

29<sup>th</sup> September, 2018

To,

National Stock Exchange Limited,  
Manager\_ Listing

022-26598237

Bombay Stock Exchange Limited,  
General Manager- DCS

022-22723121

Dear Sir/Madam,

**Sub: 25<sup>th</sup> Annual General Meeting (AGM) and Annual Report**

In continuation to our letter dated September 28, 2018 on 25<sup>th</sup> Annual General Meeting of the Company held on September 28, 2018 and the voting results, we have attached the Annual Report for the financial year 2017-18 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

This is for your information and records.

Thanking you,

For **ARIHANT FOUNDATIONS & HOUSING LIMITED**



**Meenakshi**  
**Company Secretary**

## **CORPORATE STRUCTURE AS ON MARCH 31, 2018**

### **BOARD OF DIRECTORS**

Mr. Kamal Lunawath	Chairman and Managing Director
Mr. Vimal Lunawath	CFO and Whole time Director
Mr. Bharat M Jain	Whole time Director
Mr. A Damodaran	Director
Mr. A.L. Jayabhanu	Director
Mr. Ravikant Choudhary	Director
Mr. Karan Bhasin	Director
Mrs. Ann Gonsalvez	Director

### **BOARD COMMITTEES**

#### **Audit Committee**

Mr. Ravikant Choudhary- Chairman  
Mr. Damodaran- Member  
Mr. Kamal Lunawath- Member

#### **Stakeholder Relationship Committee**

Mr. A. Damodaran- Chairman  
Mr. Ravikant Choudhary- Member  
Mrs. Ann Gonsalvez- Member

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

Mr. A. Damodaran- Chairman  
Mr. Ravikant Choudhary- Member  
Mrs. Ann Gonsalvez- Member

### **COMPANY SECRETARY**

Mrs. Meenakshi Jayaraman

### **AUDITORS**

M/s. S. Ramachandra Rao & Associates  
Chartered Accountants  
No.11, Porur Gardens Phase-1,  
Vanagaram, Chennai 600 095

### **BANKERS**

HDFC Limited  
ICICI Bank Ltd  
Kotak Mahindra Bank  
Standard Chartered Bank  
Vijaya Bank

### **LEGAL ADVISOR**

#### **K Venkatasubramanian**

80, Bazullah Road,  
T.Nagar, Chennai - 600 017.

### **Registered Office & Administrative Office**

No.3, Ganapathy Colony, Off. Cenotaph Road, Teynampet, Chennai- 600018

### **REGISTRAR AND SHARE TRANSFER AGENTS**

M/s. Cameo Corporate Services Limited  
V Floor, Subramanian Building,  
No.1, Club House Road, Anna Salai, Chennai- 600002

### **INTERNAL AUDITORS**

M/s. Ernst & Young LLP

## **C O N T E N T S**

AGM NOTICE	3
DIRECTORS' REPORT	17
CORPORATE GOVERNANCE REPORT, MANAGEMENT DISCUSSION& ANALYSIS REPORTS	24
CERTIFICATE ON CORPORATE GOVERNANCE	34
EXTRACT OF ANNUAL RETURN	35
SECRETARIAL AUDITORS' REPORT	42
AUDITORS' REPORT (STANDALONE)	44
BALANCE SHEET (STANDALONE)	49
STATEMENT OF PROFIT AND LOSS (STANDALONE)	50
CASH FLOW STATEMENT (STANDALONE)	51
NOTES TO FINANCIAL STATEMENTS (STANDALONE)	53
AUDITORS' REPORT (CONSOLIDATED)	91
BALANCE SHEET (CONSOLIDATED)	94
STATEMENT OF PROFIT AND LOSS (CONSOLIDATED)	96
CASH FLOW STATEMENT (CONSOLIDATED)	98
NOTES TO FINANCIAL STATEMENTS (CONSOLIDATED)	100
PROXY FORM/ATTENDANCE SLIP	140

**NOTICE**

Notice is hereby given that the 25th Annual General Meeting of the Shareholders of Arihant Foundations and Housing Limited will be held on Friday the 28<sup>th</sup> day of September, 2018 at “Arihant The Verge”, No.282, Old Mahabalipuram Road (Rajiv Gandhi Salai), Kandhanchavadi, Chennai - 600 096 at 9.00 A.M. to transact, with or without modifications as may be permissible, the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Standalone Financial Statements of the Company for the period ended 31.03.2018 together with the Directors’ Report and the Auditors’ Report and the consolidated financial statements for the period ended 31.03.2018 together with the Auditors’ Report.
2. To appoint a Director in place of Mr. Kamal Lunawath ( DIN: 00087324 ), who retires by rotation and being eligible, offers himself for reappointment.

**SPECIAL BUSINESS**

**3. Re-appointment of Mr. Kamal Lunawath as Managing Director and to fix the remuneration**

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

“**RESOLVED THAT** the approval of the shareholders be and is hereby accorded pursuant to Sections 196, 197, 203 of the Companies Act, 2013, ( “the Act” ), Schedule V thereto, the applicable Rules and pursuant to Rule 3 of the Companies ( Appointment and Remuneration of Managerial Personnel) Rules 2014 or any statutory modification(s) or re enactment thereof as per the terms and conditions recommended by the Nomination and Remuneration Committee of Directors (NRC), Mr. Kamal Lunawath (DIN:00087324) be and is hereby re-appointed as the Managing Director of the Company for a period of five years with effect from 01-11-2018.”

**RESOLVED FURTHER THAT** Mr. Kamal Lunawath shall not retire by rotation in terms of article 146 of the Articles of Association of the company, while he continues as Managing Director;

**RESOLVED FURTHER** that as per the recommendations of the NRC and the Board of Directors of the Company, the approval of the shareholders be and is hereby accorded under Sections 196, 197, 203 of the Companies Act, 2013, (“the Act”), Schedule V thereto, the applicable Rules and pursuant to Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 or any statutory modification(s) or re enactment thereof, Mr. Kamal Lunawath, Managing Director of the Company, be paid remuneration by way of salary., perquisites and allowances totalling up to a maximum of Rs. 1,00,000/- ( Rupees One lakh only ) per month for a period of three years from 01-11-2018 to 31-10-2021, with an authority to the Board of Directors to decide on the quantum of remuneration payable under each head, viz. salary, allowances and perquisites as may be agreed mutually between the Board of Directors and Mr Kamal Lunawath, Managing Director even in financial years in which the company is having inadequate profits

**REMUNERATION DETAILS:**

i) Salary/Special Allowance	Not to exceed Rs. 1,00,000/- per month for the period a period of three years (i.e., 01-11-2018 to 31-10-2021)
-----------------------------	----------------------------------------------------------------------------------------------------------------

**RESOLVED FURTHER** that Mr. Kamal Lunawath, Managing Director shall also be eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration:

- Provision of car with driver for business use.
- Provision of telephone at residence and mobile phone for business use
- Reimbursement of entertainment expenses and travelling expenses actually incurred for the conduct of the business of the Company, subject to a reasonable ceiling as may be fixed by the Board from time to time .
- Other expenses incurred by him in relation to the discharge of his duties in relation to the business of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration payable to Mr . Kamal Lunawath (DIN: 00087324).

**4. Re-appointment of Mr.Vimal Lunawath as Whole Time Director and to fix the remuneration**

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

**“RESOLVED THAT** the approval of the shareholders be and is hereby accorded pursuant to Sections 196,197, 203 of the Companies Act, 2013, (“the Act”), Schedule V thereto, the applicable Rules and pursuant to Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel)Rules 2014 or any statutory modification( s ) or re enactment there of and as per the terms and conditions recommended by the Nomination and Remuneration Committee of Directors (NRC), Mr. Vimal Lunawath (DIN: 00586269) be and is hereby re-appointed as the Whole-Time Director of the Company for a period of five years with effect from 01-11-2018. ”

**RESOLVED FURTHER** that as per the recommendations of the NRC and the Board of Directors of the Company the approval of the shareholders be and is hereby accorded under Sections 196, 197, 203 of the Companies Act, 2013, (“the Act”), Schedule V thereto , the applicable Rules and pursuant to Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 or any statutory modification (s) or re enactment thereof , Mr. Vimal Lunawath , Whole - Time Director of the Company, be paid remuneration by way of salary, perquisites and allowances totalling upto a maximum of Rs.1,00,000/-

(Rupees One lakh only) per month for a period of three years from 01-11-2018 to 31-10-2021,with an authority to the Board of Directors to decide on the quantum of remuneration payable under each head, viz., salary, allowances and perquisites as may be agreed mutually between the Board of Directors and Mr Vimal Lunawath , Whole -Time Director even in financial years in which the company is having inadequate profits.

**RESOLVED FURTHER** that Mr. Vimal Lunawath , Whole - Time Director shall also be eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration:

- Provision of car with driver for business use.
- Provision of telephone at residence and mobile phone for business use.
- Reimbursement of entertainment expenses and travelling expenses actually incurred for the conduct of the business of the Company, subject to a reasonable ceiling as may be fixed by the Board from time to time.
- Other expenses incurred by him in relation to the discharge of his duties in relation to the business of the Company

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

**REMUNERATION DETAILS:**

i)	Salary/Special Allowance	Not to exceed Rs.1,00,000/- per month for the period a period of three years (i.e., 01-11-2018 to 31-10-2021)
----	--------------------------	---------------------------------------------------------------------------------------------------------------

**5 Re-appointment of Mr. Bharat Jain as Whole Time Director and to fix the remuneration**

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

“RESOLVED THAT the approval of the shareholders be and is hereby accorded pursuant to Sections 196,197, 203 of the Companies Act, 2013, (“the Act”), Schedule V thereto, the applicable Rules and pursuant to Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 or any statutory modification(s) or re enactment thereof and as per the terms and conditions recommended by the Nomination and Remuneration Committee of Directors (NRC), Mr. Bharat Jain (DIN: 00083236) be and is hereby re-appointed as the Whole-Time Director of the Company for a period of five years with effect from 16-02-2018.”

**RESOLVED FURTHER that** as per the recommendations of the NRC and the Board of Directors of the Company the approval of the shareholders be and is hereby accorded under Sections 196,197, 203 of the Companies Act, 2013, (“the Act”), Schedule V thereto, the applicable Rules and pursuant to Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 or any statutory modification(s) or re enactment thereof, Mr. Bharat Jain, Whole-Time Director of the Company, be paid remuneration by way of salary, perquisites and allowances to talling up to a maximum of Rs.1,50,000/- (Rupees One lakh fifty thousand only) per month for a period of three years from 17-02-2018 to 16-02-2021, with an authority to the Board of Directors to decide on the quantum of remuneration payable under each head, viz., salary, allowances and perquisites as may be agreed mutually between the Board of Directors and Mr Bharat Jain, Whole-Time Director even in financial years in which the company is having inadequate profits.

**REMUNERATION DETAILS:**

i)	Salary/Special Allowance	Not to exceed Rs.1,50,000/- per month for a period of three years (i.e., 17-02-2018 to 16-02-2021)
----	--------------------------	----------------------------------------------------------------------------------------------------

**RESOLVED FURTHER** that Mr. Bharat Jain, Whole-Time Director shall also be eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration:

- Provision of car with driver for business use.
- Provision of telephone at residence and mobile phone for business use.
- Reimbursement of entertainment expenses and travelling expenses actually incurred for the conduct of the business of the Company, subject to a reasonable ceiling as may be fixed by the Board from time to time.
- Other expenses incurred by him in relation to the discharge of his duties in relation to the business of the Company

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration payable to Mr. Bharat Jain (DIN: 00083236)

**6. To approve an offer or invitation for subscription of Non-Convertible Debentures up to an aggregate amount of INR 3,000,000,000/-on a Private Placement basis.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 42, Section 71, 180 and all other applicable provisions, if any, of the Companies Act,2013 (including any statutory modifications or re-enactments thereof, for the time being in force) and the Rules framed thereunder, as may be amended from time to time, and such other laws/regulations/guidelines as

may be applicable to the Company and the provisions of the memorandum of association and articles of association of the Company, approval of the members be and is hereby accorded to the Company for making offer (s) or invitation (s), in any case to not exceeding two hundred persons in the aggregate in a financial year, to subscribe to non-convertible debentures ("NCD") on a private placement basis, in one or more tranches, 30000 (Thirty Thousand only) rated, unlisted, secured, redeemable, nonconvertible debentures of the face value Rs. 100,000 (Rupees One Lakh only) each for cash at par upto an amount not exceeding INR 3,000,000,000 (Rupees Three Hundred Crores), at a rate and tenor as may be determined by the Board from time to time upto the limits mentioned; in addition to the overall borrowing limits of the Company, as may be approved by the members, from time to time.

**RESOLVED FURTHER THAT** the resolution shall be valid for a period of one year from the date of passing of this resolution.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company (including any Committee thereof), be and are hereby severally authorized to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient to give effect to the above Resolution, including determining the terms and conditions of the NCDs and in particular

- (a) To approve the list of the identified persons to whom the letter of offers are proposed to be issued
- (b) To approve the letter of offer for the private placement of the NCDs of a face value Rs. 100,000 ( Rupees One Lakh only) each for cash at par upto an amount not exceeding INR 3,000,000,000 (Rupees Three Hundred Crores) at a rate and tenor as may be determined by the Board from time to time upto the limits mentioned; and in any case not exceeding 200 persons in any financial year.
- (c) to determine, vary, modify or alter any of the terms and conditions of the issue and allotment, including reduction of the size of the issue, as it may deem expedient;
- (d) to finalize all other documents, deeds, agreements and instruments as may be required or desirable in relation to the offer and issuance of the aforesaid NCD;
- (e) to settle all questions and difficulties, that may arise in the proposed issue, offer and allotment, utilization of the issue proceeds, sign all documents and undertakings, as may be required;
- (f) to do all such acts, deeds, matters and things, in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval thereto expressly by the authority of this resolution; and
- (g) to delegate all or any of the powers herein conferred by this resolution to any director / directors or to any Committee of directors or any officer or officers of the Company to give effect to this resolution.

**By Order of the Board  
For Arihant Foundations & Housing Limited  
Sd/-  
(J Meenakshi)  
Company Secretary**

**Place: Chennai  
Date: 30.05.2018**

**I. Notes:**

1. The explanatory statements pursuant to Section 102 of the Companies Act, 2013 in respect of the business under item No. 3 as set out above are annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. Proxy to be valid should be deposited with the company not later than forty eight hours before the time for holding the meeting. No Person can act as a Proxy on behalf of a member not exceeding fifty and holding in the aggregate not more than the 10% of the total Share Capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total Share Capital of the Company carrying voting rights, then such proxy shall not be act as a proxy for any other person or shareholder.
4. Members/Proxies should bring their Attendance slip duly completed for attending the meeting. The signature of the attendance slip should match with the signature(s) registered with the Company. Members holding shares in dematerialised form are requested to bring their Client ID and DP ID numbers for identification.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 22.09.2018 to 28.09.2018 (Both days inclusive).
6. Members holding shares in physical form are requested to intimate immediately, changes, if any, in their registered addresses, Bank Mandate and Status, quoting their Folio Numbers, to the Share Transfer Agents of the Company M/s Cameo Corporate Services Limited, "Subramanian Building", No.1, Club House Road, Chennai – 600 002.
7. Details under Reg. 36(3) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, in respect of the Director seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/ re-appointment.
8. The Register of Directors' and Key Managerial Personnel and their Shareholding maintained and The Register of Contracts or Arrangements in which Directors are interested maintained will be available for inspection of the members at the Annual General Meeting.
9. Members are requested to bring their copies of Annual Report to the meeting. The Attendance slips duly completed should be handed over at the entrance of the meeting hall.
10. Electronic copy of the Notice of the 25th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Notice of the 25th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode. Members may also note that the Notice of the 25th Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website [www.arihantfoundations.com](http://www.arihantfoundations.com) for their download.
11. Members desiring any clarification on Accounts are requested to write to the Company at an early date so as to enable the Company to keep the information ready.
12. Pursuant to the provisions of sections 107 and 108, read with Companies (Management and Administration) Rules 2014, and in accordance with the requirements of listing agreement the company is pleased to offer e-voting facility to all the members of the company. The company has entered into an agreement with Central Depository Services Limited (CDSL) for facilitating e-voting. The Board of Directors has appointed Mrs. G. Subhasree,



Practising Company Secretary, Chennai, as the Scrutinizer for conducting the e-voting process for the Twenty Fifth Annual General Meeting in a fair and transparent manner

- 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 meeting through ballot paper.
- 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
- The voting period begins on 25th September, 2018 at 9 AM and ends on 27th September, 2018 at 5 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21.09.2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

13. The Procedure and instructions for members for voting through electronic means are as under:

- i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- ii) Click on Shareholders.
- iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DPID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- iv) Next enter the Image Verification as displayed and Click on Login.
- v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vi) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- vii) After entering these details appropriately, click on "SUBMIT" tab.
- viii) 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.
- ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x) Click on the EVSN: **180831019** for the relevant ARIHANT FOUNDATIONS AND HOUSING LIMITED on which you choose to vote.
- xi) 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.
- xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii) 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.
- xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile
- xvii) 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](http://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](mailto: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 should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.
- xviii) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- xix) The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than Forty Eight hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

xx) The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.arihantfoundations.com](http://www.arihantfoundations.com) and on the website of CSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges

**II. DETAILS OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDER Regulation 36 (3) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015:**

**Mr. Kamal Lunawath**

a) Brief Resume

Mr. Kamal Lunawath, 45 is commerce graduate and associated with the Company from past 13 years.

b) Nature of expertise

Mr. Kamal Lunawath specializes in Strategic Planning and Management. He possesses commendable experience of 25 years in realestate and construction industry. He has been efficiently managing the Company as the Managing Director of the Company for the past 13 years.

c) Listed cos' directorship and committee membership  
Mr.Kamal Lunawath does not hold any Directorship or committee membership in any other listed Company.

d) Relationship between the directors interse  
Mr. Kamal Lunawath is related to Mr.Vimal Lunawath, Director.

e) Re-appointment of retiring Director: (item no. 2 & 3)  
Mr. Kamal Lunawath is a Whole Time Director. He holds 7,49,100 shares in the Company.

Except Mr. Kamal Lunawath and Mr.Vimal Lunawath, none of the Directors and the Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise in theresolution set out at Item no. 2 & 3.

**Mr. Vimal Lunawath**

a) Brief Resume

Mr. Vimal Lunawath, 44 is commerce graduate and

associated with the Company from past 13 years

b) Nature of expertise

Mr. Vimal Lunawath has extensive experience in Project Management. He possesses 23 years of commendable experience in real estate and construction industry.

c) Listed cos' directorship and committee membership  
Mr. Vimal Lunawath does not hold any Directorship or committee membership in any other listed Company.

d) Relationship between the directors interse  
Mr.Vimal Lunawath is related to Mr.Kamal Lunawath, Director.

e) Re-appointment of retiring Director: (item no. 4)  
Mr. Vimal Lunawath is a Whole Time Director. He holds 6,96,400 shares in the Company.

Except Mr.Vimal Lunawath and Mr. Kamal Lunawath, none of the Directors and the Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise in the resolution set out at Item no. 4.

**Mr. Bharat Jain**

a) Brief Resume

Mr. Bharat Jain , 39 is an undergraduate and associated with the Company for the past 12 years.

b) Nature of expertise

He specializes in Project execution. He posses 16 years of experience in execution of Township Project , large residential complex and industrial

c) Listed cos' directorship and committee membership

Mr. Bharatkumar Jain does not hold any Directorship or committee membership in any other listed Company.

d) Relationship between the directors interest

Mr. Bharatkumar Jain is not related to any of the Directors.

e) Re-appointment of retiring Director : (item no. 2)

Mr. Bharatkumar Jain is a Whole Time Director. He holds 16300 shares in the Company. Except Mr. Bharatkumar Jain, none of the Directors and the Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise in the resolution set out at Item no. 2.

By Order of the Board  
For Arihant Foundations & Housing Limited

Sd/-  
(J Meenakshi)  
Company Secretary

Place: Chennai  
Date: 30.05.2018

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

**ITEM No.3**

Mr. Kamal Lunawath was appointed as the Managing Director of the Company in the year 2005 and reappointed in the year 2015.

Schedule V requires the approvals of the Nomination and Remuneration Committee, the Board of Directors and shareholders.

Considering the role and the important contributions made by Mr. Kamal Lunawath over the last ten years for the growth of the Company and also taking into account similar sized industries in India, the Nomination and Remuneration Committee and the Board of Directors unanimously approved payment of minimum remuneration as Rs. 1,00,000/- per month ( the said minimum remuneration) for a period of three years from 01-11-2018 to 31-10-2021 as detailed in the resolution.

The terms of remuneration contained in the resolution may also be treated as an Abstract /compliance under Section 196 , 197, 203 of the Companies Act, 2013.

Nature of concern/interest: - (as per Section 102 of the Companies Act, 2013)

PERSON	NATURE OF INTEREST IN THE TRANSACTIONS
Directors	Not interested, except Mr. Kamal & Vimal Lunawath
Key Managerial Personnel	Not interested, except Mr. Kamal Lunawath and Mr. Vimal Lunawath, Whole-time Director
Relatives of Directors/Key Managerial Personnel	None

Statement containing required information as per the Schedule V ( Part II ) of the Companies Act, 2013 for Item No.5.

**1. GENERAL INFORMATION:**

(i) Nature of Industry

Construction: The Company is engaged in the Business of Construction and Providing Infrastructure Facility

(ii) Date of commencement  
March 6, 1992

(iii) In case of new companies , expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.  
Not applicable

(iv) Financial performance based on given indicators (Rs. In lakhs)

Particulars	2013-14	2015-16	2016-17
Total Revenue	7341.986	8364.860	5505.366
Profit/Loss before tax	158.047	(792.546)	158.047
Profit /Loss after tax	128.855	(521.632)	109.960
Networth	16714.26	16192.63	16302.75
Dividend on Equity %	Nil	Nil	Nil

(v) Foreign investments or collaborators, if any:  
Not Applicable.

**II. INFORMATION ABOUT THE APPOINTEE :**

(a) Background Details

Mr. Kamal Lunawath , 45 is commerce graduate and associated with the Company from past 13 years.

(b) Past Remuneration

Mr. Kamal Lunawath was paid Rs.12 Lakhs as annual remuneration for the financial years 2015-16 and 2016-17 respectively.

(c) Recognition or Awards

Nil.

(d) Job Profile and his Suitability

Mr. Kamal Lunawath specializes in Strategic Planning and Management. He possesses commendable experience of 25 years in real estate and construction industry. He has been efficiently managing the Company as the Managing Director of the Company for the past 13 years.

He was appointed as Managing Director for a period of 3 years with effect from 01.11.2015. The terms of appointment was approved by the shareholders at the Annual General Meeting held on 30.09.2016. The tenure of his office expires on 01<sup>st</sup> November, 2018.

During his tenure he has performed in various areas including Projects, fund Management and planning etc

(e) Remuneration Proposed:

The remuneration proposed is detailed in the resolution.

(f) Comparative remuneration Profile with respect to Industry, size of the Company, profile of the position and person The proposed remuneration is much below the prevailing remuneration in the industry of similar size for similarly placed persons.

(g) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personal, if any.

Mr. Kamal Lunawath has no pecuniary relationship directly or indirectly with the Company or its managerial personnel other than his remuneration & certain other related party transactions which are disclosed elsewhere in this report in the capacity of a Managing Director. As on date he holds 7,49,100 shares held by him in the Company in his personal capacity.

**III. DISCLOSURES:**

(a) The shareholders of the Company shall be informed of the remuneration package of the managerial person:

Details furnished in the resolution.

(b) Other Disclosures:

Not Applicable.

The special resolution as set out against item no. 5 was approved by the Nomination & Remuneration Committee and the Board at their respective meetings held on May 30, 2018.

**ITEM NO. 4**

Mr. Vimal Lunawath was appointed as the WholeTime Director of the Company in the year 2005. In terms of Schedule V of the Companies Act, 2013, payment of remuneration to a managerial person during the financial year when the Company has inadequate profits in excess of the limits specified in the said Schedule requires the approvals of the Nomination and Remuneration Committee, the Board of Directors and shareholders

Considering the role and the important contributions made by Mr. Vimal Lunawath over the last ten years for the growth of the Company and also taking into account similar sized industries in India, the Nomination and Remuneration Committee and the Board of Directors unanimously approved payment of minimum remuneration as Rs.1,00,000/-per month (the said minimum remuneration) for a period of three years from 01-11-2018 to 31-10-2021 as detailed in the resolution.

The terms of remuneration contained in the resolution may also be treated as an Abstract/compliance under Section 196, 197, 203 of the Companies Act, 2013.

Nature of concern/interest: - (as per Section 102 of the Companies Act, 2013)

PERSON	NATURE OF INTEREST IN THE TRANSACTIONS
Directors	Not interested, except Mr. Kamal & Vimal Lunawath
Key Managerial Personnel	Not interested, except Mr. Kamal Lunawath and Mr. Vimal Lunawath, Whole - time Director
Relatives of Directors/Key Managerial Personnel	None

Statement containing required information as per the Schedule V ( Part II ) of the Companies Act, 2013 for Item No.6.

