Completed unsold inventory is valued at lower of Cost and Net Realizable Value.

Cost for this purpose includes cost of land, shares with occupancy rights, Transferrable Development Rights, premium for development rights, borrowing costs, construction / development cost and other overheads incidental to the projects undertaken.

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

4 Provisions and Contingencies

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

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

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

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

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

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

6 Financial Instruments

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

Financial Assets

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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

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

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

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

i) Debt instruments at amortised cost

ii) Debt instruments at fair value through other comprehensive income (FVTOCI)

iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

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

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

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Debt instruments at FVTOCI

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

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

b) The asset's contractual cash flows represent solely payments of principal and interest.

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

Debt instrument at FVTPL

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

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

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

Equity investments

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

Derecognition of Financial Assets

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

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

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

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

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

Impairment of Financial Assets

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

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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or decreased. If a write-off is later recovered, the recovery is credited to finance costs.

Financial Liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

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

Loans and borrowings

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

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

Derecognition of Financial Liabilities

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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

Reclassification of Financial Assets and Financial Liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of Financial Instruments

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

7 Fair Value Measurement

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

i) In the principal market for the asset or liability, or-

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

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

8 Cash and Cash Equivalents

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

9 Revenue Recognition

The Company has adopted Ind AS 115 'Revenue from contracts with customers' ('Ind AS 115') using modified retrospective approach, with effect from 1st April, 2018. Refer Note 34 for the transition related disclosure.

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

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

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

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

The specific revenue recognition criteria are described below:

(I) Income from Property Development

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

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

(II) Contract Balances

Contract Assets

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

Contract Liabilities

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

10 Current Income Tax

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

Deferred Tax

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

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

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

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

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

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

Presentation of Current and Deferred Tax:

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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

11 Borrowing Costs

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

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

12 Earnings Per Share

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

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

2 Property, Plant and Equipment

₹ in Lakhs

Particulars	Site / Sales Offices and Sample Flats	Plant and Equipment	Furniture and Fixtures	Office Equipments	Computers	Total
Gross Carrying Amount						
As at 1-April-17	**431.79**	**24.36**	**16.81**	**20.07**	**0.14**	**493.17**
Additions	-	-	-	-	-	-
Disposals / Adjustments		(1.02)	-	-	-	
As at 31-March-18	**431.79**	**23.34**	**16.81**	**20.07**	**0.14**	**492.15**
Additions	-	-	-	-	-	-
Disposals / Adjustments	-	-	-	-	-	-
As at 31-March-19	**431.79**	**23.34**	**16.81**	**20.07**	**0.14**	**492.15**
Depreciation and Impairment						
As at 1-April-17	**431.79**	**18.91**	**13.40**	**18.45**	**0.14**	**482.69**
Depreciation charge for the year	-	0.99	0.88	0.73	-	2.60
Disposals / Adjustments	-	(0.40)	-	-	-	(0.40)
As at 31-March-18	**431.79**	**19.50**	**14.28**	**19.18**	**0.14**	**484.89**
Depreciation charge for the year	-	1.43	0.59	0.35	-	2.37
Disposals / Adjustments	-	-	-	-	-	-
As at 31-March-19	**431.79**	**20.93**	**14.87**	**19.53**	**0.14**	**487.26**
Net Carrying Value						
As at 31-March-19	**-**	**2.41**	**1.94**	**0.54**	**-**	**4.89**
As at 31-March-18	**-**	**3.84**	**2.53**	**0.89**	**-**	**7.26**

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

		As at 31/March/19 ₹ in Lakhs	As at 31/March/18 ₹ in Lakhs
3	**Non - Current Tax Assets**		
	Income Tax Payments (Net of Provisions of Rs.663.56 Lakhs)	464.76	463.92
	Total	**464.76**	**463.92**
4	**Other Non - Current Assets**		
	Indirect Tax Receivable (Refer note 33)	135.61	149.71
	Total	**135.61**	**149.71**
5	**Inventories**		
	Building Materials	12.86	8.93
	Finished Stock	85.48	85.48
	Total	**98.34**	**94.41**
6	**Trade Receivables**		
	(Unsecured)		
	Considered Good	49.92	73.90
	Total	**49.92**	**73.90**

(i) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. No trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

(ii) Trade receivables net of advances are settled as per agreed terms.