**1. GENERAL INFORMATION:**

(i) Nature of Industry

Construction: The Company is engaged in the Business of Construction and Providing Infrastructure Facility

(ii) Date of commencement

March 6, 1992

(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not applicable

(iv) Financial performance based on given indicators (Rs. In lakhs)

Particulars	2013-14	2015-16	2016-17
Total Revenue	7341.986	8364.860	5505.366
Profit/Loss before tax	158.047	(792.546)	158.047
Profit /Loss after tax	128.855	(521.632)	109.960
Networth	16714.26	16192.63	16302.75
Dividend on Equity %	Nil	Nil	Nil

(v) Foreign investments or collaborators, if any:

Not Applicable.

**II. INFORMATION ABOUT THE APPOINTEE :**

(a) Background Details

Mr. Vimal Lunawath, 44 is commerce graduate and associated with the Company from past 13 years.

(b) Past Remuneration

Mr. Vimal Lunawath was paid Rs.12 Lakhs as annual remuneration for the financial years 2015 - 16 and 2016-17 respectively.

(c) Recognition or Awards

Nil.

(d) Job Profile and his Suitability

Mr. Vimal Lunawath has extensive experience in Project Management. He possesses 23 years of commendable experience in real estate and construction industry .He was appointed as Whole -Time Director for a period of 3 years with effect from 01.11.2016. The terms of appointment was approved by the shareholders at the Annual General Meeting held on 30.09.2016. The tenure of his office expires on 01st November, 2018.

During his tenure he has performed in various areas including Projects, fund Management and planning etc

(e) Remuneration Proposed:.

The remuneration proposed is detailed in the resolution.

(f) Comparative remuneration Profile with respect to Industry, size of the Company, profile of the position and person

The proposed remuneration is much below the prevailing remuneration in the industry of similar size for similarly placed persons.

(g) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personal, if any.

Mr. Vimal Lunawath has no pecuniary relationship directly or indirectly with the Company or its managerial personnel other than his remuneration in the capacity of a whole-time Director. As on date he holds 6,96,400 shares held by him in the Company in his personal capacity.

**III. DISCLOSURES:**

(a) The shareholders of the Company shall be informed of the remuneration package of the managerial person:

Details furnished in the resolution.

(b) Other Disclosures:  
Not Applicable.

The special resolution as set out against item no. 6 was approved by the Nomination & Remuneration Committee and the Board at their respective meetings held on May 30, 2018.

**ITEM NO. 5**

Mr. Bharat Jain was appointed as the Whole-Time Director of the Company in the year 2010 and reappointed in the year 2015.

In terms of Schedule V of the Companies Act, 2013, payment of remuneration to a managerial person during the financial year when the Company has inadequate profits in excess of the limits specified in the said Schedule requires the approvals of the Nomination and Remuneration Committee, the Board of Directors and shareholders.

Considering the role and the important contributions made by Mr. Bharat Jain over the last ten years for the growth of the Company and also taking into account similar sized industries in

India, the Nomination and Remuneration Committee and the Board of Directors unanimously approved payment of minimum remuneration as Rs.1,50,000/- per month (the said minimum remuneration) for a period of three years from 17-02-2018 to 16-02-2021 as detailed in the resolution.

The terms of remuneration contained in the resolution may also be treated as an Abstract/compliance under Section 196,197, 203 of the Companies Act, 2013.

Nature of concern/interest: - (as per Section 102 of the Companies Act, 2013)

<b>PERSON</b>	<b>NATURE OF INTEREST IN THE TRANSACTIONS</b>
Directors	Not interested
Key Managerial Personnel	Not interested
Relatives of Directors/Key Managerial Personnel	None

Statement containing required information as per the Schedule V (Part II) of the Companies Act, 2013 for Item No.5.

**1. GENERAL INFORMATION:**

(i) Nature of Industry

Construction: The Company is engaged in the Business of Construction and Providing Infrastructure Facility

(ii) Date of commencement

March 6, 1992

(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not applicable

(iv) Financial performance based on given indicators (Rs. In lakhs)

Particulars	2013-14	2015-16	2016-17
Total Revenue	7341.986	8364.860	5505.366
Profit/Loss before tax	158.047	(792.546)	158.047
Profit /Loss after tax	128.855	(521.632)	109.960
Networth	16714.26	16192.63	16302.75
Dividend on Equity %	Nil	Nil	Nil

(v) Foreign investments or collaborators, if any:

Not Applicable.

## II. INFORMATION ABOUT THE APPOINTEE:

(a) Background Details

Mr. Bharat Jain, 39 is an undergraduate and associated with the Company for the past 12 years.

(b) Past Remuneration

Mr. Kamal Lunawath was paid Rs. 18 Lakhs as annual remuneration for the financial years 2015-16 and 2016-17 respectively.

(c) Recognition or Awards

Nil.

(d) Job Profile and his Suitability

Mr. Bharat Jain specializes in Project execution. He posses 16 years of experience in execution of Township Project, large residential complex and industrial. He was appointed as Whole-Time Director and remuneration approved for a period of 3 years with effect from 16.02.2015. The terms of appointment was approved by the shareholders atthe Annual General Meeting held on 30.06.2015. The tenure of his remuneration expired on 17th February, 2018.

During his tenure he has performed in various areas including project execution, liaison with authorities etc.

(e) Remuneration Proposed:

The remuneration proposed is detailed in the resolution.

(f) Comparative remuneration Profile with respect to Industry, size of the Company, profile of the position and person

The proposed remuneration is much below the prevailing remuneration in the industry of similar size for similarly placed persons

(g) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personal, if any..

Mr. Bharat Jain has no pecuniary relationship directly or indirectly with the Company or its managerial personnel other than his remuneration & certain other related party transactions which are disclosed elsewhere in this report in the capacity of a Whole-Time Director. As on date he holds 16300 shares held by him in the Company in his personal capacity.



**III. DISCLOSURES:**

(a) The shareholders of the Company shall be informed of the remuneration package of the managerial person:

Details furnished in the resolution.

(b) Other Disclosures:

Not Applicable.

The special resolution as set out against item no. 5 was approved by the Nomination & Remuneration Committee and the Board at their respective meetings held on May 30, 2018.

**ITEM 6:**

As per the provisions of Section 42 of the Companies Act, 2013 and the rules thereunder ("the Act"), a Company offering or making an invitation to subscribe to securities on a private placement basis is required to obtain the prior approval of the members of the Company by way of Special Resolution.

The Company proposes to invest in purchase of land for development from prospective sellers and on development of few properties in Chennai, inter alia, for the strategic business expansion in future and for general corporate purposes, the Board proposes to issue not more than 30000 (Thirty Thousand only) rated, unlisted, secured, redeemable, nonconvertible debentures of the face value Rs. 100,000 (Rupees One Lakh only) each for cash at par in the aggregate principal amount of Rs. 3,000,000,000 (Rupees Three Hundred Crores only) ("Debentures") in one or more series/tranches at a rate of the instrument and tenor as determined by the Board from time to time upto the limits mentioned; as per the provisions of the Act.

Accordingly, the Board of Directors in their meeting dated May 30, 2018 approved the aforesaid issue. The basis or justification for the price (including premium, if any) at which the offer or invitation is being made is not applicable as the proposed resolution is for the issue of non-convertible debentures. The consent of the members is sought for passing the Special Resolution as set out at Item No. 6 of the Notice. This resolution is an enabling resolution and authorises the Board of Directors of the Company to offer or invite subscription for the Debentures, as may be required by the Company, from time to time for a year from the date of passing this resolution.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the members.

None of the Directors / Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested in the resolution set out at Item No. 6 of the Notice, except to the extent of their shareholding in the Company.

## DIRECTORS' REPORT

Your Directors are pleased to present the Directors' Report of your Company together with the Audited Financial Statements and the Auditors' Report for the period ended 31st March, 2018. The summarized financial results for the Financial Year are as under:

### WORKING RESULTS:

### FINANCIAL PERFORMANCE:

During the year under review, company has Revenue from operation of Rs. 3931.22 Lakhs ( Previous Year: Rs. 5473.66 Lakhs) and Other Income of Rs.1975.64 Lakhs ( Previous Year: Rs. 1786.21 Lakhs), and the Gross Profit of the Company amounted to Rs. 234.18 Lakhs (Previous Year: Profit of Rs. 247.62 Lakhs). After providing for Interest & Finance charges, and Depreciation, the Company has performed well during the year under review despite poor market conditions and without taking up any new project during the year with a Profit after Tax of is Rs. 42.788 Lakhs as compared to the previous year profit of Rs. 145.05 Lakhs).

(Rs. In Lakhs)

S. No.	Particulars	1st April 2017 to 31st March, 2018	1st April 2016 to 31st March 2017
I.	<b>Total Revenue</b>	5906.86	7259.88
II.	<b>Total Expenses</b>	5672.68	7012.26
III	<b>Profit before exceptional and extraordinary items and tax (I-II)</b>	234.18	247.62
IV	Exceptional items	-	-
V	<b>Profit before extraordinary items and tax (III -IV)</b>	234.18	(247.62)
VI	Tax expense:		
	(1) Current tax	4.90	54.306
	(2) Deferred tax	186.49	(48.26)
VII	Profit (Loss) for the period from continuing operations	42.788	145.05
VIII	Transfer to Capital Redemption Reserve	-	-
IX	Profit (Loss) for the period (VII- VIII)	42.788	145.05

### DIVIDEND

Your directors do not declare any Dividend for the financial year ended, 31st March 2018 due to inadequate profit and to Conserve reserves.

## DEPOSITS

During the year under review, the company didn't raise funds by way of fixed deposits from Public.

### Subsidiaries & Joint Ventures /Associates

There are six subsidiaries and one joint ventures of your Company as on 31st March, 2018. M/s Arihant Griha Limited, Vaikunt Housing Limited, Varenya Constructions Limited and Transparent Heights Real Estate Limited are the wholly-owned subsidiaries and M/s. Escapade Real Estate Private Limited with 66.67 % stake and M/s. North Town Estates Private Limited with 65% stake. M/s. Arihant Unitech Realty Projects Limited is Joint Venture entity of your Company. Your Company does not have any material non-listed Indian Subsidiary Company. No Company ceases to be Subsidiary and M/s. North Town Estates Private

Ltd has become Subsidiary during the year under review. Details of financial statements of subsidiaries are given in AoC-1 as **Annexure 1**.

### Performance, Plans and Prospects of your Company

#### Your Company's current year Projects:

In continuation to previous years' project executions, during the year under review, the Company has executed and handed over three (3) residential projects and one(1)Commercial project covering an area of 4.40 Lakh square feet. The Company's Project managers are guided by policy and principle in the successful implementation and completion of various projects. The Completion certificates for all the following projects have been obtained and the Company is in the process of handing over of these projects during the year 2017-18

## ONGOING PROJECTS

Project name	Location	Area (Sqft)
<b>Arihant - `esta</b> (Residential Complex)	Mugappair, Chennai	1,94,145
<b>Arihant Tiara</b> (Residential Complex)	Nandambakkam, Chennai	1,48,020
<b>Aira</b> (Residential Complex)	Egmore, Chennai	13,000
<b>The Verge</b> (Commercial complex)	OMR, Chennai	85,000
	<b>TOTAL</b>	<b>440,165</b>

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments made during the year are given in the notes to the Financial Statements.

### DIRECTORS:

The Composition of Directors the Company is in compliance with Section 149 of the Companies Act and Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015.

### A) CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

There were no changes in the key managerial personnel during the year under review.

**B) DECLARATION BY INDEPENDENT DIRECTORS**

A declaration by the Independent Directors that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 was taken on record by the Board in their meeting held on February 14, 2018. The terms and conditions of appointment of the Independent Directors are placed on the website of the Company <http://www.arihantfoundations.com/investors-details/code-of-conduct/>

The Company has also disclosed the Directors' familiarization programme on its website <http://www.arihantfoundations.com/investors-details/code-of-conduct/>

The independent directors have met on 14.02.2018 and reviewed the performance of non-executive directors, chairman and executive directors and analyzed the flow of information to the Board. All the Independent directors were present at the meeting.

The Board also evaluated its own performance and that of its committees & Independent Directors.

**NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:**

During the year, 8 (eight) Board Meetings and 4 (four) Audit Committee Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**AUDIT COMMITTEE:**

The **Audit Committee** had a number of meetings, both formal and internal interactions with the management team in reviewing Accounts, Finances, Compliances and Risks, and in ensuring improved internal reporting, analyses and financial performances. Given the increasing complexities presented by the new Companies Act and other Laws, the Audit Committee has also focused on Compliance and Governance to meet the needs of the present and the future. When necessary, external consultants have been brought in to support the Committee and the Management team.

We are happy to report to you that governance of your Company is of a high order as a result. Further improvements are being implemented.

**Nomination and Remuneration Committee** has been active in its role as stipulated in Section 178 of the Companies Act 2013. The policy of remuneration of the Directors, KMPs and employees are stated elsewhere in the report.

**FINANCE**

All taxes and statutory dues have been paid. Payment of interest and instalments to the Financial Institutions and Banks are being made as per schedule. Your Company had not collected any Fixed Deposits during the Financial Year.

**CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the Indian Accounting Standards (IND - AS) on consolidated financial statements read with Accounting Standard IND - AS-28 on investment in associates, and on financial reporting of interest in Joint Venture, Auditors Report on the consolidated financial statements, audited consolidated Balance Sheet, Profit and Loss account and Cash flow statements are provided in the Annual Report.

**REPORT ON CORPORATE GOVERNANCE**

Your Company ensures good corporate governance by implementing and complying with the policies, standards set out by Securities and Exchange Board of India and other regulatory authorities. The requisite certificate issued by Mrs. G. Subhasree, Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance as stipulated under Regulation 34(3) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, is attached to this Report as **Annexure 2**.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN –EXCHANGE EARNINGS AND OUTGO.**

The necessary details are furnished in Notes to Financial statements no. 2

**PARTICULARS OF EMPLOYEES:**

Details of employees covered under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in **Annexure 3** to this annual report. Employees at all levels have performed well.

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up by your Company to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The number of complaints filed during the year was Nil.

### **RELATED PARTY TRANSACTIONS**

All transactions entered into with Related Parties (as defined under the Companies Act, 2013) during the financial year were in the ordinary course of business and on an Arm's length pricing basis, and do not attract the provisions of Section 188 of the Companies Act, 2013 and within the ambit of Reg. 23 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website. <http://www.arihantfoundations.com/investors-details/code-of-conduct/>

Details of transactions with related parties are given in Form AOC - 2 which is attached to this report as **Annexure 4**.

### **REMUNERATION POLICY OF THE COMPANY**

The objective of the remuneration policy of the Company is to ensure that 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.

### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

### **DIRECTORS RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
- iii) the directors have taken proper and sufficient care to maintain 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.
- iv) the directors have prepared the annual accounts on a going concern basis.
- v) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- vi) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### **BUSINESS RISK MANAGEMENT**

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks. Pursuant to the requirement of Reg. 17(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted a Business Risk Management.

Committee and the details of the Committee are as under:

S. No.	Name of the member	Category
1.	Mr. Ravikant Choudhary	Chairman, Non executive, Independent
2.	Mr. A. Damodaran	Member, Non executive, Independent
3.	Mr. Bharat Jain	Member, Executive, Non Independent Director

#### **VIGIL MECHANISM / WHISTLE BLOWER MECHANISM**

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of the Policy are explained in the Corporate Governance Report and also posted on the website of the Company.

#### **CORPORATE SOCIAL RESPONSIBILITY**

Obligation to incur expenses under Corporate Social Responsibility is not applicable to your Company for the current year. A CSR committee of the Board, however has been constituted and a policy on Corporate Social Responsibility Policy has been uploaded on the Company's website <http://www.arihantfoundations.com/investors-details/code-of-conduct/>

#### **STATEMENT PURSUANT TO LISTING AGREEMENT**

Your Company's shares are listed with the National Stock Exchange of India Ltd and the BSE Ltd. We have paid the respective annual listing fees and there are no arrears.

#### **REPORT ON CORPORATE GOVERNANCE**

A Report on Corporate governance is annexed herewith as **Annexure 5**. An extract of Annual Return is attached as **Annexure 6**.

#### **AUDITORS**

The Company has appointed S. Ramachandra Rao & Associates, Chennai (Firm Regn. No. 007735S) in the 24th Annual General Meeting held on 30th May, 2018 for a period of 5 years from the ensuing 25th annual general meeting until the conclusion of the Twenty ninth annual general meeting of the Company on such

remuneration as may be fixed by the Board of Directors subject to ratification by the members every year. The ratification of the auditors is proposed during the current year. The Auditors have confirmed their eligibility to the effect that their appointment, would be within the prescribed limits under the Act and that they are not disqualified for appointment.

#### **INTERNAL AUDITORS**

The Internal Auditors M/s. Ernst & Young LLP have played an important role in strengthening the Systems and internal Controls within the Company.

#### **SECRETARIAL AUDIT**

The Board appointed Mrs. G. Subhasree, Practising Company Secretary, Chennai to conduct Secretarial Audit for the Financial Year 2017-18. The Secretarial Audit Report for the Financial Year ended March 31, 2018 is attached to this Report as **Annexure 7**.

#### **PARTICULARS PURSUANT TO SECTION 197(12) AND THE RELEVANT RULES OF THE COMPANIES ACT, 2013:**

- a) The ratio of the remuneration of each Director to the median employee's remuneration for the financial year and such other details as prescribed is as given below:

S. No.	Name of the Director	Ratio
1.	Mr. Kamal Lunawath	5.3316
2.	Mr. Vimal Lunawath	5.3316
3.	Mr. Bharat Jain	7.9974

- b) The median remuneration for the period from April 2017 to March 2018 - Rs. 2250741/-
- c) The percentage increase in remuneration of the Managing Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year:

Mr. Kamal Lunawath – (Managing Director) : **N.A.**  
Mr. Vimal Lunawath – (Chief Financial Officer) : **N.A.**  
Mrs. J. Meenakshi – (Company Secretary) : **N.A.**

- d) The percentage increase in the median remuneration of employees in the financial year: Nil
- e) The number of permanent employees on the rolls of company: 53

- f) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:

Increase in remuneration is based on remuneration policy of the Company.

- g) If remuneration is as per the remuneration policy of the company: Yes

#### PERSONNEL

The Board wishes to place on record its appreciation of all employees of the Company, for their wholehearted efforts and contribution to the performance and growth of the Company.

#### ACKNOWLEDGEMENTS

Your Directors place on record their gratitude for the support and co-operation received from CMDA, Corporation of Chennai, Banks and Financial

Institutions, Customers, Suppliers and Shareholders and for their continued support. The Board also wish to place its sincere appreciation to the dedicated and committed team of employees.

#### Annexure to Directors' Report:

Board of Directors' explanation for the observations made in the Secretarial Audit report.

Refer observations in the Secretarial Auditors Report regarding non-filing of Form MGT-14 for certain resolutions, we hereby explain that the delay in filing the forms were inadvertent and the Company is in the process of filing the said Forms MGT-14 along with additional fee and condonation fees as may be applicable.

For and on behalf of the Board of Directors  
**ARIHANT FOUNDATIONS & HOUSING LIMITED**  
 Sd/- Sd/-  
**(KAMAL LUNAWATH) (VIMAL LUNAWATH)**  
**Managing Director Whole time Director**  
 DIN: 00087324 DIN: 00586269

Place: Chennai  
 Date: 30.05.2018

### Form AOC-1- ANNEXURE -1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in INR)

Sl. No.	Particulars	Details					
		Arihant Griha Ltd	Varenya Constructions Ltd	Vaikunt Housing Ltd	Transparent Heights Real Estate Ltd	Escapade Real Estate Private Ltd	North Town Estates Private Limited
1.	<b>Name of the subsidiary</b>						
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	<b>31.03.2018</b>	<b>31.03.2018</b>	<b>31.03.2018</b>	<b>31.03.2018</b>	<b>31.03.2018</b>	<b>31.03.2018</b>
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR	INR	INR

4.	Share capital	500,000	500,000	500,000	500,000	16,500,000	500,000
5.	Reserves & surplus	458,139	-9,891,295	1,216,049	-2,756,175	156,030,500	-666,964,140
6.	Total assets	5,69,24,222	323,430,160	12,867,476	5,432,694	590,728,238	2,365,756,474.45
7.	Total Liabilities	5,59,66,084	332,821,455	11,151,427	7,688,869	417,612,532	3,032,220,614
8.	Investments	Nil	Nil	Nil	Nil	Nil	Nil
9.	Turnover	49,10,083	180,232,591	400,765	779,323	93,087,655	585,565,748
10.	Profit before taxation	-138,678	-34,976,769	-634,551	-421,385	40,848,959	-134,803,121
11.	Provision for taxation	0	0	0	0	3,778,399	0
12.	Profit after taxation	-138,678	-34,976,769	- 634,551	-421,385	37,070,560	134,803,121
13.	Proposed Dividend	0	0	0	0	0	0
14.	% of shareholding	100	100	100	100	66.67	65

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations NIL
- Names of subsidiaries which have been liquidated or sold during the year. NIL

### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	Arihant Unitech Realty Projects Limited (Joint Venture)
1. Latest audited Balance Sheet Date	31.03.2018
2. Shares of Associate/Joint Ventures held by the company on the year end	
No. of shares	5,00,000
Amount of Investment in Associates/Joint Venture	
Extend of Holding%	50%
3. Description of how there is significant influence	Control of 50%
4. Reason why the associate/joint venture is not consolidated	NA
5. Net worth attributable to shareholding as per latest audited Balance Sheet	24,86,90,245



6. Profit/Loss for the year	
i. Considered in Consolidation	-4,78,248
ii. Not Considered in Consolidation	-

- Names of associates or joint ventures which are yet to commence operations. NIL
- Names of associates or joint ventures which have been liquidated or sold during the year. NIL

For and on behalf of the Board of Directors For

**ARIHANT FOUNDATIONS & HOUSING LIMITED**

sd/-  
**Kamal Lunawath**  
Managing Director  
DIN :00087324

sd/-  
**Vimal Lunawath**  
Whole Time Director  
DIN : 00586269

**M/s. Ramachandra Rao & Associates.,**  
**Chartered Accountants, FRN: 007735S**

sd/-  
**Ramachandra Rao**  
Partner  
M.NO : 206003

PLACE : CHENNAI

DATE : 30.05.2018

## ANNEXURE 2

### REPORT ON CORPORATE GOVERNANCE

(as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

#### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company has always focused on the highest levels of fairness, transparency, accountability, ethics and values in all facets of its operations and always adhered to the law in force in the Country. Your Company ensures timely and accurate disclosure on all material matters including the financial situation, performance and regulatory

requirements. At Arihant, we constantly promote and enhance the customers' satisfaction and to stakeholders' legitimate interests.

At Arihant, we believe that delivering on promises through a foundation of honesty, built on transparency, finished with integrity is essential for achieving long-term corporate goals of the Company and for meeting the needs and aspirations of its stakeholders, including shareholder.

#### 2. BOARD OF DIRECTORS

##### (I) COMPOSITION OF BOARD

The Board of Directors of Arihant Foundations & Housing Limited constituted three Executive Directors and five

The breakup of the total composition of the Board as on 31.03.2018 is as follows:

Sl. No.	Name of the Directors	Designation	Executive/ Non- executive/ Independent
1.	Mr. Kamal Lunawath*	Managing Director	Executive
2.	Mr. Vimal Lunawath*	Whole time Director & Chief Financial Officer	Executive
3.	Mr. Bharat M Jain	Whole time Director	Executive
4.	Mr. A L Jayabhanu	Director	Non- Executive
5.	Sri. A. Damodaran	Director	Non-Executive & Independent
6.	Mr. Ravikant M Choudhary	Director	Non-Executive & Independent
7.	Mr. Karan Bhasin	Director	Non-Executive & Independent
8.	Mrs. Ann Amelia Gonsalvez	Director	Non-Executive & Independent

\* Represents Promoter Group;

**(II) ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST AGM AND DETAILS OF OTHER DIRECTORSHIPS AS ON 31.03.2018.**

Sl. No.	Name of the Directors	Attendance at		No. of Directorship held in other Public Limited Companies	Board Sub-Committees including in ARIHANT (Audit Committee and Stakeholders Relationship Committee)	
		No. of Board Meetings Attended	Whether Attended last A.G.M		Membership	Chairmanship
1.	Kamal Lunawath	8	Yes	4	1	--
2.	Vimal Lunawath	8	Yes	4	--	--
3.	Col. A.L Jayabhenu	1	No	--	--	--
4.	A .Damodaran	4	No	1	3	2
5.	Bharat Jain	6	Yes	--	--	--
6.	Ann Gonsalvez	5	Yes	--	2	--
7.	Ravikant Choudhary	4	No	1	3	1
8.	Karan Bhasin	1	No	-	-	-

**(III) NUMBER OF BOARD MEETINGS HELD, DATES ON WHICH HELD**

During the Financial Year 2017 to 2018(from 01.04.2017 to 31.03.2018), 8 (Eight) Board meetings were held on 24.04.2017, 02.05.2017, 30.05.2017, 14.09.2017, 29.11.2017, 14.12.2017, 19.01.2018, 14.02.2018.

**(IV) REMUNERATION OF DIRECTORS**

The remuneration paid to the Managing Director/ Whole-time Directors is within the ceiling as per the resolution approved by the shareholders/prescribed under the Schedule V to the Companies Act, 2013 and their terms of appointment are displayed at the company's website <http://www.arihantfoundations.com/investors-details/code-of-conduct/>

Details of remuneration paid to the Managing Director/ Whole-time Directors during the year ended 31.03.2018 are:

Name	Position	Salary Rs. (Annual)	Commission Rs.	Contribution to P.F. and other Fund Rs.	Perquisites Rs.	Incentives & Bonus In Rs.
Kamal Lunawath	Managing Director	12,00,000	Nil	Nil	Nil	Nil
Vimal Lunawath	Whole Time Director	12,00,000	Nil	Nil	Nil	Nil
Bharat Jain	Whole Time Director	18,00,000	Nil	Nil	Nil	Nil

Sitting fees is payable to the Non-Executive Directors for attending Board / eligible Committee meetings.

The sitting fees paid to the Non-Executive Directors are as under:

Name of the Director	Sitting Fees Paid (Rs.)
Col. A.L Jayabhanu	2000
A .Damodaran	28000
Ann Gonsalvez	30000
Ravikant Choudhary	28000
Karan Bhasin	2000

**(V) Details of Shares held by Non-Executive Directors:**

Name of the Director	Number of Shares held
Col. A.L Jayabhanu	Nil
A .Damodaran	Nil
Ann Gonsalvez	Nil
Ravikant Choudhary	5,111
Karan Bhasin	Nil

No remuneration was paid to Non – executive and Independent Directors except sitting fees.

Notes: (i) There are no stock options and severance fees.

(ii) No Notice period is specified for Directors' resignation/termination

**3. AUDIT COMMITTEE**

**(I) Composition:**

The Audit Committee composition under provisions of section 177 of the Act and as required under Reg. 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is depicted below:

Mr. Ravikant Choudhary,  
Chairman of the Committee –I & NE

Mr. A Damodaran, Member of the Committee- I & NE

Mr. Kamal Lunawath, Managing Director,  
Member of the Committee NI &E

Ms. Meenakshi is the Secretary of the Committee.

Note: I- Independent, NE- Non Executive, E- Executive

**(II) No. of meetings and attendance:**

There were four (4) meetings held during the year 2017-18 (from 01.04.2017 to 31.03.2018) on 30.05.2017, 14.09.2017, 14.12.2017, 14.02.2018. All four meetings were attended by the members.

**(III) Brief description of terms of reference:**

The Audit committee acts in accordance with the duties specified under section 177(4) of the Act and as required under Reg. 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**4. NOMINATION AND REMUNERATION COMMITTEE**

The Nomination & Remuneration Committee consists of Mr. A. Damodaran, Independent Director being the Chairman, Mr. Ravikant Choudhary, Independent Director and Mrs. Ann Amelia Gonsalvez, Independent Director. The Company Secretary of the Company Ms. Meenakshi acts as the Secretary to the Committee.

The Committee is formed in accordance with Section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee has coined a Remuneration Policy as under Reg. 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the purpose of determining the Remuneration to the Directors.

During the financial year 2017-18 ( from 01.04.2017 to 31.03.2018 ), 1 ( One ) meetings of Nomination and Remuneration Committee were held on 14.02.2018. The said meetings were attended by all the members.

**5. STAKEHOLDER GRIEVANCE COMMITTEE/ STAKEHOLDER RELATIONSHIP COMMITTEE:**

The Stakeholder Grievance committee comprises of Mr. A. Damodaran, Independent Director Chairman of the Committee, Mr. Ravikant Choudhary, Independent Director and Mrs. Ann Gonsalvez, Independent Director. The Company Secretary of the Company Ms. Meenakshi acts as the Secretary to the Committee.

The Committee is formed in accordance with Section 178 of the Companies Act, 2013 to consider and resolve the grievances of security holders of the company.

During the financial year 2017-18 (from 01.04.2017 to 31.03.2018), four (4) meetings of Share transfer and Shareholders/Investors Grievance Committee were held on 30.05.2017, 14.09.2017, 14.12.2017, 14.02.2018. The said meetings were attended by all the members.

- a) Ms. Meenakshi, Company Secretary is the Compliance Officer.
- b) No. of shareholders' complaints received during the period 01.04.2017 to 31.03.2018 Nil
- c) No. of complaints not solved to the satisfaction of the Shareholders Nil
- d) No. of pending complaints as on 31.03.2018 Nil

#### 6. FAMILIARIZATION PROGRAMMES FOR DIRECTORS

A familiarization program is made available to Directors through various reports, codes and internal policies with a view to update them on the company's policies and procedures on a regular basis. The details of the familiarization program carried out for the financial year 2017 - 18 have been hosted in the <http://www.arihantfoundations.com/investors-details/code-of-conduct/>

**7. POLICY ON MATERIAL SUBSIDIARY** The details of the policy have been disclosed on the company's website <http://www.arihantfoundations.com/investors-details/code-of-conduct/>

#### 8. POLICY ON RELATED PARTY TRANSACTIONS & POLICY ON DETERMINATION OF MATERIALITY OF AN EVENT

The policies have been disclosed on the company's website <http://www.arihantfoundations.com/investors-details/code-of-conduct/>

#### 9. POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration. This Policy is accordingly derived from the said Charter. <http://www.arihantfoundations.com/investors-details/code-of-conduct/>

#### 10. VIGIL MECHANISM / WHISTLE BLOWER MECHANISM

Employees are asked to report any practices or actions believed to be inappropriate and against the interests of the Company or its code of conduct adopted or any other illegal acts to their immediate Manager. Report of violation may also be made directly to the Chief Executive Officer. Where appropriate, complaints may be made on a confidential basis to the Chairman of the

Audit Committee / Board. The contact details are made available at the Company's website / Notice Board. All complaints received will be properly investigated by the recipients and report the outcome to the Audit Committee in sealed cover for appropriate action. The Company prohibits retaliation against any employee for such complaints made in good faith, while it also protects the rights of the incriminated person. No complaint has been registered during 2017-18. No personnel have been denied access to the Committee/Mechanism. The policy of the Company can be found at the weblink <http://www.arihantfoundations.com/investors-details/code-of-conduct/>

#### 11. GENERAL BODY MEETINGS

- a) Location and time where last three Annual General Meeting (AGMs) were held:

A.G.M	Date	Time	Venue
22st AGM	30.06.2015	9.30 A.M	Arihant Escapade Devaraj Nagar 48, Okkium Thoraipakkam, Chennai- 600097
23nd AGM	30.09.2016	9.30 A.M	Arihant Escapade Devaraj Nagar 48, Okkium Thoraipakkam, Chennai- 600097
24th AGM	22.09.2017	9.30 A.M	"Arihant Tiara", Plot No. 2B, TCNS Garden, Nandambakkam, Chennai- 600089

- b) Whether any special resolutions passed in the previous 3 AGMs : Yes
- c) Whether any special resolutions passed last year through postal ballot : No
- d) No resolution is proposed to be conducted through postal ballot

#### 12. DISCLOSURES

- a) The Company's internal Audit is done by a firm of Chartered Accountants. The reports submitted by

the Internal Auditors on the operations and financial transactions and the Action Taken Report on the same are placed before the Audit Committee, apart from the Statutory Auditors and the Senior Management of the Company. The Board has the policy of reviewing the non compliance reported, if any.

b) During the year, the material significant transactions with the Directors or their relatives or the other related parties did not have any potential conflict with the interests of the Company. All details relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board, and the interested Directors neither participate in the discussion ,nor do they vote on such matters.

c) There were no instances of material non compliance and no penalties or strictures on the Company imposed by Stock Exchanges, SEBI or statutory authorities on any matter related to Capital Market during last three years / period.

d) The Company has devised Whistle Blower mechanism and the same is available in the Company's website. It is hereby affirmed that, that no personnel has been denied access to the audit committee.

### 13 . MEANS OF COMMUNICATION

The Company has promptly reported all material information including quarterly results and press releases to the Stock Exchanges where the Company's securities are listed. The quarterly results were communicated to the shareholders by way of advertisement in an English National Newspaper, normally in The Business Standard or The MINT and in a vernacular language newspaper, normally in the Maalai sudar, Tamil edition. The results and other updates are displayed on the company's website <http://www.arihantfoundations.com>

### 14. CODE OF CONDUCT:

The Company has laid down the Code of Conduct for all Board members and senior management of the Company, which is available on the Company's Website <http://www.arihantfoundations.com/investors-details/code-of-conduct/>

All Board members and Senior Management of the Company have affirmed compliance with their Code of Conduct for the financial year ended March 31, 2018. The Managing Director has also confirmed and certified the same. The certification is annexed as Annexure 1- CG at the end of this Report.

### 15. RISK MANAGEMENT:

The Company has well laid down procedures to inform Board members about the risk assessment and adopted suitable forex policy including hedging to contain foreign exchange risk.

### 16. CEO /CFO CERTIFICATION:

Appropriate certification as required under Reg. 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Kamal Lunawath, Managing Director and Mr. Vimal Lunawath, Chief Financial Officer have certified to the Board regarding Financial Statements for the year ended 31st March, 2018 which is attached as Annexure 2 to CG.

### 17. DETAILS OF TRANSFER OF UNPAID DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Financial Year	Date of declaration of dividend	Unpaid dividend Amount as on 31.03.2018	Due date for transfer to IEPF
2010-11	30-03-2012	65,606.00	28-04-2019

### 18. AFFIRMATION:

The provisions of Reg. 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Reg. 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, wherever applicable to the company, are fully complied with. All the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are disclosed in this report.

Further the company adopted the following discretionary requirements under Reg. 27(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

#### A. The Board

No separate office is maintained by the present Chairman - cum - Managing Director.

#### B. Shareholder Rights

The company has not circulated a half-yearly declaration of financial performance/summary of significant events in the last six-months.

#### C. Modified opinion(s) in audit report

Not applicable since there is no qualification in the audit reports.

**D. Separate Posts of Chairperson and Chief Executive Officer**

Separate persons occupied the position of Chairperson and Managing Director during the financial year.

**E. Reporting of internal auditor**

The Internal Auditors directly report to the Audit Committee

vii. Registrar & Share Transfer Agent

Cameo Corporate Services Ltd  
"Subramanian Building",  
No. 1 Club House Road  
Chennai 600 002

viii. Compliance Officer

Mrs. Meenakshi Jayaraman,  
Company Secretary  
Arihant Foundations & Housing Ltd  
No. 3 Ganapathy Colony, 3rd Street,  
Teynampet, Chennai- 600 018.

ix. Share Transfer System

:The Company's shares are traded in the Stock Exchanges which are compulsorily in demat mode. Shares sent for physical transfer are registered promptly within 15 days from the date of receipt of completed and validly executed documents

x. Dematerialisation of Shares and liquidity:

The dematerialisation facility exists with both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the convenience of shareholders. As on 31.03.2018, 69,24,020 shares have been dematerialised, representing 80.51% of the Subscribed capital. The Company's shares are actively traded shares on BSE & NSE

xi. Plant Location

Since the nature of business of the Company is construction the Company has site and projects at various places in urban and sub-urban areas

**19. GENERAL SHAREHOLDER INFORMATION**

**i. Number of Annual**

General Meeting : 25th Annual General Meeting  
Date & Time : 28.09.2018, 9.00 a.m  
Venue : "Arihant THE VERGE", No.282, Old Mahabalipuram Road (Rajiv Gandhi Salai), Kandhanchavadi, Chennai-600 096

ii. Financial Calendar : April 2017 to March 2018

iii. Book Closure date : 22.09.2018 to 28.09.2018 (both the days inclusive)

**iv. Listing on Stock**

Exchanges : Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai-400001  
Website:- www.bseindia.com

National Stock exchange of India Limited, Exchange Plaza,  
Bandra Kurla Complex  
Bandra (E), Mumbai- 400051  
Website: www.nseindia.com

**v. Listing Fees**

Paid as per the Listing agreement

**vi. Stock code/ Symbol**

531381  
BSE Limited arihant found  
NSE India Ltd ARIHANT

ISIN for dematerialised shares : iNE413D01011

**xii. Stock market price data for the year 2017-2018:**

The details of month wise high/low price of the company's share in the Stock Exchanges, where it is listed, along with the comparable indices of the Stock Exchanges for the financial year are tabled below:

Month	Bombay Stock Exchange Ltd				National Stock Exchange Ltd			
	Share Price (INR)		Sensex Points		Share Price (INR)		CNX Nifty Points	
	High	Low	High	Low	High	Low	High	Low
April 2017	61.65	45.30	31255.28	24523.2	61.4	45.7	9367.15	9075.15
May 2017	64.70	57.60	31522.87	25057.93	64.75	54.25	9649.6	9263.9
June 2017	61.80	51.25	32672.66	25911.33	60.5	52	9790.3	9448.75
July 2017	56.95	50.35	32686.48	27034.14	59.3	49.6	10114.85	9543.55
August 2017	52.50	45.00	32524.11	27627.97	52.6	45	10137.85	9685.55
September 2017	49.60	41.25	33340.17	27716.78	50.25	40.55	10178.95	9687.55

October 2017	50.85	40.85	33865.95	27488.3	49.65	41.25	10384.5	9831.05
November 2017	46.80	39.05	34137.97	25717.93	47	38	10490.45	10094
December 2017	56.45	43.60	36443.98	25753.74	56	43.35	10552.4	10033.35
January 2018	61.90	52.15	36256.83	26447.06	62	51	11171.55	10404.65
February 2018	55.6	41.65	34278.63	27590.1	53.95	44.05	11117.35	10276.3
March 2018	47.9	45	34278.63	32483.84	47.25	38	10525.5	9951.9

**xiii . Distribution of Shareholding as on 31.03.2018**

Range of Shares	No. of Shareholders		Amount of Shares	
	Number	Percentage	Amount (Rs.)	Percentage
10 to 5000	1770	82.0203	1787600	2.0786
5001 to 10000	99	4.5875	806760	0.9380
10001 to 20000	80	3.7071	1225000	1.4244
20001 to 30000	55	2.5486	1390090	1.6163
30001 to 40000	25	1.1584	884100	1.0280
40001 to 50000	20	0.9267	967760	1.1253
50001 to 100000	46	2.1316	3738560	4.3471
100001 and above	63	2.9193	75200130	87.4420
<b>Total</b>	<b>2158</b>	<b>100.0000</b>	<b>86000000</b>	<b>100.0000</b>

**xiv. Shareholding pattern as on 31.03.2018.**

Sl. No.	Category	No. of Shares	% of Paid up Capital
1.	Indian Promoter's (including Person acting in concert).	3686700	42.87
2.	Bodies Corporate	1300981	15.13
3.	FPI's	988856	11.50
4	Others	2623463	30.50
	<b>TOTAL</b>	<b>86,00,000</b>	<b>100.00</b>

**xv. Reconciliation of Share Capital Audit Report**

As stipulated by the Securities and Exchange Board of India, a qualified Practicing Company Secretary carries out the share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The audit, inter alia, confirms that the total listed and paid up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL, CDSL and total number of shares in physical form.

**xvi. Outstanding GDR s / ADR s/ warrants or any convertible instruments, conversion date and likely impact on equity.** Nil

**xvii. Address for correspondence**

For matters relating to Company's shares:

Cameo Corporate Services Limited.  
Subramanian Building, No.1, Club House Road,  
Anna Salai, Chennai-2. Ph: 40020726

For other matters:  
Registered & Corporate  
office: New No.3 (Old No.25), Ganapathy Colony,  
3rd Street Off. Cenotaph Road,  
Teynampet, Chennai- 600018  
Email: investors@arihants.co.in

**ANNEXURE 1 to CG  
DECLARATION BY THE CEO UNDER REGULATION  
34(3) OF THE SEBI (LISTING OBLIGATIONS AND  
DISCLOSURE REQUIREMENTS) REGULATIONS,  
2015 REGARDING ADHERENCE TO THE CODE OF  
CONDUCT**

In accordance with Reg. 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and the Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct for the Financial Year ended March 31, 2018.

**For Arihant Foundations & Housing Limited**

sd/-  
Kamal Lunawath  
Date: 30.05.2018 Managing Director  
Place: Chennai DIN: 00087324

**ANNEXURE 2 to CG**

**DECLARATION BY THE CEO UNDER REGULATION  
17(8) OF THE SEBI (LISTING OBLIGATIONS AND  
DISCLOSURE REQUIREMENTS) REGULATIONS,  
2015 BY MD/CFO REGARDING COMPLIANCE WITH  
CORPORATE GOVERNANCE REQUIREMENTS.**

**CERTIFICATION BY MANAGING DIRECTOR AND  
CHIEF FINANCIAL OFFICER TO THE BOARD**

We, Managing Director (Kamal Lunawath) and (Vimal Lunawath) Chief Financial Officer of ARIHANT FOUNDATIONS & HOUSING LIMITED, certify that:

- A. We have reviewed the financial statements and the cash flow statement for the period ended 31.03.2018 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing Generally Accepted Accounting Principles including Accounting Standards, applicable laws and regulations.

- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors, and reports significant issues to the Audit Committee of the Board. The Statutory Auditors and Audit Committee are apprised of any corrective action taken or proposed to be taken with regard to significant deficiencies and material weaknesses.
- D. We have indicated to the Auditors, the Audit Committee and to the Practising Company Secretary:
  - (1) that there are no significant changes in internal control over financial reporting during the year;
  - (2) that there are no significant changes in accounting policies during the year;
  - (3) that there are no instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board of Directors  
**ARIHANT FOUNDATIONS & HOUSING LIMITED**

sd/- (KAMAL LUNAWATH) sd/- (VIMAL LUNAWATH)  
Managing Director Whole time Director  
DIN: 00087324 DIN: 00586269

Place: Chennai  
Date: 30.05.2018

**Annexure – 3 to CG  
MANAGEMENT DISCUSSION AND ANALYSIS  
REPORT**

**Economic Review**

An overview of the overall economic performance of India in the year 2017 - 18 shows that even after registering GDP growth of over 7 per cent for the third year in succession in 2016-17, the Indian economy is headed for somewhat slower growth, estimated to be



first Advance Estimates released by CSO. This is slightly lower than the range of 6.5 per cent to 6.75 per cent being currently projected based on recent developments. Even with this lower growth for 2017-18, GDP growth has averaged 7.3 per cent for the period from 2014-15 to 2017-18, which is the highest among the major economies of the world. That this growth has been achieved in a milieu of lower inflation, improved current account balance and notable reduction in the fiscal deficit to GDP ratio makes it all the more creditable. In addition to the introduction of GST, the year also witnessed significant steps being undertaken towards resolution of problems associated with non-performing assets of the banks, further liberalization of FDI, etc., thus strengthening the momentum of reforms.

### Real Estate Overview

The real estate sector is one of the most globally recognized sectors. In India, real estate is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade. The real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

It is also expected that this sector will incur more non-resident Indian (NRI) investments in both the short term and the long term. Bengaluru is expected to be the most favoured property investment destination for NRIs, followed by Ahmedabad, Pune, Chennai, Goa, Delhi and Dehradun.

### Opportunities

As compared to last year, the Indian real estate sector has witnessed high growth in recent times with the rise in demand for office as well as residential spaces. Private equity investments in real estate are estimated to grow by 2026 with tier 1 and 2 cities being the prime beneficiaries.

The Securities and Exchange Board of India (SEBI) has given its approval for the Real Estate Investment Trust (REIT) platform which will help in allowing all kinds of investors to invest in the Indian real estate market. It would create an opportunity in the Indian market over the years. Responding to an increasingly well-informed consumer base and, bearing in mind the aspect of globalisation, Indian real estate developers have shifted gears and accepted fresh challenges. One of our projects "The

Verge" is a commercial project creating a space for Entrepreneurs.

### Threats and Challenges

#### Interest rates and the economy:

As interest rates rise, commercial and residential real estate markets are seeing several changes, such as decreasing demand for commercial property and higher home mortgage rates. Rate increases are making homes less affordable and are also limiting the value appreciation for commercial real estate. "Lack of wage growth for all but the wealthiest population segment is dampening housing demand, and limiting consumer spending that the economy needs for growth," the Counselors of Real Estate's report notes.

#### Regulatory Hurdles

#### Politics and political uncertainty:

Tax reform and policies aimed at balancing trade with other countries will have an impact on jobs, incomes, and both commercial and residential property, according to the report. "Congressional action to relax certain bank lending and asset management regulations was also among developing trends that may improve access to capital," the Counselors of Real Estate's report notes.

#### Future Outlook

As far as the real estate's outlook for the year 2019 is concerned, Indian real estate is going through a major transformation in the recent years. Some of the big decisions and new policies of the Indian Government have affected the real estate sector in big way, albeit in positive or negative manner. Few of the policy changes introduced by the government, such as demonetization, RERA, and REITs in 2016, followed by GST and FDI in 2017, have made huge impacts on Indian real estate sector. Apart from this, there are various other reforms anticipated by the experts in Indian economy, which may come into force in the coming time. However, the new legislation and trends that have come up in the real estate market have the power to reshape the Indian real estate sector for a long term and year 2018 can be a starting point towards the Indian real estate growth story.

#### Segment wise Performance

The Company has only one segment that is developing and promoting of residential apartments. Hence there is no requirement of segment wise reporting.

#### Risks and Concerns

The key risks and concerns of our sector is key risks i.e., Market risks, implementation risks, institutional risks and

statutory concerns. The Board has established a Risk Management Policy which formalizes the Company's approach to overview and manages business risks. The policy is implemented through identifying, assessing, monitoring and managing risks and concerns across all the projects of the Company.

#### Financial Performance

A detailed report about financial performance forms part of Directors Report to the shareholders.

#### Human resources

ARIHANT firmly believes that human resources are key enablers for the Company's growth. At Arihant, the key principle which drives the same thought process is that the vision and success of the company is closely aligned to the goals of the human resources of company. Hence, it continuously carries out a training process for the benefit and facelift of existing and new employees. By following this philosophy, the company hopes to scale up its size of activities, simultaneously with the growth of its workforce in their careers.

#### Internal Control System and their Adequacy

In order to get the best assurance of the Internal Control System the Company has appointed M/s. Ernst & Young LLP, Chartered Accounts, Major international accounting and consulting firm as the Internal Auditors of the Company. There are adequate internal financial controls in place with reference to the financial statements. During the year under review, these controls were evaluated and no significant weakness was identified either in the design or operation of the controls

#### Cautionary Statement

Statements in this Management Discussion and Analysis Report are based upon data available with the Company and on certain assumptions having regard to the economic conditions, government policies and political developments within and outside the country. The management is not in a position to guarantee the accuracy of the assumptions and the projected performance of the Company in future. It is, therefore, cautioned that the actual results may differ from those expressed or implied herein.

### ANNEXURE 3

Statement showing the name of the top ten employees in terms of remuneration drawn :

Name of the Employee	Designation	Qualification	Experience	Date of Joining	Age	Last Employment & position held	Remuneration Received
HARISH MARLECHA	Head-Marketing	B.Com	23	04.09.2007	45	--	24,00,000
BHARATH JAIN	Whole-Time Director	Indian Certificate Secondary Education	14	30.12.2005	41	--	18,00,000
VIMAL LUNAWATH	Whole-Time Director	B.Com	20	04.11.2005	44	--	12,00,000
KAMAL LUNAWATH	Managing Director	B.Com	23	04.11.2005	45	--	12,00,000
JAMES BABU L	AGM Projects	B.E. Civil	33	15.11.2006	53	Golden Homes, Senior Engineer	13,28,354
SWAROOP KRISHNA D	Manager- Finance	B.Com	12	30.04.2004	34	--	10,28,000
O P MADHAV	Head- Administration	DFT	24	01.04.1992	60	--	8,98,400
MARIAPPAN S	Project Manager	MBA	10	30.06.2011	33	Manju Foundations (P) Ltd, Marketing Executive	8,54,600

PIYUSH J BHATT	Sr Manager - Marketing	Diplomo Civil	24	01.04.1992	46	--	8,65,552
P SAKTHIBATHI	Project Manager	Diploma in civil eng., and Construction management	13	10.03.2003	38	--	8,54,600

**Annexure 4**

**AOC 2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis as all the transactions with related parties have been carried out on ordinary course and arms length, - Nil
2. Details of material contracts or arrangement or transactions at arm's length basis – NIL

For and on behalf of the Board of Directors  
ARIHANT FOUNDATIONS & HOUSING LIMITED

Sd/-  
(KAMAL LUNAWATH)  
Managing Director  
DIN: 00087324

Sd/-  
(VIMAL LUNAWATH)  
Whole time Director  
DIN: 00586269

Place: Chennai  
Date: 30.05.2018

**Annexure 5**

**CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF**

**Arihant Foundations & Housing Ltd**

1. We have examined the compliance of conditions of corporate governance by Arihant Foundations & Housing Ltd ("the company"), for the period ended on March 31, 2018, as stipulated in regulations 17 to 27

and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations").