		As at 31/March/19 ₹ in Lakhs	As at 31/March/18 ₹ in Lakhs
7	**Cash and Cash Equivalents**		
	Balances with Banks	5.48	25.90
	Total	**5.48**	**25.90**
8	**Other Current Assets**		
	(Unsecured, Considered Good unless otherwise stated)		
	Advances/ Deposits to Suppliers and Contractors	-	14.49
	Total	**-**	**14.49**
9	**Equity Share Capital**		
	A) Authorised Share Capital		
	Numbers		
	Balance at the beginning of the year	1,47,00,000	1,47,00,000
	Increase/(Decrease) during the year	-	-
	Balance at the end of the year	**1,47,00,000**	**1,47,00,000**

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

	As at 31/March/19 ₹ in Lakhs	As at 31/March/18 ₹ in Lakhs
Amount		
Balance at the beginning of the year	1,470.00	1,470.00
Increase/(Decrease) during the year	-	-
Balance at the end of the year	**1,470.00**	**1,470.00**

	As at 31/March/19 ₹ in Lakhs	As at 31/March/18 ₹ in Lakhs
9.50% Redeemable Cumulative Preference Shares of ₹ 50 each		
Numbers		
Balance at the beginning of the year	7,520	7,520
Increase/(Decrease) during the year	-	-
Balance at the end of the year	**7,520**	**7,520**
Amount		
Balance at the beginning of the year	3.76	3.76
Increase/(Decrease) during the year	-	-
Balance at the end of the year	**3.76**	**3.76**
Unclassified Shares *		
Balance at the beginning of the year	26.24	26.24
Increase/(Decrease) during the year	-	-
Balance at the end of the year	**26.24**	**26.24**

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

B) Issued Equity Capital		
Equity Shares of ₹ 10 each issued, Subscribed and fully paid up		
Numbers		
Balance at the beginning of the year	31,50,000	31,50,000
Increase/(Decrease) during the year	-	-
Balance at the end of the year	**31,50,000**	**31,50,000**
Amount		
Balance at the beginning of the year	315.00	315.00
Increase/(Decrease) during the year	-	-
Balance at the end of the year	**315.00**	**315.00**

C) Terms/ rights attached to Equity Shares

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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

		As at 31/March/19 ₹ in Lakhs	As at 31/March/18 ₹ in Lakhs
	Each Shareholder is entitled for one vote per share. The Shareholders have the right to receive interim dividends declared by the Board of Directors and final dividend proposed by the Board of Directors and approved by the Shareholders.		
	In the event of liquidation, the shareholders will be entitled in proportion to the number of equity shares held by them to receive remaining assets of the Company, after distribution of all preferential amounts.		
D)	**Shares held by Holding Company**		
	Siddhnath Residential Paradise Pvt. Ltd.		
	Numbers	22,88,988	28,34,528
	Amount	228.90	283.45
	Others		
	Numbers	8,61,012	3,15,472
	Amount	86.10	31.55
E)	**Details of Shareholders holding more than 5% shares in the Company**		
	Siddhnath Residential Paradise Pvt. Ltd.		
	Numbers	22,88,988	28,34,528
	% of Holding	72.67%	89.99%
F)	**There are no shares issued for consideration other than cash during the period of five years.**		
10	**Retained Earnings**		
	Balance at the beginning of the year	(1,419.09)	(1,247.04)
	Decrease during the year	(115.62)	(172.05)
	Balance at the end of the year	**(1,534.71)**	**(1,419.09)**
11	**Other Reserves**		
	Capital Redemption Reserve		
	Balance at the beginning of the year	3.76	3.76
	Increase/(Decrease) during the year	-	-
	Balance at the end of the year	**3.76**	**3.76**
		3.76	

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

		As at 31/March/19 ₹ in Lakhs	As at 31/March/18 ₹ in Lakhs
12	**Current Borrowings**		
	Unsecured :		
	Loans/ Inter Corporate Deposits from Related Parties (Refer note 26)	1,592.87	1,344.28
	Total	**1,592.87**	**1,344.28**
13	**Current Trade Payables**		
	Due to Micro and Small Enterprises	-	-
	Due to Others	72.71	262.04
	Total	**72.71**	**262.04**
	Terms and conditions:		
	i) Trade payables are non-interest bearing and are normally settled as per agreed terms.		
	ii) For terms and conditions with related parties, refer Note 26.		
14	**Other Current Financial Liabilities**		
	Advances Received from Customers	50.00	-
	Payable to Society	211.55	243.38
	Interest accrued but not due	-	1.80
	Payable on Cancellation of Allotted units	9.97	9.86
	Total	**271.52**	**255.04**
15	**Other Current Liabilities**		
	Duties and Taxes	1.52	9.29
	Other Liabilities	36.33	59.27
	Total	**37.85**	**68.56**