2. The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring compliance with the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the company, in our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the directors and the management, we certify that the company has complied with the conditions of corporate governance as stipulated in as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations") for the respective periods of applicability as specified under paragraph 1 above, during the period ended March 31, 2018.
4. We state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Sd/-  
G.Subhasree  
Practising Company Secretary  
Membership No:21014  
Certificate of Practice No:13312

**ANNEXURE 6  
FORM NO. MGT. 9**

**EXTRACT OF ANNUAL RETURN  
as on the financial year ended on March 31, 2018  
[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:**

CIN	L70101TN1992PLC022299
Registration Date	06/03/1992
Name of the Company	ARIHANT FOUNDATIONS & HOUSING LIMITED
Category / Sub-Category of the Company	Indian Non-Government Company/ Company having Share Capital
Address of the Registered office and contact details	No. 3, Ganapathy Colony, 3rd Street, Off. Cenotaph road, Teynampet, Chennai- 600 018
Whether listed company Yes / No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Cameo Corporate Services Limited, V Floor, Subramanian Building, No.1, Club House Road, Anna Salai, Chennai-600002. Ph: 4002 0723.

**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
1.	Real Estate Development	681	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	Varenya Constructions Limited, New No.3(Old No.25), Ganapathy Colony, 3rd Street Off. Cenotaph Road, Teynampet Chennai TN 600018	U45209TN2006 PLC061200	Subsidiary	100%	Sec 2(87)
2.	Vaikunt Housing Limited, No.3, Ganapathy Colony, 3rd Street, Off. Cenotaph Road, Teynampet Chennai -600018	U70101TN2005 PLC056345	Subsidiary	100%	Sec 2(87)

3.	Transperent Heights Real Estate Limited, No.3, Ganapathy Colony, 3rd Street, Off. Cenotaph Road, Teynampet Chennai -600018	U70101TN2006 PLC061223	Subsidiary	100%	Sec 2(87)
4	Arihant Griha Limited, 271, Poonamallee High Road, Ankur Manor, 1st Floor, Off Mcnichols Road, Kilpauk, Chennai 600010	U45200TN2006 PLC061191	Subsidiary	100%	Sec 2(87)
5	North Town Estates Private Limited No.3, Ganapathy Colony, 3rd Street, Off. Cenotaph Road, Teynampet Chennai -600018	U74120TN2008 PTC123313	Subsidiary	65%	Section 2(6)
6	Escapade Real Estates Private Limited, No.3, Ganapathy Colony, 3rd Street, Off. Cenotaph Road, Teynampet Chennai -600018	U70101TN2007 PTC062236	Subsidiary	66.67%	Sec 2(87)
7	Arihant Unitech realty Projects Limited, No.3, Ganapathy Colony, 3rd Street, Off. Cenotaph Road, Teynampet Chennai -600018	U74899TN2005 PLC123508	Joint Venture	50%	Section 2(6)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i. Category-wise Share Holding**

CATEGORY OF SHAREHOLDERS		NUMBER OF SHARES HELD AT THE BEGINNING OF THE YEAR				NUMBER OF SHARES HELD AT THE END OF THE YEAR			
		DEMAT	PHYSICAL	TOTAL	%	DEMAT	PHYSICAL	TOTAL	%
A.	PROMOTERS								
1.	INDIAN								
a.	Individuals/Hindu undivided Family	3415700	250000	3686700	42.87	3415700	250000	3686700	42.87
b.	Central Government/ State Government(s)	0	0	0	0	0	0	0	0
c.	Financial Institutions/ Banks	0	0	0	0	0	0	0	0
d.	Any Other (specify)	0	0	0	0	0	0	0	0
	Sub-Total (A)(1)	0	0	0	0	0	0	0	0
2.	Foreign	0	0	0	0	0	0	0	0
a.	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0
b.	Government	0	0	0	0	0	0	0	0

c	Institutions	0	0	0	0	0	0	0	0
d	Foreign Portfolio Investor	0	0	0	0	0	0	0	0
e	Any Other (specify)	0	0	0	0	0	0	0	0
	Sub-Total (A)(2)	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A) (1)+(A)(2)	3415700	250000	3686700	42.87	3415700	250000	3686700	42.87
<b>B. PUBLIC SHAREHOLDING</b>									
1	INSTITUTIONS								
a	Mutual Funds/	0	0	0	0	0	0	0	0
b	Venture Capital Funds	0	0	0	0	0	0	0	0
c	Alternate Investment Funds	0	0	0	0	0	0	0	0
d	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0
e	Foreign Portfolio Investors	988856	0	988856	11.5	988856	0	988856	11.5
f	Financial Institutions/ Banks	0	0	0	0	0	0	0	0
g	Insurance Companies	0	0	0	0	0	0	0	0
h	Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0
i	Any Other (specify)	0	0	0	0	0	0	0	0
	Sub-Total (B)(1)	988856	0	988856	11.5	988856	0	988856	11.5
2	Central Government/ State Government(s)/ President of India	0	0	0	0	0	0	0	0
	Sub-Total (B)(2)	0	0	0	0	0	0	0	0
3	Non-institutions								
a	Individuals -								
i	Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	487392	295930	783322	9.11	634342	401930	1036272	12.05
ii	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	1198460	439500	1637960	19.05	1138142	561100	1699242	19.76
b	NBFCs registered with RBI	0	0	0	0	0	0	0	0
c	Employee Trusts	0	0	0	0	0	0	0	0
d	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0	0	0	0
e	Any Other (specify)								
	Bodies Corporate	736977	690550	1427527	16.60	610431	690550	1300981	15.13

	Clearing Members	90	0	90	0.00	449	0	449	0.01
	Directors And Their Relatives	42174	300	42474	0.49	42174	300	42474	0.49
	Overseas Corporate Bodies	1	0	1	0.00	1	0	1	0.00
	Trusts	0	2000	2000	0.02	0	2000	2000	0.02
	Non Resident Indians	19079	0	19079	0.22	13473	0	13473	0.15
	HUF	38941	20000	58941	0.69	59452	20000	79452	0.92
	Employees	0	0	0	0	0	100	100	0
	Sub-Total (B)(3)	2507164	1448280	3955444	45.99	2498464	1675980	4174444	48.54
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	3496020	1448280	4944300	57.49	3487320	1675980	5163300	60.04
C	SHARES HELD BY CUSTODIAN FOR GDR'S & ADR'S	0	0	0	0	0	0	0	0

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

There is no change in the Promoters' shareholding. However there was a transmission of shares held from the deceased promoter to his father to a volume of 2,50,000 shares were made during the year.

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

Sl. No.	Name of Shareholder (DP id wise)	Date	Reason for change	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Remarks
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1.	S JAYALAKSHMI		No Change	796202	9.258	796202	9.258	No Change
2.	TAJ FOUNDATIONS PRIVATE LTD		No Change	690000	8.023	690000	8.023	No Change
3.	ICG Q LIMITED		No Change	592400	6.888	592400	6.888	No Change
4.	CALEDONIA INVESTMENTS PLC		No Change	231306	2.689	231306	2.689	No Change
5.	SILVER STALLION LIMITED		No Change	165150	1.920	165150	1.920	No Change
6.	WALLSTREET CAPITAL MARKETS PVT LTD		No Change	150000	1.744	150000	1.744	No Change
7.	HITECH HOUSING PROJECTS (P) LTD		No Change	117880	1.370	117880	1.370	No Change
	HITECH HOUSING PROJECTS PRIVATE LTD			94500	1.098	94500	1.098	
8.	JENNIFER FLORANCE JAMES		No Change	81500	0.947	81500	0.947	No Change
9.	ABHISHEK CHANDAK		No Change	80000	0.930	80000	0.930	No Change
10.	PIONEER INVESTCORP LIMITED		No Change	77974	0.906	77974	0.906	No Change

**(IV) Shareholding of Directors and Key Managerial Personnel:**

Sl. No		Shareholding at the beginning of the year		Shareholding at the end of the year		Reasons for increase/decrease
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
A	Directors					
1.	Kamal Lunawath	749100	8.710	749100	8.710	No Change
2.	Vimal Lunawath	696400	8.097	696400	8.097	No Change
3.	Bharat Jain	11700	0.136	11700	0.136	No Change
4.	Ravikant Choudhary	5111	0.059	5111	0.059	No Change

**V. INDEBTEDNESS**

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

In Rs.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
1.Principal Amount	907,220,594	472,423,915	-	1,379,644,509
2.Interest due but not paid	-	-	-	-
<b>3.Interest accrued but not due</b>	-	-	-	-
<b>Total (i+ii+iii)</b>	907,220,594	472,423,915	-	1,379,644,509
Change in Indebtedness during the financial year				
• Addition	432,306,439	-	-	528,767,475
• Reduction	488,417,920	50,194,497		538,612,417
<b>Net Change</b>	1,492,638	-50,194,497		-98,44,942
Indebtedness at the end of the financial year				
Principal Amount				
Interest due but not paid	-	-	-	-
Interest accrued but not due			-	
<b>Total (i+ii+iii)</b>	908,713,232	422,229,418	-	1,389,489,451

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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



S. No.	Particulars of Remuneration	Mr. Kamal Lunawath, Managing Director	Mr. Vimal Lunawath, Whole-Time Director	Mr. Bharat Kumar M Jain, Whole-Time Director	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,00,000	12,00,000	18,00,000	42,00,000
	(b) Value of perquisites u/s 17(2) Income- tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
5.	Others	-	-	-	-
<b>Total (A)</b>		<b>12,00,000</b>	<b>12,00,000</b>	<b>18,00,000</b>	<b>42,00,000</b>

**B. Remuneration to Directors**

S. No.	Particulars of Remuneration	Names of Directors				Total Amount
1.	Independent Directors	Mr. Ravikant Choudhary	Mr. Damodaran	Mr. Karan Bhasin	Mrs. Ann Amelia Gonsalvez	
	-Fee for attending Board and Committee Meetings - Commission - Others	28,000	28,000	2000	30,000	88,000
2.	Non Executive Directors	Mr. A.L. Jayabhanu				
	Fee for attending Board and Committee Meetings Commission Others	2,000				2,000
TOTAL B= (1+2)						90,000
Total Managerial Remuneration						42,90,000
Ceiling as per Act						

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

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CFO	Company Secretary	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) -of the Income-tax Act, 1961	-	600,000	600,000
	(b) Value of perquisites u/s 17(2) Income- tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3)	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
5.	Others	-	-	-
		TOTAL		600,000

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)
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors  
**ARIHANT FOUNDATIONS & HOUSING LIMITED**

sd/-

(KAMAL LUNAWATH)  
Managing Director  
DIN: 00087324

sd/-

(VIMAL LUNAWATH)  
Whole time Director  
DIN: 00586269

Place: Chennai  
Date: 30.05.2018

**ANNEXURE 7**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2018**

[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,  
ARIHANT FOUNDATIONS & HOUSING LIMITED,  
Regd. Office : 3, Ganapathy Colony, 3rd Street,  
Off. Cenatoph Road,  
Teynampet, Chennai - 600 018.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s ARIHANT FOUNDATIONS & HOUSING LIMITED bearing CIN L70101TN1992PLC022299 (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that, in my opinion, the company has, during the audit period covering the financial period ended on 31.03.2018, 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 for the financial year ended on 31.03.2018, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Companies Act 1956 (to the extent applicable)
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent

- of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (with effect from 15th May 2015);
    - c. 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;
    - d. The Securities and Exchange Board of India (Listing obligations and Disclosure requirements) Regulations 2015 (with effect from 1st December 2015)

We are informed that the company, during the year, was not required to comply with the following regulations and consequently not required to maintain any books, papers, minute books or other records or file any forms/ returns under:

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009
  - b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
  - c. The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations 2008
  - d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - e. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;
- (vii) Based on the study of the systems and processes in place and a review of the reports of (1) Internal Audit Reports (2) the compliance reports made by

the functional heads of various departments which are submitted to the Board of Directors of the Company, (3) test check done on returns filed under other Acts, I report that the Company has complied with the provisions of the following statutes and the rules made there under to the extent it is applicable to them:

- Transfer of Property Act, 1882.
- Building and Other Construction Workers' (Regulation of Employment and conditions of Services) Act, 1996.
- The Environment (Protection) Act, 1986
- The Water( Prevention and Control of Pollution) Act, 1974
- The Air( Prevention and Control of Pollution) Act, 1981
- The Payment of Wages Act, 1936
- The Minimum Wages Act, 1948
- Employees' State Insurance Act, 1948
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- The Contract Labour (Regulation & Abolition) Act, 1970
- The Maternity Benefit Act, 1961
- The Child Labour (Prohibition & Regulation) Act, 1986
- The Employees' Compensation Act, 1923
- Workmens' Compensation Act, 1923
- Equal Remuneration Act, 1976
- The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- Tamil Nadu Labour Welfare Fund Act, 1972
- Tamil Nadu Shops and Establishment Act, 1947
- National and Festival Holidays Act, 1958
- The Sexual Harrassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Housing Board Act, 1965 is stated to be not applicable to the Company as the company has not undertaken any government projects.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that

**• Company has not filed MGT-14 for following events u/s.179:**

**i. accounts approval, approval of Directors Report, Corporate Guarantee to loan availed by North Town, financial assistance for loan availed from Bajaj Finance approved by Board of Directors in the Board meeting held on 30.05.2017**

**ii. corporate guarantee to Escapade in the Board meeting held on 14.09.2017**

**iii. avail financial assistance from Bajaj Finance Limited in the Board meeting held on 14.12.2017**

**iv. invest funds of the Company and appointment of secretarial auditor for the year 2017-18 in the board meeting held on 14.02.2018.**

I further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were changes in the composition of 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.
- Based on the minutes made available to us, we report that Majority decision is carried through and that there were no dissenting votes from any Board members that are required to be captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor, report deviations, if any, to the Board, take corrective actions and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Chennai  
Date : 30.05.2018

Sd/-  
Name of Company Secretary in Practice : G.SUBHASREE  
ACS No.: 21014  
C P No.: 13312

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
ARIHANT FOUNDATIONS & HOUSING LIMITED  
Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Arihant Foundations and Housing Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone 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 of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other accounting principles generally accepted in India.

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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting 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 and the Order issued under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements 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 standalone financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the 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 standalone 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 standalone financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March 31, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by section 143 (3) of the Act, based on our audit we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

CA. RAMACHANDRA RAO SURANENI  
Proprietor  
Membership No: 206003.

d. in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.

Place : Chennai,

e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

Date : 30-05-2018

#### **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Arihant Foundations and Housing Limited of even date)

#### **Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

g. with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

We have audited the internal financial controls over financial reporting of **ARIHANT FOUNDATIONS AND HOUSING LIMITED** (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

i. The Company does not have any pending litigations which would impact its financial position.

#### **Management’s Responsibility for Internal Financial Controls**

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **S. RAMACHANDRA RAO & ASSOCIATES**  
Chartered Accountants  
Firm’s Registration No.007735S

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- i. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- iii. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **S. RAMACHANDRA RAO & ASSOCIATES**  
Chartered Accountants  
Firm's Registration No.007735S

CA. RAMACHANDRA RAO SURANENI  
Proprietor

Place : Chennai, Membership No: 206003.

Date : 30-05-2018

**“ANNEXURE ‘B’ TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 2 under ‘ Report on Other Legal & Regulatory Requirement’ of our report to the Members of Arihant Foundations and Housing Limited of even date)**

1. In respect of the Company’s fixed assets :
  - a. The company has maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. The Company has a program of verification to cover all the items of fixed assets in a phased manner which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
2. As explained to us, the stock of construction materials has been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification and if so, and the same have been properly dealt with in the books of account.
3. According to the information and explanations given to us, the Company has granted unsecured loans to four body corporates covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - a. In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the body corporates listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the company.
  - b. During the year, in respect of the aforesaid loans, in some of the loans, there has been no recovery towards principal. In absence of any terms, we are unable to comment on the regularity of recovery of principal amount.

c. Since, there was no repayment schedules, we are unable to comment whether the amount was overdue for more than ninety days.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities as applicable.

5. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

6. The maintenance of cost records has not been specified by the Central Government under section 148 (1) of the Companies Act, 2013, for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

7. According to the information and explanations given to us, in respect of statutory dues:

- (a). The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, duty of Customs duty, Excise Duty, Cess and any other material statutory dues applicable to it with the appropriate authorities except on certain occasions irregularities were noticed.
- (b). There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
- (c). Details of dues of Income Tax, Service tax which have not been deposited as at March 31, 2018 on account of dispute are given below:



Name of the statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount (Rs.)
The Income Tax Act,1961	Income Tax	Appellate Authority upto Commissioner's level	A.Y. 1999-2000	76,38,692
The Income Tax Act,1961	Income Tax	Appellate Authority upto Commissioner's level	A.Y. 2011-12	71,83,310
The Income Tax Act,1961	Income Tax	Appellate Authority upto Commissioner's level	A.Y. 2013-14	15,19,250
The Income Tax Act,1961	Income Tax	High Court of Madras	A.Y. 2004-05	13,71,638
The Income Tax Act,1961	Income Tax	High Court of Madras	A.Y. 2005-06	53,23,956
The Income Tax Act,1961	Income Tax	Income tax Appellate Tribunal	A.Y. 2005-06	95,58,275
The Income Tax Act,1961	Income Tax	Income tax Appellate Tribunal	A.Y. 2007-08	5,57,61,612
Finance Act, 1994	Service Tax	CESTAT, Chennai	June-2005 to March 2007.	23,16,081

8.The Company has not defaulted in repayment of loans to banks, financial institutions, government and to debenture holders.

9.The Company has not raised moneys by way of initial public offer or further public offer ( including debt instruments ) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

10.To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

12.The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

13. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

14.During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **S. RAMACHANDRA RAO & ASSOCIATES**  
Chartered Accountants  
Firm's Registration No.007735S

CA.RAMACHANDRA RAO SURANENI  
Proprietor  
Membership No: 206003.

Place : Chennai,

Date : 30-05-2018

**Arihant Foundations and Housing Limited**  
**Standalone Balance Sheet as at 31 March 2018**  
(All amounts are in Indian Rupees, unless otherwise stated)

	Note	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	10,11,79,014	10,74,57,275	11,52,49,337
Intangible assets	3	18,71,082	24,10,746	3,12,438
Financial assets				
- Investments	4	23,64,61,600	11,79,34,014	20,66,06,277
- Trade receivables	5	32,46,37,684	33,68,13,246	34,27,63,546
- Loans	6	34,53,86,369	34,73,47,583	13,12,73,107
- Other financial assets	7	52,98,27,593	56,53,46,181	72,79,59,576
Deferred tax assets (net)	8	8,74,79,954	10,66,37,431	11,13,67,767
		<b>1,62,68,43,296</b>	<b>1,58,39,46,476</b>	<b>1,63,55,32,048</b>
<b>Current assets</b>				
Inventories	9	75,72,87,293	80,85,54,957	84,63,36,834
Financial assets				
- Trade receivables	5	75,65,13,014	72,39,10,533	67,04,39,463
- Cash and cash equivalents	10	6,09,07,069	1,52,15,550	3,21,34,098
"- Bank balances other than those mentioned in cash and cash equivalents"	10	1,24,68,305	1,71,41,747	2,04,64,099
- Loans	11	11,43,68,113	27,29,08,641	30,04,21,028
- Other financial assets	7	9,22,93,186	6,63,95,241	7,19,53,786
- Other financial assets	12	2,32,92,443	6,70,32,818	5,43,76,789
Current Tax Asset (Net)	13	27,03,99,748	19,26,15,075	18,56,94,210
Other current assets		<b>2,08,75,29,170</b>	<b>2,16,37,74,562</b>	<b>2,18,18,20,307</b>
<b>Total assets</b>		<b>3,71,43,72,466</b>	<b>3,74,77,21,308</b>	<b>3,81,73,52,355</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	14	8,60,00,000	8,60,00,000	8,60,00,000
Other Equity	15	1,41,85,11,679	1,41,18,36,318	1,39,83,98,425
<b>Total Equity</b>		<b>1,50,45,11,679</b>	<b>1,49,78,36,318</b>	<b>1,48,43,98,425</b>
<b>Non-current liabilities</b>				
Financial liabilities				
-Borrowings	16	99,06,76,178	1,24,51,96,336	1,22,93,17,127
Provisions	17	74,46,404	54,88,541	36,87,243
		<b>99,81,22,582</b>	<b>1,25,06,84,877</b>	<b>1,23,30,04,370</b>
<b>Current liabilities</b>				
Financial liabilities				
- Trade payables	18	26,16,75,337	57,02,34,363	50,83,60,624
- Other financial liabilities	19	38,26,26,254	17,05,95,728	18,19,22,838
Other current liabilities	20	56,74,36,613	25,83,69,751	40,96,66,098
		<b>1,21,17,38,204</b>	<b>99,91,99,842</b>	<b>1,09,99,49,560</b>
<b>Total liabilities</b>		<b>2,20,98,60,786</b>	<b>2,24,98,84,719</b>	<b>2,33,29,53,930</b>
<b>Total equity and liabilities</b>		<b>3,71,43,72,466</b>	<b>3,74,77,21,038</b>	<b>3,81,73,52,355</b>

Notes 1 to 39 form an integral part of these standalone financial statements

In terms of our report attached

**For Ramachandra Rao & Associates,**  
Chartered Accountants  
Firm's Registration No.: 007735S

For and on behalf of the Board of Directors of  
**Arihant Foundations and Housing Limited**

**Sd/-**  
**CA. Ramachandra Rao Suraneni**  
Proprietor  
Membership No. 206003

**Sd/-**  
**Kamal Lunawath**  
Managing Director  
DIN : 00087344

**Sd/-**  
**Vimal Lunawath**  
Whole Time Director  
DIN : 00586269

**Sd/-**  
**J.Meenakshi**  
Company Secretary

**Place : Chennai**  
**Date : 30.05.2018**

**Place : Chennai**  
**Date : 30.05.2018**

**Arihant Foundations and Housing Limited**  
**Standalone Statement of Profit and Loss for the year ended 31 March 2018**  
(All amounts are in Indian Rupees, unless otherwise stated)

	Note	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
<b>Revenue from operations</b>	22	39,31,22,241	54,73,66,581
Other income	23	19,75,64,170	17,86,21,872
<b>Total revenue</b>		<b>59,06,86,411</b>	<b>72,59,88,453</b>
Expenses			
Construction and project expenses	24	30,31,41,122	42,92,42,684
Changes in inventories of Finished goods,	25	3,65,88,254	29,19,332
Work in Progress and Stock-in-trade			
Employee benefits expense	26	2,47,94,832	1,90,52,632
Finance costs	27	12,80,06,800	13,55,68,108
Depreciation and amortization expense	28	68,11,639	85,91,665
Other expenses	29	6,79,25,441	10,58,52,356
<b>Total expenses</b>		<b>56,72,68,088</b>	<b>70,12,26,777</b>
Profit before tax		<b>2,34,18,323</b>	<b>2,47,61,676</b>
Tax expense			
Current tax			
Deferred tax		4,90,117	54,30,655
Profit for the year		1,86,49,378	48,26,215
		<b>42,78,828</b>	<b>1,45,04,806</b>
Other comprehensive income			
Items that will not be reclassified to profit and loss			
- Re-measurement (losses) on defined benefit plans			
- Net (loss)/gain on FVOCI equity securities		4,20,282	(8,85,750)
- Income tax relating to items that will not be reclassified to profit and loss		14,68,153	(2,77,040)
Other comprehensive income for the year, net of tax		5,08,098	95,878
		23,96,533	(10,66,912)
Total comprehensive income for the year		<b>66,75,361</b>	<b>1,34,37,894</b>
Earnings per equity share			
Basic (in ₹)		0.50	1.69
Diluted (in ₹)		0.50	1.69

Notes 1 to 39 form an integral part of these standalone financial statements

For Ramachandra Rao & Associates,  
Chartered Accountants  
Firm's Registration No.: 007735S

For and on behalf of the Board of Directors of  
**Arihant Foundations and Housing Limited**

**Sd/-**  
**CA. Ramachandra Rao Suraneni**  
Proprietor  
Membership No. 206003

**Sd/-**  
**Kamal Lunawath**  
Managing Director  
DIN : 00087344

**Sd/-**  
**Vimal Lunawath**  
Whole Time Director  
DIN : 00586269

**Sd/-**  
**J.Meenakshi**  
Company Secretary

Place : Chennai  
Date : 30.05.2018

Place : Chennai  
Date : 30.05.2018

**Standalone Statement of Cash Flows for the year ended 31 March 2018**  
(All amounts are in Indian Rupees, unless otherwise stated)

	Year ended 31 March 2018	Year ended 31 March 2017
	₹	₹
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax</b>	2,34,18,323	2,47,61,676
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization expense	68,11,639	85,91,665
(Gain)/loss on sale of investments	-	(1,28,849)
Financial Guarantee Expense	76,20,523	3,62,76,449
Interest expenses	12,41,06,898	13,53,83,521
Share of Loss	9,229	84,941
Loss on sale of Fixed Assets	1,85,648	12,328
Actuary Loss transferred to Other Comprehensive Income		
Other Non Operating Income	(142,696,685)	(6,07,43,316)
Financial Guarantee Income	(1,14,51,664)	(95,99,026)
Interest and dividend income	(4,33,47,284)	(10,80,61,445)
<b>Operating profit before working capital changes</b>	<b>(35,343,373)</b>	<b>2,65,77,944</b>
<b>Changes in assets and liabilities</b>		
Adjustments for Working Capital changes		
Decrease in Inventories	5,12,67,664	3,77,81,877
(Increase) in trade receivables	(2,04,26,918)	(4,75,20,770)
Decrease in Other financial assets	96,20,643	16,81,71,940
Decrease in Other current assets	73,916,232	6338176
(Decrease) in Trade Payables	(30,85,59,026)	6,18,73,739
Increase in Long Term Provisions	19,57,863	18,01,298
Increase in Other financial liabilities	21,58,61,667	(3,80,04,533)
Increase in Other current liabilities	30,90,66,862	(151,296,347)
<b>Cash generated from/(used) in operating activities</b>	<b>33,27,04,987</b>	<b>3,91,45,380</b>
Direct taxes paid, net	(8,20,37,347)	(23,31,177)
<b>Net cash generated from/(used) in operating activities</b>	<b>25,06,67,640</b>	<b>3,68,14,203</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed Assets	(2,29,362)	(34,00,239)
Sale of fixed Assets	49998	489,999
Interest/Dividend received	4,33,47,284	10,80,61,445
Share of Loss	(9,229)	(84,941)
Other Non - Operating Income	8,49,90,502	6,07,43,316
Purchase of Investment	(11,50,00,000)	(2,01,78,586)
Proceeds from sale of Investment	-	10,87,02,655
<b>Net cash (used) in/generated from investing activities</b>	<b>1,31,49,193</b>	<b>25,43,33,649</b>

	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
<b>C. Cash flow from financing activities</b>	(25,45,20,158)	1,58,79,209
(Loans repaid)/Fresh loans taken	16,05,01,742	(18,85,62,087)
Loans received back	<u>(12,41,06,898)</u>	<u>(13,53,83,521)</u>
Interest & Finance Charges	<u>(21,81,25,314)</u>	<u>(30,80,66,399)</u>
<b>Net cash (used) in/generated from financing activities</b>	<b>4,56,91,519</b>	<b>(1,69,18,547)</b>
<b>D. Net change in cash and cash equivalents</b>	1,52,15,551	<u>3,21,34,098</u>
E. Cash and cash equivalents at the beginning	<b>6,09,07,070</b>	<u>1,52,15,551</u>
<b>F. Cash and cash equivalents at the end</b>		
<b>Cash and cash equivalents include</b>		
<b>Cash on hand</b>		
<b>Balances with banks</b>	10,65,295	13,55,671
- in current accounts		
<b>Cash and cash equivalents as per note 10</b>	<u>5,98,41,774</u>	<u>1,38,59,879</u>
	<u><b>6,09,07,069</b></u>	<u><b>1,52,15,550</b></u>

Notes 1 to 39 form an integral part of these standalone financial statements

In terms of our report attached

**For Ramachandra Rao & Associates,**  
Chartered Accountants  
Firm's Registration No.: 007735S

For and on behalf of the Board of Directors of  
**Arihant Foundations and Housing Limited**

**Sd/-**  
**CA. Ramachandra Rao Suraneni**  
Proprietor  
Membership No. 206003

**Sd/-**  
**Kamal Lunawath**  
Managing Director  
DIN : 00087344

**Sd/-**  
**Vimal Lunawath**  
Whole Time Director  
DIN : 00586269

**Sd/-**  
**J.Meenakshi**  
Company Secretary

**Place : CHENNAI**  
**Date : 30.05.2018**

**Place : CHENNAI**  
**Date : 30.05.2018**

**Arihant Foundations and Housing Limited**  
**Notes to Standalone Financial Statements**  
**(All amounts are in Indian Rupees, unless otherwise stated)**

**A. Equity share capital**

Particulars	Amount
<b>Balance as at 01 April 2016</b>	<b>8,60,00,000</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2017</b>	<b>8,60,00,000</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2018</b>	<b>8,60,00,000</b>

**B. Other Equity**

Particulars	General reserve	Securities Premium	Retained Earnings	Reserves and Surplus	
				Total	Accumulated other comprehensive income
<b>Balances at 01 April 2016</b>	<b>8,83,08,752</b>	<b>57,06,50,000</b>	<b>72,96,63,141</b>	<b>1,38,86,21,893</b>	<b>97,76,532</b>
Transfer from statement of profit and loss	-	-	1,45,04,806	1,45,04,806	-
Other comprehensive income for the year (net of tax)	-	-	-	-	(10,66,912)
<b>Balances at March 31, 2017</b>	<b>8,83,08,752</b>	<b>57,06,50,000</b>	<b>74,41,67,947</b>	<b>42,78,828</b>	<b>87,09,620</b>
Transfer from statement of profit and loss	-	-	42,78,828	-	-
Other comprehensive income for the year (net of tax)	-	-	-	-	23,96,533
<b>Balances at March 31, 2018</b>	<b>8,83,08,752</b>	<b>57,06,50,000</b>	<b>74,84,46,775</b>	<b>1,40,74,05,527</b>	<b>1,11,06,153</b>
				<b>Total</b>	<b>Total</b>
					<b>97,76,532</b>
					<b>(10,66,912)</b>
					<b>87,09,620</b>
					<b>-</b>
					<b>23,96,533</b>
					<b>-</b>
					<b>1,11,06,153</b>
					<b>97,76,532</b>
					<b>(10,66,912)</b>
					<b>87,09,620</b>
					<b>-</b>
					<b>23,96,533</b>
					<b>-</b>
					<b>1,11,06,153</b>

Notes 1 to 39 form an integral part of these standalone financial statements

In terms of our report attached  
For Ramachandra Rao & Associates,  
Chartered Accountants  
Firm's Registration No.: 007735S

Sd/-  
**CA. Ramachandra Rao Suraneni**  
Proprietor  
Membership No. 206003

Sd/-  
**Kamal Lunawath**  
Managing Director  
DIN : 00087344

Sd/-  
**Vimal Lunawath**  
Whole Time Director  
DIN : 00586269

Sd/-  
**J.Meenakshi**  
Company Secretary

Place : CHENNAI  
Date : 30.05.2018

Place : CHENNAI  
Date : 30.05.2018

## 1. Background

Arihant Foundations & Housing Limited (the company) was incorporated on 6th March, 1992 as a limited company. The company engaged in the business of constructions of residential, commercial complexes and IT parks.

## 2. Summary of significant accounting policies

### a) Basis of preparation and presentation of financial statements

#### i) Accounting convention

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the companies (Indian Accounting Standards) Amendment Rules, 2016.

For all periods upto and including the year ended March 31, 2017, the company prepared its financial statements in accordance with the accounting standards notified under the Section 133 of the Companies Act, 2013, read together with Companies (Accounts) Rules 2014 (Indian GAAP).

"These are the company's first annual financial statements prepared in accordance with Indian Accounting Standards (Ind AS). The Company has adopted all applicable standards and the adoption was carried out in accordance with Ind AS 101 – 'First Time Adoption of Indian Accounting Standards'. An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and cash flows of the Company are provided in Note 44 First Time Adoption."

All amounts included in the financial statements are reported in Indian Rupees Lakhs and have been rounded off to nearest decimal of ₹ Lakhs.

#### ii) Basis of measurement

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realisation/settlement within twelve months period from the balance sheet date.

#### b) Use of estimates

The preparation of the 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. 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.

The Company bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about

future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

#### Classification of leases

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

#### Recognition of deferred tax assets

"The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions"

#### Capitalisation of internally developed intangible assets

Distinguishing the research and development phases of a new customised project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there any indicators that capitalised costs may be impaired.

#### Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

#### Recoverability of advances / receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

#### Useful lives of depreciable / amortisable assets

Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

**Defined benefit obligation (DBO)**

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**b) Use of estimates (Continued)**

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**c) Current versus 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:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or"
- 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:

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

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.

**d) Property, plant and equipment**

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Property, plant and equipment [other than freehold land and lease hold land (perpetual lease)] are depreciated under the on straight line method (SLM method) over the estimated useful lives of the assets, which are prescribed under Schedule II to the Companies Act, 2013.

Useful life adopted by the Company for various class of assets is as follows:

	<b>Useful Lives</b>
Vehicles	
Motor cycle / Two Wheelers	8 Years
Motor cars	10 Years
On Furniture and fixtures	10 Years
On Office equipments	5 Years
On Computers & Accessories	3 years

The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives. Schedule II requires the Company to identify and depreciate significant components with different useful lives separately.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.



**e) Intangible assets**

The Company has elected to continue with the carrying value for all of its intangible assets as recognized in its Previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortisation and impairment. Advances paid towards the acquisition of intangible assets outstanding at each Balance Sheet date are disclosed as other non-current assets and the cost of intangible assets not ready for their intended use before such date are disclosed as intangible assets under development.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

**f) Impairment of property, plant and equipment and intangible assets**

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

**g) Revenue recognition****Revenue from projects**

Revenue from sale of properties is recognised when it is probable that the economic benefits will flow to the Company and it can be reliably measured, which coincides with entering into a legally binding agreement. Revenue is measured at the fair value of the consideration received/receivable net of rebate and taxes.

Revenue from sale of undivided share of land (UDS) in qualifying projects where the risks and rewards on the sale of the UDS are separable from the risks and rewards on the construction contract is recognized upon the transfer of all significant risks and rewards of ownership of such real estate, as per the terms of the contracts entered into with the buyers, which coincides with the firming of the sales contracts/agreements and a minimum level of collection of dues from the customer.

Revenue from the sale of UDS on other projects where the risk and rewards on the sale of the UDS are not separable from the construction contracts and therefore do not qualify above are recognized on the percentage of completion method.

In accordance with the "Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable)" (guidance note) all projects where revenue is recognized for the first time, construction revenue on such projects have been recognized on percentage of completion method provided the following thresholds have been met:

- (a) all critical approvals necessary for the commencement have been obtained;
- (b) the expenditure incurred on construction and development costs is not less than 25 percent of the total estimated construction and development costs;
- (c) at least 25 percent of the saleable project area is secured by agreements with buyers; and
- (d) at least 10 percent of the agreements are realized at the reporting date in respect of such contracts.

Contract revenues represent the aggregate amounts of fair value of sale price for agreements entered into and are accrued based on the percentage that the actual construction costs incurred until the reporting date bears to the total estimated construction costs to completion. For projects where the risks and rewards on the sale of the UDS are separable from the risks and rewards on the construction contract, land costs are excluded for the purpose of computing the percentage of completion.

Contract costs include the estimated construction, development, proportionate land cost and other directly attributable costs of the projects under construction. Losses expected to be incurred on projects in progress, are charged to the statement of profit and loss in the period in which these losses are known.

For projects executed through joint development arrangements, which represent joint operations, whereby the Company gives up a defined percentage of constructed area in lieu of payment for its share in the land, the Company accounts for such developmental rights acquired in accordance with Ind AS 111, Joint Arrangements as under:

- (a) its assets, including its share of any assets held jointly;
- (b) its liabilities, including its share of any liabilities incurred jointly;
- (c) its revenue from the sale of its share of the output arising from the joint operation;
- (d) its share of the revenue from the sale of the output by the joint operation; and

(e) its expenses, including its share of any expenses incurred jointly.

The estimates for saleable area and contract costs are reviewed by the management periodically and the cumulative effect of the changes in these estimates, if any, are recognized in the period in which these changes may be reliably measured.

Unbilled revenue disclosed under other financial assets represents revenue recognized over and above the amount due as per payment plans agreed with the customers. Progress billings which exceed the costs and recognized profits to date on projects under construction are disclosed as unearned revenue under other current liabilities. Any billed amount that has not been collected is disclosed under trade receivables and is net of any provisions for amounts doubtful of recovery.

Revenue from the sale of land is recognized in the period in which the agreement to sell is entered into. Where there is a remaining substantial obligation under the agreement, revenue is recognized on the fulfilment of such obligation.

#### Rental income

Income from rentals are recognized as an income in the statement of profit and loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

#### Interest income

Interest income is reported on an accrual basis using the effective interest method and is included under the head "other income" in the Statement of Profit and Loss.

#### Dividend income

"Income from dividends are recognized when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably."

#### h) Inventories

##### Raw materials

Inventories includes raw materials used for the construction activity of the Company. Raw materials are valued at the lower of cost and net realizable value with the cost being determined on a 'First In First Out' basis.

#### Properties under development

Properties under development represents construction work in progress which are stated at the lower of cost and net realizable value. This comprises of cost of land, construction related overhead expenditure, borrowing costs and other net costs incurred during the period of development.

#### Properties held for sale

Completed properties held for sale are stated at the lower of cost and net realizable value. Cost includes cost of land, construction related overhead expenditure, borrowing costs and other costs incurred during the period of development. Net realizable value is the estimated selling price in the

ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

#### Properties held for development

Properties held for development represents land acquired for future development and construction, and is stated at cost including the cost of land, the related costs of acquisition and other costs incurred to get the properties ready for their intended use.

#### i) Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits."

#### Defined contribution plan

The Company's contribution to provident fund is charged to the statement of profit and loss or inventorized as a part of project under development, as the case may be. The Company's contributions towards provident fund are deposited with a government administered fund, in accordance with Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

#### Defined benefit plan

##### (i) Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

##### (ii) Compensated absences

The Company provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period.

**Short-term employee benefits**

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee

**j) Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2016 (date of transition to Ind AS), the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

**Finance Lease**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss."

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease period.

**Operating Lease**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**k) Foreign currency transactions****Functional and presentation currency**

The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees (₹)

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

-Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

-Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

**l) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**m) Investments in subsidiaries**

The Company's investment in equity instruments in subsidiaries are accounted for at cost. Where the carrying amount of an investment in greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

**n) Government Grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is adjusted against the cost of the depreciable asset, to which the grant relates to, on receipt of such subsidy.

**o) Income taxes**

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income 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 profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, 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 utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**p) Provisions and contingencies****Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

**p) Provisions and contingencies (Continued)****Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

**q) Financial instruments****Financial assets****Initial recognition and measurement**

Financial assets (other than trade receivables) are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through statement of profit and loss which are measured initially at fair value. Subsequent measurement of financial assets is described below. Trade receivables are recognized at their transaction price as the same do not contain significant financing component.

**Subsequent measurement**

For the purpose of subsequent measurement, financial assets are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

- Amortized cost
- Fair Value Through Other Comprehensive Income (FVTOCI) or
- Fair Value Through Profit or Loss (FVTPL)

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

**(i) Financial asset at amortised cost**

Includes assets that are held within a business model where the objective is to hold the financial assets to collect contractual cash flows and the contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are measured subsequently at amortized cost using the effective interest method. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

**(ii) Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)**

Includes assets that are held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, the Company, based on its assessment, makes an irrevocable election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading. These elections are made on an instrument-by instrument (i.e., share-by-share) basis. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in other comprehensive income. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. The dividends from such instruments are recognized in statement of profit and loss.

The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognized in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

**(iii) Financial assets at Fair Value Through Profit or Loss (FVTPL)**

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortized cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are

measured at fair value with gains or losses recognized in statement of profit and loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists."

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognized in the statement of profit and loss.

**De-recognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's standalone balance sheet) when:"

- a. The rights to receive cash flows from the asset have expired, or
- b. 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 (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset."

**De-recognition of financial assets (Continued)**

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.

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

#### **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 at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or 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 P&L. 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 or loss. The Company has not designated any financial liability as at fair value through profit and loss."

#### **Loans and borrowings**

This is the category most relevant to the Company. 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. This category generally applies to borrowings."

#### **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."

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the 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."

#### **Derivative financial instruments and Hedge accounting Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative."

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability."

For the purpose of hedge accounting, hedges are classified as:"

- a. Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- b. Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; and
- c. Hedges of a net investment in a foreign operation"

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

#### **Derivative financial instruments and Hedge accounting (Continued)**

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

**(i) Fair value hedges**

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss."

**(ii) Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met."

**(iii) Hedges of a net investment**

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is reclassified to the statement of profit or loss (as a reclassification adjustment).

**r) Impairment of financial assets**

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

The Company tracks credit risk and changes thereon for each customer. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

-All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity uses the remaining contractual term of the financial instrument.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company uses default rate for credit risk to determine impairment loss allowance on portfolio of its trade receivables

**Trade receivables**

The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

**Other financial assets**

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided

**s) 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:

- In the principal market for the asset or liability, or  
- 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.

**s) Fair value measurement (Continued)**

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:

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

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

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

**t) 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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**u) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the engineering design service, which constitutes its single reportable segment.

**v) Earnings/ (Loss) per Share (EPS)**

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding

during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**w) Cash flow statement**

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and other short- term highly liquid investments with original maturities of 3 months or less, as applicable.



**Arihant Foundations and Housing Limited**  
**Notes to Standalone Financial Statements**  
**(All amounts are in Indian Rupees, unless otherwise stated)**

3 Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment							Intangible assets	
	Land	Freehold Buildings	Leasehold Buildings and Fixtures	Furniture and Equipment	Plant and Equipment	Office Equipment	Vehicles	Total	Computer software
<b>Deemed cost as at 01 April 2016 (Deemed Cost)</b>	1,79,31,721	9,07,62,170	57,95,307	2,24,83,350	1,21,04,969	71,59,045	2,33,06,611	17,95,43,173	19,17,015
Additions	-	-	-	5,32,180	-	4,07,259	-	9,39,439	24,60,800
Disposals	-	-	-	-	-	-	8,87,149	8,87,149	-
<b>Balance as at 31 March 2017</b>	<b>1,79,31,721</b>	<b>9,07,62,170</b>	<b>57,95,307</b>	<b>2,30,15,530</b>	<b>1,21,04,969</b>	<b>75,66,304</b>	<b>2,24,19,462</b>	<b>17,95,95,463</b>	<b>43,77,815</b>
Additions	-	-	-	-	-	2,29,362	-	2,29,362	-
Disposals	-	-	-	-	-	-	6,50,000	6,50,000	-
<b>Balance as at 31 March 2018</b>	<b>1,79,31,721</b>	<b>9,07,62,170</b>	<b>57,95,307</b>	<b>2,30,15,530</b>	<b>1,21,04,969</b>	<b>77,95,666</b>	<b>2,17,69,462</b>	<b>17,91,74,825</b>	<b>43,77,815</b>
<b>Accumulated depreciation/amortization</b>									
<b>Balance as at 01 April 2016</b>	-	2,00,49,133	10,79,576	1,92,99,442	64,37,014	65,35,313	1,08,93,358	6,42,93,836	16,04,577
Depreciation/amortization expense for the year	-	14,92,747	93,114	18,57,540	12,05,483	3,28,477	32,51,812	82,29,173	3,62,492
Reversal on disposal of assets	-	-	-	-	-	-	3,84,821	3,84,821	-
<b>Balance as at 31 March 2017</b>	<b>-</b>	<b>2,15,41,880</b>	<b>11,72,690</b>	<b>2,11,56,982</b>	<b>76,42,497</b>	<b>68,63,790</b>	<b>1,37,60,349</b>	<b>7,21,38,188</b>	<b>19,67,069</b>
Depreciation/amortization charge during the year	-	14,92,747	92,667	5,76,024	11,85,481	3,19,580	26,05,476	62,71,975	5,39,664
Reversal on disposal of assets	-	-	-	-	-	-	4,14,352	4,14,352	-
<b>Balance as at 31 March 2018</b>	<b>-</b>	<b>2,30,34,627</b>	<b>12,65,357</b>	<b>2,17,33,006</b>	<b>88,27,978</b>	<b>71,83,370</b>	<b>1,59,51,473</b>	<b>7,79,95,811</b>	<b>25,06,733</b>
<b>Net block</b>									
<b>Balance as at 01 April 2016</b>	1,79,31,721	7,07,13,037	47,15,731	31,83,908	56,67,955	6,23,732	1,24,13,253	11,52,49,337	3,12,438
<b>Balance as at 31 March 2017</b>	1,79,31,721	6,92,20,290	46,22,617	18,58,548	44,62,472	7,02,514	86,59,113	10,74,57,275	24,10,746
<b>Balance as at 31 March 2018</b>	1,79,31,721	6,77,27,543	45,29,950	12,82,524	32,76,991	6,12,296	58,17,989	10,11,79,014	18,71,082

**Financials assets**
**4) Non - Current Investment**

	As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
<b>Investment in equity instruments(fully paid-up)</b>			
<b>Unquoted</b>			
<b>i) Wholly Owned Subsidiaries</b>			
Arihant Griha Limited (50,000 Equity shares of R.10/- Each fully paid)	5,00,000	5,00,000	5,00,000
Varenya Construction Limited (50,000 Equity shares of R.10/- Each fully paid)	5,00,000	5,00,000	5,00,000
Transperent Heights Real Estate Limited (50,000 Equity shares of R.10/- Each fully paid)	5,00,000	5,00,000	5,00,000
Vaikunt Housing Limited (5,00,000 Equity shares of R.1/- Each fully paid)	5,00,000	5,00,000	5,00,000
<b>ii) Partly Owned Subsidiaries</b>			
Escapade Real Estate Pvt Ltd (11,00,000 Equity Shares of R.10/- Each Fully Paid Up)	1,10,00,000	1,10,00,000	1,10,00,000
North Town Estates Pvt Ltd (32,500 Equity shares of R.10/- Each Fully Paid Up)	3,25,000	3,25,000	2,50,000
<b>iii) Joint Ventures / Associates</b>			
Arihant Unitech Realty Projects Ltd. (5,00,000 Equity shares of R.10/- Each Fully Paid Up)	50,00,000	50,00,000	50,00,000
Heirloom Real Estate Pvt.Ltd. (2,500 Equity shares of R.10/- Each Fully Paid Up)		-	25,000
	<b>1,83,25,000</b>	<b>1,83,25,000</b>	<b>1,82,75,000</b>
<b>Investment in Debentures</b>			
Mangalagiri Realty Projects Pvt Ltd "(1,77,394 Optionally Redeemable Convertible Debentures of R.100/- Each)"	1,77,39,400	1,77,39,400	2,03,89,400
<b>Investment in Partnership Firms</b>			
Arihant Heirloom	7,21,42,941	7,00,83,507	6,36,29,924
<b>TOTAL (A)</b>	<b>10,82,07,341</b>	<b>10,61,47,907</b>	<b>10,22,94,324</b>
<b>Investments carried at fair value through profit and loss</b>			
<b>Investments in other companies (fully paid-up)</b>			
<b>Quoted- Non Trade</b>			
Happy Homes Profin Ltd (44,800 Equity shares of R 10/- each Fully Paid Up. Market value Rs.1, Carried at other than cost)	1	1	1
Hindustan Construction Company Ltd (500 Shares of Rs. 45.53 Each Fully Paid Up; Market value is Rs.19,750 /-)	11,100	19,750	9,800

	As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
IDBI Bank Ltd (500 Shares of Rs. 156.20 Each Fully Paid Up; Market value is Rs. 37,550/-)	36,125	37,550	34,750
Indotech Transformers (691 Equity Shares of Rs. 130.19/- Each Fully Paid up; Market value is Rs 1,43,279 -/-)	1,18,506	1,43,279	1,29,769
Tata Consultancy Servies Ltd (3,600 Shares of Rs.250.65/- Each Fully Paid up; market vaue is Rs. 87,54,480/-)	1,02,57,480	87,54,480	90,57,780
Birla Sunlife Mutual Fund	11,50,00,000	-	-
	<u>12,54,23,212</u>	<u>89,55,060</u>	<u>92,32,100</u>

	As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
<b>4) Non - Current Investment (continued)</b>			
<b>Unquoted- Non Trade</b>			
Investment In Govt. Bonds National Savings Certificate	5,000	5,000	5,000
Mangalagiri Realty Projects Pvt Ltd (2,72,210 Equity shares of R.10/- Each Fully Paid Up)	28,26,047	28,26,047	9,50,74,853
	<u>12,82,54,259</u>	<u>1,17,86,107</u>	<u>10,43,11,953</u>
<b>Grand Total (A+B)</b>	<b>23,64,61,600</b>	<b>11,79,34,014</b>	<b>20,66,06,277</b>
<b>Aggregate amount of:</b>			
-Quoted investments and market value thereof;	12,54,23,212	89,55,060	92,32,100
-Unquoted investments	11,10,33,388	10,89,73,954	19,73,69,177
-Provision for diminution in value of investments other than temporary	-	-	-
<b>5) Trade receivables</b> (Unsecured considered good, unless stated otherwise)			
<b>Non-current</b>			
Trade receivables	<u>32,46,37,684</u>	<u>33,68,13,246</u>	<u>34,27,63,546</u>
<b>Current</b>			
Trade receivables	17,46,55,043	15,56,62,371	9,92,56,612
-exceeding six months	21,29,45,640	22,36,37,572	29,01,32,664
-less than six months	<u>36,89,12,331</u>	<u>34,46,10,590</u>	<u>28,10,50,187</u>
Debts due by private companies in which directors are directors	<u>75,65,13,013</u>	<u>72,39,10,533</u>	<u>67,04,39,463</u>

Trade receivables include due from related parties amounting to ₹ 4024 lakhs ( 31 March 2017: ₹ 3446 Lakhs). The carrying amount of the current trade receivable is considered a reasonable approximation of fair value as is expected to be collected within twelve months, such that the effect of any difference between the effective interest rate applied and the estimated current market rate is not significant.