		For the Year ended 31/March/19 ₹ in Lakhs	For the Year ended 31/March/18 ₹ in Lakhs
16	**Revenue From Operations**		
	Income From Property Development	-	487.44
	Sale of Surplus Land	65.00	-
	Other Operating Revenue	3.10	0.85
	Total	**68.10**	**488.29**
17	**Other Income**		
	Interest Income on Customers' Overdues	0.35	-
	Dividend Income on Current Investments	-	5.41
	Sundry Balances / Excess Provision Written Back (Net)	18.55	98.14
	Miscellaneous Income	0.16	23.99
	Total	**19.06**	**127.54**

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

		For the Year ended 31/March/19 ₹ in Lakhs	For the Year ended 31/March/18 ₹ in Lakhs
18	**Cost of Projects**		
	Opening Stock		
	Finished Units	85.48	594.50
	Add: Expenditure during the year :		
	Land, Construction and Development Cost	-	32.31
	Consumption of Building Materials	-	0.54
	Other Construction Expenses	-	5.46
		85.48	**632.81**
	Less: Others	-	(2.80)
		85.48	**630.01**
	Less: Closing Stock		
	Finished Units	(85.48)	(85.48)
		(85.48)	**(85.48)**
	Total	**-**	**544.53**
19	**Employee Benefits Expense**		
	Salaries and Wages*	15.74	42.71
	Contribution to Provident and Other Funds	-	0.71
	Staff Welfare	-	1.70
	Total	**15.74**	**45.12**

*Salaries and Wages of ₹ 15.74 Lakhs (31-March-18 ₹42.71 Lakhs) reimbursable to Holding Company and fellow subsidiary respectively.

20	**Finance Costs**		
	Interest Expense on Borrowings and others	1.80	6.76
	Total	**1.80**	**6.76**
21	**Other Expenses**		
	Rates and Taxes	62.45	14.50
	Printing and Stationery	3.68	0.32
	Legal and Professional	62.11	9.24
	Payment to Auditors as:		
	Audit Fees	3.00	2.50
	Taxation Matters	0.25	0.50
	Other Services	0.25	1.00
	Business Promotion	5.29	21.15
	Brokerage and Commission	-	32.11
	Compensation	3.20	47.95
	Office Expenses	33.02	28.13
	Miscellaneous Expenses	9.62	6.63
	Total	**182.87**	**164.04**

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

22 Tax Expense:

a. The major components of Income Tax Expense For the Year ended 31-March-19 and 31-March-18 is as follows

		For the Year ended 31/March/19 ₹ in Lakhs	For the Year ended 31/March/18 ₹ in Lakhs
1	**Income Tax recognized in the Statement of Profit and Loss**		
	Current Income Tax Expense/ (Benefit):		
	Current Income Tax charge	-	-
	Adjustments in respect of current Income Tax of previous year	-	-
	Total	**-**	**-**
	Deferred Tax Expense/ (Benefit):		
	Origination and reversal of Temporary Differences	-	24.96
	Adjustments in respect of deferred Tax of previous year	-	-
	Total	**-**	**24.96**
	Income Tax Expense reported in the Statement of Profit or Loss	**-**	**24.96**

b. Reconciliation of Tax Expense and the Accounting Profit before tax multiplied by applicable India Domestic Tax Rate for the year is as under:

	For the Year ended 31/March/19 ₹ in Lakhs	For the Year ended 31/March/18 ₹ in Lakhs
Accounting Profit before Income Tax	**(115.62)**	**(147.22)**
Income tax expense calculated at corporate tax rate	**40.01**	**50.95**
Tax effect of adjustment to reconcile expected income tax expense to reported		
Income Tax expense:		
Non-deductible expenses for tax purposes:		
Other non-deductible expenses	-	(25.99)
Permanent differences	(40.01)	-
Adjustments in respect of current Income Tax of previous year	-	-
Total	**-**	**24.96**

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

	Profit and loss	
	For the Year ended 31/March/19 ₹ in Lakhs	For the Year ended 31/March/18 ₹ in Lakhs
Accelerated depreciation for tax purposes	-	-
Expenses allowable but not charged to Statement of Profit and Loss	-	-
Capital Gain on conversion of Investments to Stock-in-Trade	-	-
Others	-	(24.96)
Deferred Tax Expense	**-**	**(24.96)**