All of the Company's trade receivables have been reviewed for indicators of impairment by the management and no receivables were found to be impaired.

Customer credit risk is managed based on the Company's established policy, procedures and control relating to customer credit risk management, pursuant to which outstanding customer receivables are regularly monitored by the management. Outstanding customer receivables are regularly monitored by the management to ensure the risk of credit loss is minimal. Credit quality of a customer is assessed based on historical information in relation to pattern of collections, defaults and credit worthiness of the customer.

	As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
<b>6) Loan</b>			
Non Current (Unsecured, considered good) Loans to related parties (refer note 34)	34,53,86,369 <u>34,53,86,369</u>	34,73,47,583 <u>34,73,47,583</u>	13,12,73,107 <u>13,12,73,107</u>
<b>7) Other financial assets</b>			
<b>Fair Value through Profit and Loss</b> (Unsecured, considered good)	52,98,27,593	56,53,46,181	72,79,59,576
Non-current Security deposits	<u>52,98,27,593</u>	<u>56,53,46,181</u>	<u>72,79,59,576</u>
<b>Current</b>	9,20,74,769	6,61,76,825	7,17,35,370
Other deposits	<u>2,18,416</u>	<u>2,18,416</u>	<u>2,18,416</u>
Reimbursement Receivable	<u>9,22,93,186</u>	<u>6,63,95,241</u>	<u>7,19,53,786</u>

There are no other financial assets due from directors or other officers of the Company. The carrying amount of the other financial assets are considered as a reasonable approximation of fair value.

	As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
<b>8) Deferred tax assets (net)</b>			
The breakup of net deferred tax asset is as follows:			
<b>Deferred tax asset arising on account of :</b>			
-Adjustments on account of fair valuation of Security Deposits	6,78,90,971	9,73,04,484	11,83,26,531
" -Adjustments on account of recognition of premium in the gurantees given by the Company "	1,17,66,044	1,24,37,321	28,45,735
		-	-
-Others	3,79,80,180	3,19,80,180	3,19,80,180
<b>Total deferred tax asset</b>	<b>(A) 11,76,37,195</b>	<b>14,17,21,985</b>	<b>15,31,52,446</b>
Less: Deferred tax liability arising on account of :			
-Adjustments on account of fair valuation of Security Deposits	(2,68,92,283)	(3,23,27,695)	(3,77,57,669)
-Adjustments on account of fair valuation of Investments	(32,64,957)	(27,56,859)	(40,27,009)
<b>Total deferred tax liability</b>	<b>(B) (3,01,57,241)</b>	<b>(3,50,84,554)</b>	<b>(4,17,84,678)</b>
<b>Net deferred tax assets</b>	<b>(A+B) 8,74,79,954</b>	<b>10,66,37,431</b>	<b>11,13,67,767</b>

Deferred tax recognized in statement of profit and loss and in other comprehensive income for the year ended 31 March 2018:

Particulars	Recognized in other comprehensive income	Recognized in statement of profit and loss
<b>Deferred tax asset arising on account of :</b>		
-Adjustments on account of fair valuation of Investments	5,08,098	-
Reversal of deferred tax asset created earlier :		2,94,13,513
-Adjustments on account of fair valuation of Security Deposits	-	(26,37,311)
-Adjustments on account of recognition of premium in the gurantees given by the Company "	-	(81,26,824)
Reversal of deferred tax liability created earlier :		
-Adjustments on account of fair valuation of Security Deposits	-	(81,26,824)
<b>TOTAL</b>	<b>5,08,098</b>	<b>1,86,49,378</b>

In assessing the recoverability of deferred income tax assets, management considers whether it is more likely than not that some portion or all of the deferred income tax assets will be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

All deferred tax assets have been recognized in the balance sheet.

	As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
<b>9) Inventories</b> (valued at lower of cost and net realizable value)			
Raw materials	-	32,66,232	20,65,895
Work in progress	75,70,13,333	60,44,19,881	53,80,93,867
Finished goods	-	18,59,15,474	25,63,61,157
Project under development	2,73,960	1,49,53,370	4,98,15,915
	<b>75,72,87,293</b>	<b>80,85,54,957</b>	<b>84,63,36,834</b>
<b>10) Cash and bank balances</b>			
<b>Cash and cash equivalents</b>			
Cash on hand	10,65,295	13,55,671	1,88,23,740
Balances with banks in current accounts	(A) 5,98,41,774	1,38,59,879	1,33,10,358
	<b>6,09,07,069</b>	<b>1,52,15,550</b>	<b>3,21,34,098</b>
<b>Bank balances other than mentioned in cash and cash equivalents</b>			
Unpaid dividend account	65,606	2,09,850	4,01,832
Deposit accounts	1,24,02,699	1,69,31,897	2,00,62,267
	(B) 1,24,68,305	1,71,41,747	2,04,64,099
<b>Total (A+B)</b>	<b>7,33,75,374</b>	<b>3,23,57,297</b>	<b>5,25,98,197</b>

	As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
<b>11) Loan</b>			
<b>Current</b>			
Loans to related parties (refer note 34)	2,56,990	9,52,36,891	14,65,32,232
Other loans	11,41,11,123	17,76,71,750	15,38,88,796
	<u>11,43,68,113</u>	<u>27,29,08,641</u>	<u>30,04,21,028</u>
<b>12) Current Tax Asset (Net)</b>			
Income Tax Assets (Net)	2,32,92,443	6,70,32,818	5,43,76,789
	<u>2,32,92,443</u>	<u>6,70,32,818</u>	<u>5,43,76,789</u>
<b>13) Other current assets</b>			
(Unsecured, considered good)	3,29,65,685	3,29,65,685	3,29,65,685
Advance for Land	5,04,84,024	18,21,461	12,44,164
Balances with government authorities	18,08,34,278	15,25,82,225	14,61,00,062
Advance given to suppliers and others	34,11,327	31,41,692	32,01,237
Staff Advance	17,77,131	19,69,344	20,48,394
Prepaid expenses	1,34,668	1,34,668	1,34,666
Other Receivables	7,92,635	-	-
Land owner share receivable	<u>27,03,99,748</u>	<u>192,615,075</u>	<u>18,56,94,210</u>

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number	Amount(₹)	Number	Amount(₹)	Number	Amount(₹)
<b>14) Equity share capital</b>						
Authorized 1,00,00,000 equity shares of Rs.10/- each	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
<b>Issued, subscribed and fully paid up</b>	86,00,000	8,60,00,000	86,00,000	8,60,00,000	86,00,000	8,60,00,000
86,00,000 equity shares of R.10/- each fully paid up	<b>86,00,000</b>	<b>8,60,00,000</b>	<b>86,00,000</b>	<b>8,60,00,000</b>	<b>86,00,000</b>	<b>8,60,00,000</b>

a) There is no change in issued and subscribed share capital during the year.

**b) Terms/right attached to equity shares**

"The Company has issued only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, which can be approved by the Board of Directors. In the event of liquidation, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders."

**c) Shareholders holding more than 5% of the aggregate shares in the Company**

	Nos.	% holding	Nos.	% holding	Nos.	% holding
<u>Equity Shares of ₹ 10 each</u>						
Smt. Snehalatha Lunawath	14,07,000	16.36%	14,07,000	16.36%	14,07,000	16.36%
Smt. S. Jayalakshmi	7,96,202	9.26%	7,96,202	9.26%	7,96,202	9.26%
Mr. Kamal Lunawath	7,49,100	8.71%	7,49,100	8.71%	7,49,100	8.71%
Mr. Vimal Lunawath	6,96,400	8.10%	6,96,400	8.10%	6,96,400	8.10%
Taj Foundation Private Limited	6,90,000	8.02%	6,90,000	8.02%	6,90,000	8.02%
Ocean Dial Asset Management Ltd A/c ICGQ Ltd	5,92,400	6.89%	5,92,400	6.89%	5,92,400	6.89%

d) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and buy back of shares during the last 5 years immediately preceding 31 March 2018.

**e) Capital management policies and procedures**

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The amounts managed as capital by the Company for the reporting periods under review are summarized as follows:

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Borrowings	99,06,76,178	1,24,51,96,336	1,22,93,17,126
Cash and bank balances	7,33,75,374	3,23,57,297	5,25,98,197
<b>Net debt (A)</b>	<b>91,73,00,804</b>	<b>1,21,28,39,039</b>	<b>1,17,67,18,929</b>
<b>Total equity (B)</b>	<b>1,50,45,11,680</b>	<b>1,49,78,36,319</b>	<b>1,48,43,98,424</b>
<b>Overall financing (A+B)</b>	<b>2,42,18,12,484</b>	<b>2,71,06,75,358</b>	<b>2,66,11,17,353</b>
<b>Gearing ratio</b>	38%	45%	44%

	As at 31 March 2018 ₹	As at 31 March 2017 ₹
<b>15) Other equity</b>		
Securities premium account	57,06,50,000	57,06,50,000
Balance at the beginning of the year	-	-
Add : Additions made during the year	-	-
Balance at the end of the year	<b>57,06,50,000</b>	<b>57,06,50,000</b>
Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.		
<b>General reserve</b>		
Balance at the beginning of the year	8,83,08,752	8,83,08,752
Add : Additions made during the year	-	-
Balance at the end of the year	<b>8,83,08,752</b>	<b>8,83,08,752</b>
General reserve represents an appropriation of profits by the Company.		
<b>Retained earnings</b>		
Balance at the beginning of the year	74,41,67,947	72,96,63,141
Add : Transfer from statement of profit and loss	42,78,828	1,45,04,806
Balance at the end of the year	<b>74,84,46,775</b>	<b>74,41,67,947</b>
Retained earnings comprises of prior years' undistributed earnings after taxes.		
<b>Accumulated other comprehensive income</b>		
Balance at the beginning of the year	87,09,620	97,76,532
Add : Movement during the year	-	(10,66,912)
Balance at the end of the year	<b>87,09,620</b>	<b>87,09,620</b>

	As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
<b>16) Borrowings</b>			
<b>Non-current</b>			
<b>Secured</b>			
Term Loan			
-from bank	27,00,11,030	50,46,25,866	19,02,68,374
-from others	46,03,41,672	40,25,94,728	67,65,82,402
	73,03,52,700	90,72,20,594	86,68,50,776
Less: Current maturities of long-term debt(also refer note 19	(21,31,15,203)	(13,44,48,173)	(17,32,98,240)
	<b>51,72,37,497</b>	<b>77,27,72,421</b>	<b>69,35,52,536</b>
<b>Unsecured</b>			
From others	44,41,81,818	37,92,79,991	38,20,40,489
Loans from related parties	8,98,02,692	3,47,84,877	4,59,76,799
Deposits	7,49,01,569	5,83,59,047	10,77,47,303
Other Loan	<b>60,88,86,079</b>	<b>47,24,23,915</b>	<b>53,57,64,591</b>
	(13,54,47,398)	-	-
(B)	<b>47,34,38,681</b>	<b>47,24,23,915</b>	<b>53,57,64,591</b>
<b>TOTAL (A+B)</b>	<b>99,06,76,178</b>	<b>1,24,51,96,336</b>	<b>1,22,93,17,127</b>



<b>LONG TERM BORROWINGS</b>			
<b>(i) SECURED</b>			
<b>A. FROM BANKS - TERM LOANS</b>			
<b>Particulars</b>	<b>Interest Rate</b>	<b>Amount Outstanding</b>	
		<b>31.03.2018</b>	<b>31.03.2017</b>
		₹	₹
<b>"ICICI BANK -18 CR Loan:</b>			
Secured by way of equitable mortgage on certain immovable properties owned by company and on receivables from the project. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - Term one loan 10 crore repayable in 8 instalment of Rs.1.25 crores, Term two loan of 2.50 crores repayable in 8 instalment of Rs.31,25,000/-, Term three loan of 1 crores repayable in 18 instalment of Rs.5,55,555/-Term Four loan of 4.5 crores repayable in 8 instalment of Rs.56,25,000/- however 7.4 crores loan availed as on Balance sheet date."	13.60%	-	7,23,33,332
<b>"ICICI BANK -5.25 CR Loan:</b>			
Secured by way of equitable mortgage on certain immovable properties, owned by company and on receivables from the project. Further the loan has been guaranteed by way of personal guarantee of the directors of the company.Repayment - 180 instalment of Rs.2,60,861/- 179 instalment is outstanding as on balance sheet date"	8.63%	2,61,70,962	-
<b>"KOTAK MAHINDRA BANK:</b>			
Secured by way of equitable mortgage on certain immovable properties, owned by company. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. The date of commencement of loan is 27-03-2017. Repayment - The term of loan is One hundred and twenty months of Rs.12,93,976/- one hundred and twenty months EMI is outstanding as on the balance sheet date"	9.50%	9,42,50,606	10,00,00,000
<b>"Standard Chartered Bank :</b>			
Secured by way of charge on the lease rentals from let out properties of the company and by way of equitable mortgage of immovable properties owned by the company. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - One hundred and sixty seven monthly installments of Rs.16,30,632/- which commenced from 18-07-2015"	12.25%	-	13,06,95,452
<b>"State bank of India (Over Draft) 12.60 Cr :</b>			
Secured by way of equitable mortgage on certain immovable properties, owned by company. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - 9 Monthly instalments of Rs.11,00,000 /- , 12 Monthly instalments of Rs.10,00,000 /- , 24 Monthly instalments of Rs.15,00,000 /- ,24 Monthly instalments of Rs.18,00,000 /-,12 Monthly instalments of Rs.21,00,000 /- which commenced from 31-07-2015 .Sixty instalments are outstanding as on the balance sheet date."	12.50%	-	9,72,71,223

Particulars	Interest Rate	Amount Outstanding	
		31.03.2018 ₹	31.03.2017 ₹
<b>"HDFC LTD:</b> Secured by way of equitable mortgage on certain immovable properties, owned by company. Further the loan has been guaranteed by way of personal guarantee of the managing director of the company. Sanctioned loan amount Rs. 24,00,00,000/- out of which 8,00,00,000/- drawn as on Balance Sheet. Repayment - Six instalment of Rs.4,00,00,000/-, starting from 31-06-2018. six installments are outstanding as on the balance sheet date."	10.75%	13,00,66,100	7,99,07,123
<b>"HDFC LTD:</b> Secured by way of equitable mortgage on certain immovable properties, owned by company. Further the loan has been guaranteed by way of personal guarantee of the managing director of the company. Repayment variable monthly instalment starting from 31-07-2016. Thirty nine installments are outstanding as on the balance sheet date."	10.75%	1,95,23,362	2,44,18,737
<b>B. Others - Term Loans</b> <span style="float: right;"><b>Total (A)</b></span> from others		<b>27,00,11,030</b>	<b>50,46,25,866</b>
<b>"Aditya Birla Housing Finance Limited:</b> Secured by way of equitable mortgage on certain immovable properties, owned by company and on receivables from the project. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. The date of commencement of loan is 12-08-16. Repayment - The term of loan is Fifteen months, EMI will start from February 2017. However, more amount is repaid during the year."	13.50%	-	7,20,48,641
<b>"Bajaj Finance Ltd:</b> Secured by way of equitable mortgage on certain immovable properties, owned by the company Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - one hundred and forty nine instalment of varying EMI. EMI starting 02-08-2015. One hundred and ten instalment are outstanding as on the balance sheet date"	12.00%	1,86,42,263	44,155,784
<b>"Bajaj Finance Ltd: 7 cr</b> Secured by way of equitable mortgage on certain immovable properties, owned by the company Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - one hundred and eighty instalment Rs.862766/- . EMI starting 02-08-2017. One hundred and sventy two instalment are outstanding as on the balance sheet date"	12.50%	6,07,35,067	-
<b>"ICICI Home Finance- Gajapathy Road Flat:</b> Secured against the immovable property for which the loan has been taken. Repayment - Two hundred and sixty two monthly installments of Rs.79,589/- starting from 10-3-2008. One hundred and forty six installments are outstanding as on the balance sheet date."	9.50%	55,92,415	58,54,152

<b>B. Others - Term Loans from others</b>			
<b>Particulars</b>	<b>Interest Rate</b>	<b>Amount Outstanding</b>	
		<b>31.03.2018</b>	<b>31.03.2017</b>
		₹	₹
<b>"Bajaj Finance Ltd 1.25 cr:</b> Secured by way of equitable mortgage on certain immovable properties, owned by the company Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - one hundred and forty two instalment of Rs.1,66,075/. EMI starting 02-09-2015. One hundred and eleven instalments are outstanding as on the balance sheet date"	12.00%	1,10,60,814	1,15,31,776
<b>"Bajaj Finance Ltd -20cr</b> Secured by way of equitable mortgage on certain immovable properties, owned by the company Further the loan has been guaranteed by way of personal guarantee of the directors of the company. One hundred and eighty instalment of Rs.2088450/- one hundred and seventy instalement balance as on balance sheet date"	9.50%	19,47,65,033	-
<b>"Kotak Mahindra Prime Ltd - Audi A8:</b> Secured against the vehicle for which the loan has been taken. Repayment Sixty monthly installments of Rs.1,79,690/- starting from 10-01-2013.Nine installments are outstanding as on the balance sheet date."	10.00%	-	15,52,659
<b>"Piramal Finance pvt ltd :</b> Secured by way of TDR Further the loan has been guaranteed by way of personal guarantee of the managing director of the company. Repayment -Twelve installmants of 2,50,00,000/- of every quarter. loan sanctioned Rs.30,00,00,000/-, loan withdrawn Rs15,00,00,000/-"	13.00%	5,20,00,000	4,21,48,521
<b>TATA CAPITAL HOUSING FINANCE LTD</b> Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothication of certain project receivables . Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment - Fifteen monthly installmants of Rs. 13,333,333/- .Ten monthly instalment is outstading as on balance sheet date	12.50%	5,50,92,856	13,15,79,587
<b>"others:</b> secured against the asset/ property for which the loan has been obtained"	12% to 18%	6,24,53,222	9,37,86,996
<b>Total</b>		<b>46,03,41,670</b>	<b>40,25,94,728</b>
<b>Grand Total (B)</b>		<b>73,03,52,700</b>	<b>90,72,20,594</b>

	As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
17) <b>Provisions</b>			
<b>Non-current</b>			
Provisions for employee benefits	74,46,404	54,88,541	36,87,243
Gratuity	<u>74,46,404</u>	<u>54,88,541</u>	<u>36,87,243</u>

**a) Provision for employee benefits**

**i) Gratuity**

Gratuity is payable to all the members at the rate of 15 days salary for each year of service. In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date.

The following table sets out the funded status of the Gratuity Plan and the amounts recognized in the financial statement :

**Change in projected benefit obligation**

Projected benefit obligation at the beginning of the year	54,88,541	36,87,243	38,52,651
Interest cost	4,23,715	2,87,605	3,85,265
Current service cost	5,79,186	6,27,943	5,48,996
Past service cost	13,75,244	-	-
Benefits paid	-	-	-
Actuarial (gain) / loss	(4,20,282)	8,85,750	(10,99,669)
Projected benefit obligation at the end of the year	<u>74,46,404</u>	<u>54,88,541</u>	<u>36,87,243</u>
<b>Thereof</b>			
Unfunded	74,46,404	54,88,541	36,87,243

**Components of net gratuity costs are:**

Current service cost	5,79,186	6,27,943	5,48,996
Past service cost	13,75,244	-	-
Interest cost	4,23,715	2,87,605	3,85,265
<b>Net amount recognised in the income statement</b>	<u>23,78,145</u>	<u>9,15,548</u>	<u>9,34,261</u>
Remeasurements			
Net actuarial (gain)/ loss	(4,20,282)	8,85,750	(10,99,669)
<b>Net amount recognised in other comprehensive income</b>	<u>(4,20,282)</u>	<u>8,85,750</u>	<u>(10,99,669)</u>

**Principal actuarial assumptions used:**

a) Discount rate	7.72%	7.44%	7.80%
b) Long-term rate of compensation increase	12%	12%	12%
c) Attrition rate	1%	1%	24%
d) Mortality table			

<b>Indian assured lives mortality (2006-08) ultimate</b>	<b>Indian assured lives mortality (2006-08) ultimate</b>	<b>Indian assured lives mortality (2006-08) ultimate</b>
------------------------------------------------------------------	------------------------------------------------------------------	------------------------------------------------------------------

The estimates of rate of escalation in salary considered in actuarial valuation takes 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. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

**Employee benefits - Maturity profile**

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2018 Defined benefit obligation	59,384	67,885	19,84,442	2,11,91,875	2,32,44,202
31 March 2017 Defined benefit obligation	56,588	59,575	14,59,290	58,70,449	73,89,314

The significant actuarial assumptions for the determination of the defined benefit obligation are the attrition rate, discount rate and the long-term rate of compensation increase. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability at 31 March 2018.

	Attrition rate		Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
<b>31 March 2018</b>						
- Sensitivity Level	-2.95%	3.37%	-10.55%	12.63%	77.70%	-71.20%
- Impact on defined benefit obligation	72,26,622	76,97,349	66,60,821	83,86,592	80,24,675	69,16,245
<b>31 March 2017</b>						
- Sensitivity Level	0.32%	-0.32%	-9.51%	11.42%	4.38%	4.16%
- Impact on defined benefit obligation	55,06,340	54,71,168	49,66,374	61,15,149	57,28,768	52,60,163

	As at 31-03- 2018 ₹	As at 31 -03-2017 ₹	As at 01-04- 2016 ₹
<b>18) Trade payables</b>			
<b>Current</b>			
Dues to micro and small enterprises*	-	-	-
Dues to others	25,96,75,337	56,82,34,363	50,63,60,624
Capital Creditors	20,00,000	20,00,000	20,00,000
	<b>26,16,75,337</b>	<b>57,02,34,363</b>	<b>50,83,60,624</b>

\* There are no micro and small enterprises, as defined under the provisions of Micro, Small and Medium Enterprises Development Act 2006, to whom the Company owes dues as at the reporting date. The micro and small enterprises have been identified by the management on the basis of information available with the Company and have been relied upon by the auditors.

	As at 31-03-2018 ₹	As at 31-03-2017 ₹	As at 31-04-2016 ₹
<b>19) Other financial liabilities</b>			
<b>Current</b>			
Current maturities of long-term debt (Also, refer note 16)	34,85,62,601	13,44,48,173	17,32,98,240
Unpaid Dividend	65,606	2,09,850	4,01,832
Financial Guarantee- Liability	<u>3,39,98,047</u>	<u>3,59,37,705</u>	<u>82,22,766</u>
	<b>38,26,26,254</b>	<b>17,05,95,728</b>	<b>18,19,22,838</b>
<b>20) Other current liabilities</b>		35,92,778	44,18,717
Statutory dues	25,66,596	23,48,81,653	25,59,44,758
Advance from customers and for projects	29,51,81,848	71,239	66,861
Revenue received in advance	1,09,119	-	9,50,00,056
Advance for sale of investment	-	-	-
Other Payables	26,95,79,050	78,21,946	1,38,83,171
Land owner share payable	-	12,022,135	4,03,52,535
	<u>56,74,36,613</u>	<u>258,369,751</u>	<u>40,96,66,098</u>

**21) Financial assets and liabilities**  
**Categories of financial assets and financial liabilities**

Particulars	Financial assets at fair value through profit and loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
<b>As at 31 March 2018</b>				
<b>Financial assets</b>				
Investments	-	14,59,88,659	9,04,72,941	23,64,61,600
Loans	459,754,482	-	-	459,754,482
Trade receivables	-	-	1,08,11,50,698	1,08,11,50,698
Cash and bank balances	-	-	6,09,07,069	6,09,07,069
Other bank balances	-	-	1,24,68,305	1,24,68,305
Other financial assets	<u>52,98,27,593</u>	<u>-</u>	<u>9,22,93,185</u>	<u>62,21,20,778</u>
	<b>989,582,075</b>	<b>14,59,88,659</b>	<b>1,33,72,92,198</b>	<b>2,472,862,932</b>
<b>As at 31 March 2018</b>				
<b>Financial liabilities</b>				
Trade payables	-	-	26,16,75,337	26,16,75,337
Borrowings	53,39,84,510	-	456,691,668	990,676,178
Other financial liabilities	<u>3,39,98,047</u>	<u>-</u>	<u>348,628,207</u>	<u>382,626,254</u>
	<b>56,79,82,557</b>	<b>-</b>	<b>1,066,995,212</b>	<b>1,634,977,769</b>
<b>As at 31 March 2017</b>				
<b>Financial assets</b>				
Investments	-	2,95,20,507	8,84,13,507	11,79,34,014
Loans	34,73,47,583	-	27,29,08,641	62,02,56,224
Trade receivables	-	-	1,06,07,23,779	1,06,07,23,779
Cash and bank balances	-	-	1,52,15,550	1,52,15,550
Other bank balances	-	-	1,71,41,747	1,71,41,747
Other financial assets	<u>56,53,46,181</u>	<u>-</u>	<u>6,63,95,241</u>	<u>63,17,41,422</u>
	<b>91,26,93,764</b>	<b>2,95,20,507</b>	<b>1,52,07,98,465</b>	<b>2,46,30,12,736</b>

Particulars	Financial assets at fair value through profit and loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
<b>As at 31 March 2017</b>				
<b>Financial liabilities</b>				
Trade payables	-	-	57,02,34,363	57,02,34,363
Borrowings	41,40,64,868	-	83,11,31,468	1,24,51,96,336
Other financial liabilities	3,59,37,705	-	13,46,58,023	17,05,95,728
	<u>45,00,02,574</u>	<u>-</u>	<u>1,53,60,23,854</u>	<u>1,98,60,26,427</u>
<b>As at 01 April 2016</b>				
<b>Financial assets</b>				
Investments	-	12,46,96,353	8,19,09,924	20,66,06,277
Loans	13,12,73,107	-	30,04,21,028	43,16,94,135
Trade receivables	-	-	1,01,32,03,009	1,01,32,03,009
Cash and bank balances	-	-	3,21,34,098	3,21,34,098
Other bank balances	-	-	2,04,64,099	2,04,64,099
Other financial assets	72,79,59,576	-	7,19,53,786	79,99,13,362
	<u>85,92,32,683</u>	<u>12,46,96,353</u>	<u>1,52,00,85,944</u>	<u>2,50,40,14,980</u>
<b>As at 01 April 2016</b>				
<b>Financial liabilities</b>				
Trade payables	-	-	50,83,60,624	50,83,60,624
Borrowings	42,80,17,288	-	80,12,99,839	1,22,93,17,127
Other financial liabilities	82,22,766	-	17,37,00,072	18,19,22,838
	<u>43,62,40,054</u>	<u>-</u>	<u>1,48,33,60,535</u>	<u>1,91,96,00,589</u>

	As at 31 March 2018 ₹	As at 31 March 2017 ₹
<b>22) Revenue from operations</b>		
Sales	30,90,45,688	47,22,52,187
Marketing fees received	1,80,53,401	1,24,06,242
Project management fees received	9,86,972	25,49,780
	<u>(A) 32,80,86,061</u>	<u>48,72,08,209</u>
<b>Other Operating Revenues</b>		
Lease rentals	3,57,93,598	3,29,62,459
Maintenance charges received	2,88,03,466	2,62,41,063
Other operating income	4,39,116	9,54,850
	<u>(B) 6,50,36,180</u>	<u>6,01,58,372</u>
<b>Total (A+B)</b>	<u>39,31,22,241</u>	<u>54,73,66,581</u>
<b>23) Other income</b>		
Interest received	4,31,72,684	10,78,94,045
Dividend income	1,74,600	1,67,400
Profit on Sale of Investment	-	1,28,849
Financial Guarantee- Income	1,14,51,664	95,99,026
Liability no longer required	5,77,06,183	-
Miscellaneous income	8,50,59,039	6,08,32,553
	<u>19,75,64,170</u>	<u>17,86,21,872</u>

	As at 31 March 2018 ₹	As at 31 March 2017 ₹
<b>24) Construction And Project Expenses</b>		
Cost of land	3,12,68,639	12,50,79,767
Materials	9,40,00,772	9,32,48,130
Labour & sub-contract expenses	10,06,62,150	9,90,75,699
Legal expenses	34,706	2,31,85,915
Marketing Expenses	41,60,436	-
Consultancy charges	18,20,686	58,23,310
Interest charges and other finance costs related to projects	4,47,87,486	5,31,81,503
Other Project Expenses	2,64,06,247	2,96,48,360
	<b>30,31,41,122</b>	<b>42,92,42,684</b>
<b>25) Changes In Inventories Of Materials, Work- In-Progress And Finished Goods</b>		
a. Inventories at the beginning of the year		
i. Raw Materials	32,66,232	20,65,895
ii. Work-in-progress	60,44,19,881	53,80,93,867
iii. Finished goods	18,59,15,474	25,63,61,157
	<b>79,36,01,587</b>	<b>79,65,20,919</b>
b. Inventories at the end of the year		
i. Raw Materials	15,90,004	32,66,232
ii. Work-in-progress	58,48,98,167	60,44,19,881
iii. Finished goods	17,05,25,162	18,59,15,474
	<b>75,70,13,333</b>	<b>79,36,01,587</b>
<b>Net (increase) / decrease</b>	<b>3,65,88,254</b>	<b>29,19,332</b>
<b>26) Employees Benefit Expenses</b>		
Salaries & Wages		
Contribution to provident and other funds	1,97,44,576	1,65,65,860
Staff Welfare	9,96,293	8,81,447
Other Employee benefit expenses(Also refer note 17)	16,75,818	6,89,777
	23,78,145	9,15,548
	<b>2,47,94,832</b>	<b>1,90,52,632</b>
<b>27) Finance costs</b>		
Interest expenses	12,41,06,898	13,53,83,521
Bank Charges	38,99,902	1,84,587
	<b>12,80,06,800</b>	<b>13,55,68,108</b>
<b>28) Depreciation And Amortization</b>		
Depreciation of tangible assets (Also refer note 3)	62,71,975	82,29,173
Amortisation of intangible assets (Also refer note 3)	5,39,664	3,62,492
	<b>68,11,639</b>	<b>85,91,665</b>
<b>29) Other expenses</b>		
Power & Fuel	25,25,479	18,64,800
Rent	69,32,700	66,62,300
Rates & Taxes	8,53,312	8,86,088
Advertisement & Business Promotion	56,15,465	91,33,926
Legal, Professional & Consultancy Charges	71,76,675	94,31,929
Travelling & Conveyance	21,25,046	24,51,109



	As at 31 March 2018 ₹	As at 31 March 2017 ₹
Repairs and maintenance:		
-Repairs & Office Maintenance	2,81,01,174	3,15,64,630
-Vehicle Maintenance	10,05,154	12,58,328
Telephone, Postage, Printing & Stationery	18,06,432	21,21,711
Financial Guarantee- Expense	76,20,523	3,62,76,449
Donation	1,77,000	12,95,370
Audit Fees		
- For Statutory Audit ( Also, refer Note 32)	6,22,500	6,90,000
Loss on sale of fixed assets	1,85,648	12,328
Share of Loss	9,229	84,941
Miscellaneous expense	31,69,104	21,18,447
	<b>6,79,25,440</b>	<b>10,58,52,356</b>
<b>30) Earnings per equity share (EPS)</b>		
<b>For profit for the year</b>		
Nominal value of equity shares	10	10
Profit attributable to equity shareholders (A)	42,78,828	1,45,04,806
Weighted average number of equity shares outstanding during the year (B)	86,00,000	86,00,000
<b>Basic earnings per equity share (A/B) (in ₹)</b>	0.50	1.69
<b>Diluted earnings per equity share (A/B) (in ₹)</b>	0.50	1.69
<b>For total comprehensive income</b>		
Nominal value of equity shares	10	10
Total comprehensive income attributable to equity shareholders (A)	66,75,361	1,34,37,894
Weighted average number of equity shares outstanding during the year (B)	86,00,000	86,00,000
<b>Basic earnings per equity share (A/B) (in ₹)</b>	0.78	1.56
<b>Diluted earnings per equity share (A/B) (in ₹)</b>	0.78	1.56
<b>31) Leases</b>		
<b>Operating lease commitments - as lessee</b>		
Total lease payments charged off to the statement of profit and loss	69,32,700	66,62,300
<b>Disclosures in respect of non-cancellable operating leases</b>		
The lease rentals charged for the years ended 31 March 2018 and 31 March 2017 and maximum obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:		
The total of future minimum lease payments for each of the following periods:		
(i) Not later than one year	63,82,700	60,24,000
(ii) Due later than one year and not later than five years	1,52,34,500	1,46,52,000
(iii) Due later than five years	-	-
<b>Operating lease commitments - as lessor</b>		
Total lease receipts charged off to the statement of profit and loss	<b>3,57,93,598</b>	<b>3,29,62,459</b>
<b>Disclosures in respect of non-cancellable operating leases</b>		
The lease rentals charged for the years ended 31 March 2018 and 31 March 2017 and maximum obligations on long-term, non-cancellable operating leases receivable as per the rentals stated in the respective agreements are as follows:		

	As at 31 March 2018 ₹	As at 31 March 2017 ₹
The total of future minimum lease payments for each of the following periods:		
(i) Not later than one year	3,38,09,456	3,42,02,679
(ii) Due later than one year and not later than five years	11,65,63,450	11,78,42,013
(iii) Due later than five years	5,38,200	5,26,884
<b>32) Remuneration to auditors</b>		
<b>As auditor</b>		
Statutory audit	6,22,500	6,90,000
Limited review	-	-
Tax audit	-	-
<b>Total</b>	<b>6,22,500</b>	<b>6,90,000</b>

**33) Related parties**

**a) Names of related parties and nature of relationship:**

Nature of relationship	Name of related party
<b>Wholly owned subsidiaries</b>	Vaikunt Housing Limited Arihant Griha Limited Trasperent Heights Real Estate Limited Varenya Constructions Limited
<b>Subsidiaries</b>	Escapade Real Estates Private Limited Northtown Estates Private Limited
<b>Associates</b>	Heirloom Real Estate Pvt Ltd
<b>Joint Venture Entities</b>	Arihant Unitech Realty Projects limited
<b>Partnership Firms</b>	Arihant Foundations Arihant Foundations & Housing Arihant Heirloom
<b>Key Management Personnel</b>	Mr. Kamal Lunawath (Chairman and Managing Director) Mr. Vimal Lunawath (Whole time Director) Mr. Bharat Jain (Whole time Director)
<b>Relatives of Directors</b>	Mrs. Snehalatha Lunawath Mrs. Preethi Lunawath Mrs. Kavita Lunawath

**33) Related parties (Continued)**
**b) Transactions with related parties**

Transaction	Related Party	Year ended	Year ended
		31 March 2018	31 March 2017
		₹	₹
Remuneration to Key Managerial Personnel	Kamal Lunawath	12,00,000	12,00,000
	Vimal Lunawath	12,00,000	12,00,000
	Bharat Jain	18,00,000	18,00,000
Interest expense on loan received	Kamal Lunawath	3,11,87,833	3,15,78,742
	Vimal Lunawath	1,23,86,649	1,22,03,085
Interest income on loan given	Varenva Constructions I Ltd		9,64,59,518
Loan received	Kamal Lunawath	3,07,69,050	5,05,70,868
	Vimal Lunawath	4,45,24,566	2,99,82,776
	Escapade Real Estate P Ltd	11,53,143	74,16,943
Loan repaid	Kamal Lunawath	3,60,69,414	5,51,55,230
	Vimal Lunawath	4,53,03,880	4,13,93,377
	Escapade Real Estate P Ltd	8,00,000	1,10,60,159
Loan given	Arihant Griha Ltd	1,68,652	1,18,100
	Varenva Constructions Ltd	9,15,43,263	11,50,84,982
	Vaikunt Housing Limited	17,000	3,91,079
	North Town Estates P Ltd	2,70,371	2,01,290
Loans repaid-- repayments received	Arihant Griha Ltd	-	18,50,000
	Varenva Constructions Ltd	21,40,32,120	10,43,90,178
	North Town Estates P Ltd	1,98,571	3,95,830
Advances made	Transperent Heights Real Estate Ltd	2,97,000	3,13,919
	Escapade Real Estate P Ltd	17,07,711	90,387
	Arihant Unitech Realty Projects Ltd	14,71,778	7,69,019
Advances - repayment received from	Arihant Unitech Realty Projects Ltd	3,48,267	3,59,366
	Escapade Real Estate P Ltd	63,00,000	-
Marketing fee Received	Escapade Real Estate P Ltd	3,74,765	3,59,145
	Arihant Unitech Realty Projects Ltd	1,76,78,636	1,20,47,097
Project management fee paid	Escapade Real Estate P Ltd	5,66,972	10,01,347

**c) Balances with related parties**

Transaction	Related Party	Year ended	Year ended
		31 March 2018	31 March 2017
		₹	₹
Borrowings	Escapade Real Estates Pvt Ltd	15,39,96,160	13,98,59,386
	Varenva Constructions Ltd	5,43,98,276	-
	Directors	23,57,87,382	23,94,20,606
Loans	North Town Estates Pvt Ltd	2,56,990	1,85,190
	Varenva Constructions Ltd	-	9,50,51,701
	Vaikunt Housing Limited	91,61,012	83,55,422
	Heirloom Real Estate Pvt Ltd	9,08,26,239	9,75,43,410
	Arihant Griha Limited	4,42,98,344	4,03,47,976
Trade Receivables	Escapade Real Estates Pvt Ltd	-	29,56,378
	Varenva Constructions Ltd	34,22,95,853	31,53,34,734
	Arihant Griha Limited	1,80,10,050	1,80,10,050
	Transperent Heights Real Estate Ltd	86,06,428	83,09,428

**34) Fair value measurement**

**Fair value measurement hierarchy**

The Company records certain financial assets and financial liabilities at fair value on a recurring basis. The Company determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The Company holds certain fixed income investments and other financial assets such as employee loans, deposits etc. which must be measured using the fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three Levels of fair value hierarchy. These levels are based on the observability of significant inputs to the measurement, as follows:

> Level 1: Quoted prices ( unadjusted ) in active markets for identical assets or liabilities

> Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

> Level 3: Unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy of financial and non-financial assets and liabilities measured at fair value on a recurring basis at 31 March 2018, 31 March 2017, and 01 April 2016:

Fair value measurement using							
		Quoted prices in active markets	Significant observable inputs		Significant unobservable inputs		
		Date of valuation	Total	(Level 1)	(Level 2)	(Level 3)	
<b>i) Assets measured at fair value:</b>	2018	31 March 2018	14,59,88,659	12,54,23,212	2,05,65,447	-	
	<b>Fair value through other comprehensive income</b>	2017	31 March 2017	2,95,20,507	89,55,060	2,05,65,447	-
	<b>Investments</b>	2016	01 April 2016	12,46,96,353	92,32,100	11,54,64,253	-

Investment in mutual funds are valued based on the Net Asset Value (NAV) of the funds as at the year end. The NAV of the funds are provided by the fund management company at the end of each reporting year.

Fair value measurement using							
		Quoted prices in active markets	Significant observable inputs		Significant unobservable inputs		
		Date of valuation	Total	(Level 1)	(Level 2)	(Level 3)	
<b>ii) Liabilities measured at fair value:</b>	2018	31 March 2018	3,39,98,047	-	-	3,39,98,047	
	<b>Financial guarantees</b>	2017	31 March 2017	3,59,37,705	-	-	3,59,37,705
		2016	01 April 2016	82,22,766	-	-	82,22,766

The fair value of the financial guarantees are based on the credit risk associated with the guarantees extended and the maximum exposure that is expected to have on the event of default by the debtor.

There have been no transfers between Level 1 and Level 2 during the year.

		Fair value measurement using			
Quoted prices in active markets		Significant observable inputs		Significant unobservable inputs	
Date of valuation		Total	(Level 1)	(Level 2)	(Level 3)
ii) Liabilities measured at amortised cost:					
a) Interest-bearing loans and borrowings:					
Floating rate borrowings			Nil	Nil	Nil
Fixed rate borrowings			805,254,269	96,579,641	974,598,079

The fair values of the Company's interest-bearing borrowings and loans are determined under amortised cost method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. These rates are considered to reflect the market rate of interest and hence the carrying value are considered to be at fair value.

### 35) Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies

The Company's principal financial liabilities comprise of loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its and group companies operations. The Company's principal financial assets include loans trade and other receivables, cash and short-term deposits that derive directly from its operations. The Company also holds short term investments. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by the Group Treasury Team that advises on financial risks and the appropriate financial risk governance framework in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by Group Treasury Team that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors review and agree on policies for managing each of these risks, which are summarised below.

#### a) Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

#### b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates are managed by borrowing at fixed interest rates. During the year Company did not have any floating rate borrowings.

#### c) Foreign currency risk

All of the Company's transactions are carried out in Indian rupees. Company has no exposure to foreign currency risk

#### d) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example trade receivables, placing deposits, investment in mutual funds etc. the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at 31 March 2018, as summarised below:

	31-03-2018 ₹	31-03-2017 ₹	01-04-2016 ₹
<b>Classes of financial assets</b>			
Investments	23,64,61,600	11,79,34,014	20,66,06,277
Trade receivables	1,08,11,50,697	1,06,07,23,779	1,01,32,03,009
Loan	45,97,54,482	62,02,56,224	43,16,94,135
Cash and bank balances	7,33,75,374	3,23,57,297	5,25,98,197
Other financial assets	62,21,20,779	63,17,41,422	79,99,13,362

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. The Company's policy is to transact only with counterparties who are highly creditworthy which are assessed based on internal due diligence parameters.

In respect of trade receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Based on historical information about customer default rates management considers the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents, fixed deposits are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Other financial assets mainly comprises of tender deposits and security deposits which are given to land owners or other governmental agencies in relation to contracts executed and are assessed by the Company for credit risk on a continuous basis.

### c) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash in flows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on a monthly, quarterly, and yearly basis depending on the business needs. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period. The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods.

Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Company's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from trade receivables are all contractually due within six months except for retention and long term trade receivables which are governed by the relevant contract conditions.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, and short-term borrowings. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

As at 31 March 2018, the Company's non-derivative financial liabilities have contractual maturities as summarised below:

#### Year ended 31 March 2018

	Current	
	Within 6 months	6 to 12 months
Trade and other payables	19,62,56,503	6,54,18,834
Other financial liabilities	28,69,69,691	9,56,56,564

**ARIHANT FOUNDATIONS & HOUSING LIMITED**

**(ii) Estimates**

**Note to Standalone Financial Statements**

Hindsight is not used to create or revise estimates. The estimates made by the Company under previous GAAP were not revised for the application of Ind AS except where necessary to reflect any differences in accounting policies or errors.

**36) First-time adoption of Ind AS**

**Optional exemptions availed by the Company**

These are the Company's first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with Companies (Accounting Standard) Rules, 2006, notified under section 133 of the Act and other relevant provisions of the Act (Previous GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on or after 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017. This note explains the principal adjustments made by the Company in restating its statement of financial position as at 01 April 2016 and its previously published financial statements as at and for the year ended 31 March 2017 under previous GAAP.

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. The Company has elected to use carrying value under previous GAAP as the deemed cost on the date of transition to Ind AS for all property, plant and equipment (including intangible assets). Land and buildings (properties) were carried in the balance sheet prepared in accordance with previous GAAP on the basis of historical cost.

**a) First time adoption exemptions applied**

The Company has elected to regard those values of property as deemed cost at the date of the transition since they were broadly comparable to fair value. Accordingly, the Company has not revalued the property at 01 April 2016.

Upon transition, Ind AS 101 permits certain exemptions from full retrospective application of Ind AS. The Company has applied the mandatory exceptions and certain optional exemptions, as set out below:

**(iii) Investment in subsidiaries, joint ventures and associates**

**Mandatory exceptions adopted by the Company**

Investment in subsidiaries, joint ventures and associates are measured at the carrying value under previous GAAP on the date of transition to Ind AS. These carrying value under previous GAAP are considered to be the deemed cost as at the date of transition.

**(i) De-recognition of financial assets and liabilities**

**(iv) Leases**

The de-recognition criteria of Ind AS 109 Financial Instruments has been applied prospectively for transactions occurring on or after the date of transition to Ind AS. Non-derivative financial assets and non-derivative financial liabilities derecognized before date of transition under previous GAAP are not recognized on the opening Ind AS balance sheet.

Appendix C to Ind AS 17, Leases, requires an entity to assess whether a contract or arrangement contains a lease. As per Ind AS 17, this assessment should be carried out at inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

**36) First-time adoption of Ind AS (Continued)**

**b) Reconciliation of equity as at**

**Reconciliation of equity as at 01 April 2016 (date of transition to Ind AS)**

ASSETS	Foot note	Previous GAAP*	Adjustments	Ind AS
<b>Non-current assets</b>				
Property, plant and equipment		115,249,337	-	11,52,49,337
Intangible assets		3,12,438	-	3,12,438
Financial assets				
- Investments	a	19,49,70,213	1,16,36,064	20,66,06,277
- Trade receivables		34,27,63,546	-	34,27,63,546
- Loans	b	20,16,75,289	(7,04,02,182)	13,12,73,107
- Other financial assets	b	99,94,62,533	(27,15,02,957)	72,79,59,576
Deferred tax assets (net)	f	3,19,80,180	7,93,87,587	11,13,67,767
		<b>1,88,64,13,536</b>	<b>(25,08,81,488)</b>	<b>1,63,55,32,048</b>

	Foot note	Previous GAAP*	Adjustments	Ind AS
<b>Current assets</b>				
Inventories		79,65,20,919	4,98,15,915	84,63,36,834
Financial assets				
- Trade receivables		67,04,39,463	-	67,04,39,463
- Cash and cash equivalents		3,21,34,098	-	3,21,34,098
- Bank balances other than those mentioned in cash and cash equivalents		2,04,64,099	-	2,04,64,099
- Loans		30,04,21,028	-	30,04,21,028
- Other financial assets		7,19,53,786	-	7,19,53,786
Current Tax Asset (Net)		5,43,76,789	-	5,43,76,789
Other current assets		18,56,94,210	-	18,56,94,210
		<u>2,13,20,04,392</u>	<u>4,98,15,915</u>	<u>2,18,18,20,307</u>
Total assets		<b>4,01,84,17,927</b>	<b>(20,10,65,572)</b>	<b>3,81,73,52,355</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		8,60,00,000	-	8,60,00,000
Other equity	a-e	1,53,32,63,667	(13,48,65,242)	1,39,83,98,425
<b>Total Equity</b>		<b>1,61,92,63,667</b>	<b>(13,48,65,242)</b>	<b>1,48,43,98,425</b>
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
-Borrowings	c	1,33,84,18,110	(10,91,00,983)	1,22,93,17,127
Provisions		36,87,243	-	36,87,243
		<u>1,34,21,05,353</u>	<u>(10,91,00,983)</u>	<u>1,23,30,04,370</u>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
- Trade payables		50,83,60,624	-	50,83,60,624
- Other financial liabilities	d	17,37,00,072	82,22,766	18,19,22,838
Other current liabilities		37,49,88,212	3,46,77,886	40,96,66,098
		<u>1,05,70,48,908</u>	<u>4,29,00,652</u>	<u>1,09,99,49,560</u>
<b>Total liabilities</b>		<b>2,39,91,54,261</b>	<b>(6,62,00,331)</b>	<b>2,33,29,53,920</b>
<b>Total equity and liabilities</b>		<b>4,01,84,17,927</b>	<b>(20,10,65,572)</b>	<b>3,81,73,52,355</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

**36) First-time adoption of Ind AS (Continued)**  
**Reconciliation of equity as at 31 March 2017**

	Foot note	Previous GAAP*	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		10,74,57,275	-	10,74,57,275
Intangible assets		24,10,746		24,10,746
Financial assets				
- Investments	a	10,99,68,057	79,65,957	11,79,34,014
- Trade receivables		33,68,13,246	-	33,68,13,246
- Loans	b	20,47,38,679	14,26,08,904	34,73,47,583
- Other financial assets	b	98,91,16,911	(42,37,70,730)	56,53,46,181
Deferred tax assets (net)	f	3,19,80,180	7,46,57,251	10,66,37,431
		<u>1,78,24,85,094</u>	<u>(19,85,38,618)</u>	<u>1,58,39,46,476</u>



	Foot note	Previous GAAP*	Adjustments	Ind AS
<b>Current assets</b>				
Inventories		79,36,01,587	1,49,53,370	80,85,54,957
Financial assets				
- Trade receivables		72,39,10,533		72,39,10,533
- Cash and cash equivalents		1,52,15,550	-	1,52,15,550
"- Bank balances other than those mentioned in cash and cash equivalents"		1,71,41,747	-	1,71,41,747
- Loans		27,29,08,641	-	27,29,08,641
- Other financial assets		6,63,95,241	-	6,63,95,241
Current Tax Asset (Net)		6,70,32,818	-	6,70,32,818
Other current assets		19,26,15,075		19,26,15,075
		<u>2,14,88,21,192</u>	<u>1,49,53,370</u>	<u>2,163,774,562</u>
Total assets		<u>3,93,13,06,288</u>	<u>(183,585,248)</u>	<u>3,747,721,038</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		8,60,00,000	-	8,60,00,000
Other equity	a-e	1,54,42,75,711	(13,24,39,392)	1,41,18,36,319
<b>Total Equity</b>		<u>1,63,02,75,711</u>	<u>(13,24,39,392)</u>	<u>1,49,78,36,319</u>
<b>Non-current liabilities</b>				
Financial liabilities				
-Borrowings	c	1,33,86,07,385	(9,34,11,049)	1,24,51,96,336
Provisions		54,88,541	-	54,88,541
		<u>1,34,40,95,926</u>	<u>(93,411,049)</u>	<u>1,25,06,84,877</u>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
- Trade payables		57,02,34,363	-	57,02,34,363
- Other financial liabilities	d	13,46,58,022	3,59,37,706	17,05,95,728
Other current liabilities		25,20,42,264	6,327,457	258369751
		<u>95,69,34,649</u>	<u>4,02,65,193</u>	<u>999,199,842</u>
<b>Total liabilities</b>		<u>2,30,10,30,575</u>	<u>(5,11,45,856)</u>	<u>2,249,884,719</u>
<b>Total equity and liabilities</b>		<u>3,93,13,06,286</u>	<u>(183,585,248)</u>	<u>3,747,721,038</u>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