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

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

	Balance sheet	
	As at 31/March/19 ₹ in Lakhs	**As at 31/March/18 ₹ in Lakhs**
Opening balance	**-**	**24.96**
Tax Income/(Expense) during the year recognised in Statement of Profit and Loss	-	(24.96)
Tax income/(expense) during the year recognised in OCI	-	-
Closing balance	**-**	**-**

23 Category wise classification of Financial Instruments

	As at 31/March/19 ₹ in Lakhs	**As at 31/March/18 ₹ in Lakhs**
Financial Assets carried at Amortised Cost		
Trade Receivables	49.92	73.90
Cash and Cash Equivalents	5.48	25.90
	55.40	**99.80**
Financial Liabilities carried at Amortised Cost		
Borrowings	1,592.87	1,344.28
Trade Payables	72.71	262.04
Other Financial Liabilities	271.52	255.04
	1,937.10	**1,861.36**

24 Significant Accounting Judgements, Estimates and Assumptions

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

Judgements, Estimates and Assumptions

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

(i) Useful Life of Property, Plant and Equipments

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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

(ii) Income Taxes

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

(iii) Fair Value Measurement of Financial Instruments

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

(iv) Going Concern

The Company is in the business of real estate construction and development primarily. During the year ended 31-March- 2019, the Company has used cash in operations amounting to ₹ 265.41 Lakhs and as at 31-March-2019, the Company has negative net worth of Rs. 1,219.71 Lakhs These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as going concern.

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

25 Commitments and contingencies

A. Contingent liabilities

Claims against the company not acknowledged as debts	As at 31/March/19 ₹ in lakhs	As at 31/March/18 ₹ in lakhs
Disputed Taxation Matters	0.84	25.41
Total	**0.84**	**25.41**

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

B. Penalties under section 271D and 271E of the Income Tax Act, 1961 have been levied by the Income Tax Department for various Assessment years. Penalties levied by the department on similar facts have been deleted by the Appellate authorities (CIT(A) & ITAT) in various matters of the Group Companies on the basis of the decision of the Hon'ble Bombay High Court in the case of CIT vs Triumph International Finance (India) Limited. The appeals preferred by the Income tax Department in some group company cases have also been dismissed by the Hon'ble Bombay High Court upholding that the penalty should not be levied. On further appeal in few cases, the appeal filed by Income Tax Department before the Hon'ble Supreme Court have been dismissed. Consequently provision for the same is not considered necessary by the management.

26 Related party transactions

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

A. List of other related parties:
(As identified by the management), unless otherwise stated

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

I Person having Control or joint control or significant influence

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

II Close family members of person having Control

Manjula Lodha	Wife
Vinti Lodha	Son’s wife

III Ultimate Holding Company

1 Sambhavnath Infrabuild and Farms Pvt. Ltd.

IV Holding Company

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

VI Subsidiaries of Holding Company (with whom the Company had transactions)

1 Cowtown Software Design Pvt. Ltd. (formerly known as Nabhiraja Software Design Pvt. Ltd.)
2 Palava Dwellers Pvt. Ltd.

VII Others

Bellissimo Healthy Constructions and Developers Pvt. Ltd.

VIII Key Management Personnel

1 Vishal Ghadigaonkar (CFO) upto 30-Oct-18
2 Sumit Jain (CFO) w.e.f. 30-Oct-18
3 Hitesh Marthak (Company Secretary)
4 Maninder Chhabra (Manager)
5 Purnima Pavle (Director)
6 Vinod Shah (Director)
7 Bhushan Shah (Director)

(i) Outstanding Balances:

₹ in Lakhs

Sr. No.	Nature of Transactions	As on	Holding Company/ Subsidiaries/ Fellow Subsidiaries
1	Loans taken	31/March/19	1,592.87
		31/March/18	1,344.28
2	Trade Payables	31/March/19	2.57
		31/March/18	20.02
3	Interest Accrued but not due on borrowings	31/March/19	-
		31/March/18	1.80

(ii) Disclosure in respect of transactions with parties:

₹ in Lakhs

Sr No	Nature of Transactions	Particulars	Relationship	For the Year ended	
				31/March/19	31/March/18
1	Interest Expense	Cowtown Software Design Pvt. Ltd.	Subsidiary of Holding Company	-	2.00
2	Reimbursement Given	Cowtown Software Design Pvt. Ltd.	Subsidiary of Holding Company	-	1.98
3	Loans/ Advances Taken/ (returned)(Net)	Lodha Developers Ltd.	Holding Company	(1,343.14)	(1,961.10)

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

Sr No	Nature of Transactions	Particulars	Relationship	For the Year ended	
				31/March/19	31/March/18
		Bellissimo Healthy Constructions and Developers Pvt. Ltd.	Others	(1.14)	
		Palava Dwellers Pvt. Ltd.	Subsidiary of Holding Company	1,592.87	-
4	Salaries and Wages	Lodha Developers Ltd.	Subsidiary of Holding Company	16.98	19.47

i) Terms and conditions of transaction with related parties

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

ii) Terms and conditions of outstanding balances with related parties

a) Payable to related parties

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

b) Loans to related parties

The loans taken from related parties are unsecured, repayable on demand and are interest free.

27 Segment information

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

28 Financial Instrument measured at Amortised Cost

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

29 Financial risk management objectives and policies

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

The Company is exposed through its operations to the following financial risks:
- Market risk
- Credit risk, and
- Liquidity risk.

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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

(a) Market risk

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

(i) Interest rate risk

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

b) Credit risk

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

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

c) Liquidity risk

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

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

	On demand ₹ in Lakhs	Less than 3 months ₹ in Lakhs	3 to 12 months ₹ in Lakhs	1 to 5 years ₹ in Lakhs	> 5 years ₹ in Lakhs	Total ₹ in Lakhs
As at 31-March-19						
Borrowings	1,592.87	-	-	-	-	1,592.87
Trade Payables	-	72.71	-	-	-	72.71
Other Financial Liabilities	-	50.00	9.97	211.55	-	271.52
	1,592.86	**122.71**	**9.97**	**211.55**	**-**	**1,937.10**
As at 31-March-18						
Borrowings	1,344.28	-	-	-	-	1,344.28
Trade Payables	-	262.04	-	-	-	262.04
Other Financial Liabilities	-	-	15.90	239.14	-	255.04
	1,344.28	**262.04**	**15.90**	**239.14**	**-**	**1,861.36**

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

30 Details of CSR Expenditure

The gross amount required to be spent for CSR activity by the company during the year was ₹ 25.13 lakhs (31-March-18 ₹ 26.40 Lakhs). Amount spent during the year was ₹ Nil (31-March-18 ₹ Nil).

31 Basic and Diluted Earnings Per Share:

			For the Year ended 31/March/19	For the Year ended 31/March/18
(a)	Net Profit/ (Loss) for the year	₹ in Lakhs	(115.62)	(172.18)
(b)	No. of Equity Shares as at beginning of the year		31,50,000	31,50,000
	Add: Shares Allotted		-	-
	No. of Equity Shares as at end of the year		31,50,000	31,50,000
	Weighted Average number of Equity Shares outstanding during the year		31,50,000	31,50,000
(c)	Face Value of Equity Shares	(₹)	10	10
(d)	Basic and Diluted Earnings Per Share	(₹)	(3.67)	(5.47)

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

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

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

34 The existing Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable) has been replaced by Ind AS 115 – 'Revenue from contracts with customers'. Ind AS 115 is mandatory for reporting period beginning on or after 01-April-2018. The Company has opted to adopt Ind AS 115 using modified retrospective method. The application of Ind AS 115 does not have any impact on the retained earnings as on 01-April-2018 , being the initial date of application of Ind AS 115. Further, the application of Ind AS 115 also does not have any impact on the financial position of the Company as of March 31, 2019 and statement of Profit and Loss and cash flow for the year then ended.

35 Standards (including amendments) issued but not yet effective

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

(a) Ind AS 116- Leases

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116, Leases. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective of the standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. The effective date for adoption of Ind AS 116 is financial periods beginning on or after April 1, 2019.The Company is currently evaluating the requirements of amendments. The Company believe that the adoption of this amendment will not have a material effect on its financial statements.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2019

(b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives..

(c) Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, ‘Income Taxes’, in connection with accounting for dividend distribution taxes.The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

(d) Amendment to Ind AS 23 – Borrowing cost

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

36 Previous Year’s figures are regrouped/rearranged wherever considered necessary.

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

Anita Somani
Partner
Membership No. 124118

Place : Mumbai
Date : 15-May-19

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

Sanjyot Rangnekar **(Director)** **(DIN : 07128992)**	**Bhushan Shah** **(Director)** **(DIN : 07484485)**
Sumit Jain **(Chief Financial Officer)**	**Hitesh Marthak** **(Company Secretary)**