### 36 First-time adoption of Ind AS (Continued)

#### b) Reconciliation of equity

##### Reconciliation of profit and loss for the year ended 31 March 2017

	Foot note	Previous GAAP*	Adjustments	Ind AS
Revenue from operations		43,89,48,959	10,84,17,622	54,73,66,581
Other income	b & d	11,16,72,597	6,69,49,275	17,86,21,872
<b>Total revenue</b>		<u>55,06,21,556</u>	<u>1,75,36,68,97</u>	<u>72,59,88,453</u>
Expenses				
Construction and project expenses		31,43,12,917	11,49,29,767	42,92,42,684
Changes in inventories of Finished goods, Work in Progress and Stock-in-trade		29,19,332	-	29,19,332
Employee benefits expense	e	1,99,38,382	(8,85,750)	1,90,52,632
Finance costs	c & d	11,88,40,655	1,67,27,453	13,55,68,108
Depreciation and amortization expense		85,91,665	-	85,91,665
Other expenses	d	6,95,06,998	3,63,45,358	10,58,52,356
<b>Total expenses</b>		<u>53,41,09,949</u>	<u>16,71,16,828</u>	<u>70,12,26,777</u>

<b>Profit before exceptional items and tax</b>		1,65,11,607	8,250,069	2,47,61,676
Exceptional items		-	-	-
<b>Profit before tax</b>		1,65,11,607	8,250,069	2,47,61,676
<b>Tax expense</b>				
Current tax	f	54,30,655	-	54,30,655
Deferred tax		-	48,26,215	48,26,215
<b>Profit for the year</b>		<b>1,10,80,952</b>	<b>3,423,854</b>	<b>1,45,04,806</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit and loss</b>				
- Re-measurement (losses) on defined benefit plans	e	-	(8,85,750)	(8,85,750)
-Net (loss)/gain on FVOCI equity securities	a	-	(2,77,040)	(2,77,040)
- Income tax relating to items that will not be reclassified to profit and loss	f	-	95,878	95,878
<b>Other comprehensive income for the year, net of tax</b>		-	<b>(10,66,912)</b>	<b>(10,66,912)</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

**d) Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2017**

In ₹ lakhs

Particulars	IGAAP*	Adjustments	Ind AS
Net cash flow from operating activities	(13,15,72,026)	16,83,86,227	3,68,14,201
Net cash flow from investing activities	19,36,79,574	6,06,54,076	25,43,33,650
Net cash flow from financing activities	(8,23,48,444)	(22,57,17,954)	(30,80,66,398)
Net increase/(decrease) in cash and cash equivalents	(2,02,40,896)	33,22,348	(1,69,18,548)
Cash and cash equivalents as at 1 April 2016	5,25,98,194	(2,04,64,096)	3,21,34,098
<b>Cash and cash equivalents as at 31 March 2017</b>	<b>3,23,57,298</b>	<b>(1,71,41,748)</b>	<b>1,52,15,550</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

**36) First-time adoption of Ind AS (Continued)**

**b) Reconciliation of equity (continued)**

**Footnotes to the reconciliations**

**a) Fair valuation of Investments**

Under the previous GAAP, investments in mutual funds were classified as long-term investments or current investments based on intended holding period or realisability and were accounted at cost less provision for diminution in value of investments. Under Ind AS, these investments are required to be measured at fair value. The Company has designated the investments as classified at fair value through other comprehensive income. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31 March 2017.

**b) Financial assets**

Under Ind AS, financial assets other than receivables having a fixed maturity period are to be measured at fair value less transaction costs under Ind AS 109. The Net present value of cash flows which are

receivable as a contractual right is considered to be the "fair value" of the financial instrument. The rate used for discounting the security deposits is the lowest borrowing rate. The difference between the restated value and the carrying amount has been adjusted to the opening reserves. As per Ind AS 113, paragraphs B13-30 specify discount rate adjustment techniques which have been used for fair valuing the deposits having fixed maturity period. Under the previous GAAP, these financial assets were valued as the sum of cash flows receivable during their period of life.

**c) Financial liabilities**

Under Ind AS, financial liabilities other than trade payables having a fixed maturity period are to be measured at fair value less transaction costs under Ind AS 109. The Net present value of cash flows which are receivable as a contractual right is considered to be the "fair value" of the financial instrument. The rate used for discounting the security deposits is the lowest borrowing rate. The difference between the restated value and the carrying amount has been adjusted to the opening reserves. As per Ind AS 113, paragraphs B13-30 specify discount rate adjustment techniques which have been used for fair valuing the deposits having fixed maturity period. Under the previous GAAP, these financial liabilities were valued as the sum of cash flows receivable during their period of life.

**d) Financial Guarantee**

Under Ind AS, financial guarantees are measured at fair value and classified as liabilities measured at fair value through profit and loss. The liability created is accounted as Premium on Financial Guarantee and the debit is accounted under expense. This liability created needs to be amortized over the period of the financial guarantee contract by charging the amount to revenue. Under previous GAAP, financial guarantees are considered as contingent liability.

**e) Defined benefit obligation**

Both under previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind- AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income.

**f) Deferred tax**

The various transitional adjustments lead to temporary differences that result in deferred tax liability/asset (as the case may be). Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or Other Comprehensive Income. On the date of transition, the net impact on deferred tax assets is of ₹ 794 lakhs (31 March 2017: ₹ 746 lakhs).

**37) Events after the reporting period**

No adjusting or significant non-adjusting events have occurred between the reporting date (31 March 2018) and the date of authorization..

**38) Contingent liabilities, commitments and guarantees**

Contingent liabilities

- i) Value Added Tax liability, if any on works contracts carried out by the company is considered by management as not material but if any liability arises it will be recovered from customers.

**For Ramachandra Rao & Associates,**

Chartered Accountants  
Firm's Registration No.: 007735S  
Sd/-  
CA. Ramachandra Rao Suraneni  
**Proprietor**  
**Membership No. 206003**

**Place : CHENNAI**  
**Date : 30.05.2018**

The cases pending before the CIT Appeals of Income tax are as follows

	<b>As at 31 March 2018 ₹</b>	<b>As at 31 March 2017 ₹</b>
AY 1999-2000	7638692	76,38,692
AY 2011-2012	7183310	71,83,310
AY 2012-2013	-	14,99,288
AY 2013-2014	1519250	15,19,250

- iii) Amount of service tax under dispute: R.23,16,081/- pertaining to period October 2004 to March 2007 (Previous year:R.23,16,081/- for the period October 2004 to March 2007). Stay has been granted by the CESTAT. If the appeal is disallowed it may result in penalty of equivalent amount
- iv) The company has given corporate guarantee of Rs.205 Crores to its joint venture companies
- v) In continuation to inspection made u/s. 209A of the Companies Act, 1956; the proceedings filed u/s.58A,299 and 295 are under process. The Company has applied for compounding application for the same on 19.01.2015

**39) Segment reporting**

The company is primarily in the business of real estate development and related activities including construction. Major exposure is to residential and commercial construction and development of IT parks. Further majority of the business conducted is within the geographic boundaries of India.

In view of the above, in the opinion of the Management and based on the organizational and internal reporting structure, the company's business activities as described above are subject to similar risks and returns. Further, since the business activities undertaken by the company are within India, in the opinion of the Management, the environment in India is considered to have similar risks and returns. Consequently the company's business activities primarily represent a single business segment. Similarly, this business operations in India represent a single geographical segment.

**Notes 1 to 39 form an integral part of these standalone financial statements**

**For and on behalf of the Board of Directors of  
Arihant Foundations and Housing Limited**

Sd/- Kamal Lunawath <b>Managing Director</b> DIN : 00087344	Sd/- Vimal Lunawath <b>Whole Time Director</b> DIN : 00586269	Sd/- J.Meenakshi <b>Company Secretary</b>
----------------------------------------------------------------------	------------------------------------------------------------------------	-------------------------------------------------

**Place : CHENNAI**  
**Date : 30.05.2018**

**INDEPENDENT AUDITOR'S REPORT**

TO  
THE MEMBERS OF ARIHANT FOUNDATIONS & HOUSING LIMITED,

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Arihant Foundations and Housing Limited (hereinafter referred to as "the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated 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 of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting 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 and the Order issued under section 143 (11) of the Act.

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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the 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 consolidated 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 consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and its consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

**Other Matters**

We did not audit the financial statements of certain subsidiaries, associates and jointly controlled entities, whose financial statements reflect total assets of Rs.98,89,04,542/- as at 31st March, 2018, total revenues of Rs.26,11,18,549/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and jointly controlled entities and our report in terms of sub section (3) and (11) of Section 143 of the Act, insofar as it related to the aforesaid subsidiaries, associates and jointly controlled entities is based solely on the board adopted financial statements. In our opinion and according to the information and explanations given to us by management, these financial statements are not going to be changed materially.

Our opinion on the consolidated financial statements and our report on Other Legal and regulatory requirements below, is not modified in respect of above matter with respect to our reliance on the work done, the reports and the financial statements certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, based on our audit we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.

b. in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books.

c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained for the purpose of the consolidated financial statements.

d. in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.

e. On the basis of written representations received from the Directors of the company as on March 31, 2018 taken on record by the Board of Directors of the Company and its subsidiaries, none of the directors of the Group Companies is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations which would impact its consolidated financial position of the Group.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For S. RAMACHANDRA RAO & ASSOCIATES**  
Chartered Accountants  
Firm's Registration No.007735S

**CA. RAMACHANDRA RAO SURANENI**  
Proprietor  
Membership No: 206003.

Place : Chennai,  
Date : 30-05-2018

### ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Arihant Foundations and Housing Limited of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **ARIHANT FOUNDATIONS AND HOUSING LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the

Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- i. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- iii. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

**For S. RAMACHANDRA RAO & ASSOCIATES**  
Chartered Accountants  
Firm's Registration No.007735S

**CA. RAMACHANDRA RAO SURANENI**  
Proprietor  
Membership No: 206003.

Place : Chennai,  
Date : 30-05-2018

**Arihant Foundations and Housing Limited**  
**Consolidated Balance Sheet as at 31 March 2018**  
 (All amounts are in Indian Rupees, unless otherwise stated)

ASSETS	Note No	As at 31.03.2018 ₹	As at 31.03.2017 ₹	As at 31.03.2016 ₹
<b>Non-current assets</b>				
Property, plant and equipment	3	10,89,23,365	11,52,81,171	11,70,25,311
Intangible assets	3	18,71,082	24,10,746	3,12,438
Financial assets				
Investments	4	43,46,73,223	45,19,05,256	57,46,25,915
Trade receivables	5	35,71,34,316	34,16,70,263	34,13,01,705
Loans	6	29,54,86,069	31,88,05,999	4,39,13,683
Other financial assets	7	52,98,27,593	73,09,31,140	45,67,14,856
Deferred tax assets (net)	8	9,68,86,071	3,71,24,242	3,07,76,848
Other non current assts)	9	3,20,17,020	4,32,60,892	6,20,47,182
		<b>1,85,68,18,739</b>	<b>2,04,13,89,709</b>	<b>1,62,67,17,938</b>
<b>Current assets</b>				
Inventories	10	1,04,87,82,036	1,26,80,97,370	1,41,66,65,761
Financial assets				
Trade receivables	5	81,97,64,466	49,20,69,056	72,67,40,596
Cash and cash equivalents	11	7,79,89,195	2,81,06,099	3,43,52,818
Bank balances other than those mentioned in cash and cash equivalents"	11	1,57,91,209	1,71,41,747	2,04,72,023
Loans	12	11,36,10,113	17,79,41,940	15,14,78,929
Other financial assets	7	9,22,93,186	6,63,95,241	7,44,52,523
Current Tax Asset (Net)	13	2,36,45,449	6,98,67,656	5,81,60,896
Other current assets	14	32,29,71,530	48,71,84,554	55,20,90,735
Total assets		<b>2,51,48,47,184</b> <b>4,37,16,65,923</b>	<b>2,60,68,03,663</b> <b>4,64,81,93,372</b>	<b>3,034,414,281</b> <b>4,661,132,219</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	15	8,60,00,000	8,60,00,000	8,60,00,000
Other Equity	16	1,41,74,10,284	1,71,10,94,074	1,66,04,94,844
<b>Total Equity</b>		<b>1,50,34,10,284</b>	<b>1,79,70,94,074</b>	<b>1,74,64,94,844</b>
<b>Non - Controlling Interests</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	17	1,40,45,56,641	1,34,54,68,648	98,66,17,952
Other financial liabilities	20	-	23,99,58,169	25,00,00,000
Provisions	18	78,98,689	59,93,253	47,17,053
		<b>1,41,24,55,330</b>	<b>1,59,14,20,070</b>	<b>1,24,13,35,005</b>

<b>Current liabilities</b>				
Financial liabilities				
Borrowings	17	44,83,500	53,43,000	8,43,000
Trade payables	19	26,61,27,652	57,07,99,729	51,51,79,106
Other financial liabilities	20	68,13,97,037	21,48,13,484	32,68,75,961
Other current liabilities	21	43,96,57,551	41,97,33,355	76,53,89,307
Provisions	18	64,16,361	36,96,119	1,79,49,668
		<b>1,39,80,82,101</b>	<b>1,21,43,85,687</b>	<b>1,62,62,37,042</b>
<b>Total liabilities</b>		<b>2,81,05,37,431</b>	<b>2,80,58,05,757</b>	<b>2,86,75,72,047</b>
<b>Total equity and liabilities</b>		<b>4,37,16,65,923</b>	<b>4,64,81,93,372</b>	<b>4,66,11,32,219</b>

Notes 1 to 40 form an integral part of these standalone financial statements  
In terms of our report attached

**For Ramachandra Rao & Associates,**

Chartered Accountants

Firm's Registration No.: 007735S

Sd/-

CA. Ramachandra Rao Suraneni

**Proprietor**

**Membership No. 206003**

**Place : CHENNAI**

**Date : 30.05.2018**

**For and on behalf of the Board of Directors of**

**Arihant Foundations and Housing Limited**

Sd/-

Kamal Lunawath

**Managing Director**

**DIN : 00087344**

**Place : CHENNAI**

**Date : 30.05.2018**

Sd/-

Vimal Lunawath

**Whole Time Director**

**DIN : 00586269**

Sd/-

J.Meenakshi

**Company Secretary**



**ARIHANT FOUNDATIONS & HOUSING LIMITED**

**Consolidated Statement of Profit and Loss for the year ended 31 March 2018**

	NOTE NO	YEAR ENDED 31.03.2018 ₹	YEAR ENDED 31.03.2017 ₹
<b>INCOME</b>			
Revenue from operations	23	65,62,49,502	68,00,22,950
Other income	24	21,06,33,811	13,09,95,479
<b>TOTAL REVENUE</b>		<b>86,68,83,313</b>	<b>81,10,18,429</b>
<b>EXPENSES</b>			
Construction and project expenses	25	32,18,54,411	38,06,67,539
Changes in inventories of Finished goods, Work in Progress and Stock-in-trade	26	13,50,79,915	86,86,067
Employee benefits expense	27	4,03,81,888	3,50,68,237
Finance cost	28	18,98,90,534	23,43,86,044
Depreciation and amortization expense	29	1,02,60,313	1,11,20,534
Other expenses	30	8,01,58,572	17,78,58,743
<b>TOTAL EXPENSES</b>		<b>77,76,25,633</b>	<b>84,77,87,164</b>
Share of profit (loss) from equity accounted investments		<b>(6,78,79,809)</b>	(3,39,73,396)
Profit/(Loss) before exceptional items and tax		-	-
Exceptional items		<b>2,13,77,871</b>	<b>(7,07,42,131)</b>
<b>Profit/(Loss) before tax</b>			
<b>Tax expense</b>			
Current tax		1,72,72,977	55,28,008
Deferred tax		1,81,34,038	73,84,528
<b>Profit/(Loss) for the year</b>		<b>(1,40,29,144)</b>	<b>(6,88,85,611)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit and loss</b>			
Re-measurement (losses) on defined benefit plans		4,20,282	(8,85,750)
Net (loss)/gain on FVOCI equity securities		14,68,153	(2,77,040)
Income tax relating to items that will not be reclassified to profit and loss		5,08,098	95,878
<b>Other comprehensive income for the year, net of tax</b>		<b>23,96,533</b>	<b>(10,66,912)</b>
Total comprehensive income for the year		(1,16,32,611)	(6,99,52,523)
Minority interest		(1,23,69,825)	32,295
<b>Total comprehensive income after Minority Interest</b>		<b>(2,40,02,436)</b>	<b>(6,99,20,228)</b>
<b>Profit attributable to:</b>			
Owners of the Company		(2,63,98,969)	(6,88,53,316)
Non-controlling interest		1,23,69,825	(32,295)
		<b>(1,40,29,144)</b>	<b>(6,88,85,611)</b>

	NOTE NO	YEAR ENDED 31.03.2018 ₹	YEAR ENDED 31.03.2017 ₹
<b>Other comprehensive income attributable to:</b>			
Owners of the Company		23,41,692	(12,07,140)
Non-controlling interest		54,841	1,40,228
		<u>23,96,533</u>	<u>(10,66,912)</u>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		(2,40,57,277)	(7,00,60,456)
Non-controlling interest		1,24,24,666	1,07,933
		<u>(1,16,32,611)</u>	<u>(6,99,52,523)</u>
<b>Earnings per equity share</b>			
Basic (in ₹) (Face value of ₹ 10 each)	31	(1.63)	(0.80)
Diluted (in ₹) (Face value of ₹ 10 each)	31	(1.63)	(0.80)

Notes 1 to 39 form an integral part of these standalone financial statements

**For Ramachandra Rao & Associates,**

Chartered Accountants

Firm's Registration No.: 007735S

Sd/-

CA. Ramachandra Rao Suraneni

**Proprietor**

**Membership No. 206003**

**Place : CHENNAI**

**Date : 30.05.2018**

**For and on behalf of the Board of Directors of  
Arihant Foundations and Housing Limited**

Sd/-

Kamal Lunawath

**Managing Director**

**DIN : 00087344**

**Place : CHENNAI**

**Date : 30.05.2018**

Sd/-

Vimal Lunawath

**Whole Time Director**

**DIN : 00586269**

Sd/-

J.Meenakshi

**Company Secretary**

**ARIHANT FOUNDATIONS & HOUSING LIMITED**

**Consolidated Statement of Cash Flows for the year ended 31 March 2018**

	Year ended 31.03.2018 ₹	Year ended 31.03.2017 ₹
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax</b>	2,13,77,871	(7,07,42,131)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization expense	1,02,60,313	1,11,20,534
(Gain)/loss on sale of investments	-	(1,28,849)
Interest expenses	16,92,15,862	22,05,58,848
Interest expenses	9,229	84,941
Loss on sale of Fixed Assets	1,85,648	12,328
Other Non Operating Income	(14,83,89,265)	(8,38,64,635)
Interest and dividend income	(5,07,92,881)	(3,74,02,969)
Financial Guarantee- Expense	76,20,523	2,65,06,077
Financial Guarantee- Income	(1,14,51,664)	(95,99,026)
<b>Operating profit before working capital changes</b>	<b>(1,964,364)</b>	<b>5,65,45,118</b>
<b>Changes in assets and liabilities</b>		
Adjustments for Working Capital changes	21,93,15,334	14,85,68,391
(Increase) / Decrease in Inventories	(34,31,59,463)	23,43,02,982
(Increase) / Decrease in trade receivables	5,62,42,499	(22,11,88,262)
(Increase) / Decrease in Other financial assets	4,66,00,459	11,32,07,197
(Increase) / Decrease in Other assets	(30,46,72,077)	5,56,20,623
Increase / (Decrease) in Trade Payables	(11,61,29,286)	<b>4,54,57,068</b>
Increase / (Decrease) in Long Term Provisions	46,65,83,553	(11,20,62,477)
Increase / (Decrease) in Other financial liabilities	1,99,24,196	(34,56,55,952)
Increase / (Decrease) in Other current liabilities	<b>4,27,40,852</b>	<b>(2,52,05,312)</b>
<b>Cash generated from/(used) in operating activities</b>	<b>(4,89,46,637)</b>	<b>(1,61,97,630)</b>
Direct taxes paid, net	<b>(6,205,785)</b>	<b>(4,14,02,942)</b>
<b>Net cash generated from/(used) in operating activities</b>		
<b>B. Cash flow from investing activities</b>		
Purchase of fixed Assets	(35,98,491)	(1,19,77,030)
Sale of fixed Assets	50,000	4,90,000
Share of Loss	(9,229)	(84,941)
Interest/Dividend received during the year	5,06,18,281	3,74,02,969
Other Non - Operating Income	14,83,89,265	8,38,64,635
Purchase of Investment	(11,70,59,434)	(2,01,78,586)
Proceeds from sale of Investment	-	10,87,02,655
<b>Net cash (used) in/generated from investing activities</b>	<b>7,85,64,993</b>	<b>19,82,19,702</b>
<b>C. Cash flow from financing activities</b>		
Fresh loans taken / (Loans repaid)	5,90,87,993	35,88,50,695
Loans received back	8,76,51,757	(30,13,55,327)
Interest & Finance Charges	(16,92,15,862)	(22,05,58,848)
<b>Net cash (used) in/generated from financing activities</b>	<b>(2,24,76,112)</b>	<b>(16,30,63,480)</b>
<b>D. Net change in cash and cash equivalents</b>	<b>4,98,83,096</b>	<b>(62,46,720)</b>
E. Cash and cash equivalents at the beginning	2,81,06,099	3,43,52,818
F. Cash and cash equivalents at the end	<b>7,79,89,194</b>	<b>2,81,06,099</b>

	Year ended 31.03.2018 ₹	Year ended 31.03.2017 ₹
<b>Cash and cash equivalents include</b>		
<b>Cash on hand</b>	14,50,471	17,35,664
<b>Balances with banks</b>		
<b>- in current accounts</b>	7,65,38,723	2,63,70,435
<b>Cash and cash equivalents as per note 10</b>	<u>7,79,89,194</u>	<u>2,81,06,099</u>

Notes 1 to 40 form an integral part of these standalone financial statements

**For Ramachandra Rao & Associates,**

Chartered Accountants

Firm's Registration No.: 007735S

Sd/-

CA. Ramachandra Rao Suraneni

**Proprietor**

**Membership No. 206003**

**Place : CHENNAI**

**Date : 30.05.2018**

**For and on behalf of the Board of Directors of  
Arihant Foundations and Housing Limited**

Sd/-

Kamal Lunawath

**Managing Director**

**DIN : 00087344**

**Place : CHENNAI**

**Date : 30.05.2018**

Sd/-

Vimal Lunawath

**Whole Time Director**

**DIN : 00586269**

Sd/-

J.Meenakshi

**Company Secretary**

**ARIHANT FOUNDATIONS & HOUSING LIMITED**

**Statements of Changes in Equity for the period ended 31 March 2018**

**A. Equity share capital**

Particulars	Amount
<b>Balance as at 01 April 2016</b>	<b>8,60,00,000</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2017</b>	<b>8,60,00,000</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2018</b>	<b>8,60,00,000</b>

**B. Other Equity**

Particulars	Reserves and Surplus			Accumulated other comprehensive income	Total	Non controlling interests
	General reserve	Securities Premium	Retained Earnings			
<b>Balances at 01 April 2016</b>	<b>8,83,08,752</b>	<b>57,06,50,000</b>	<b>99,17,59,560</b>	<b>97,76,532</b>	<b>1,66,04,94,844</b>	<b>4,70,65,328</b>
Transfer from statement of profit and loss	-	-	(6,88,53,316)	-	(6,88,53,316)	(32,295)
Other comprehensive income for the year (net of tax)	-	-	-	(12,07,140)	(12,07,140)	1,40,228
Appropriations made during the year	-	-	12,06,59,686	-	12,06,59,686	(18,79,720)
<b>Balances at March 31, 2017</b>	<b>8,83,08,752</b>	<b>57,06,50,000</b>	<b>1,04,35,65,930</b>	<b>85,69,392</b>	<b>1,71,10,94,074</b>	<b>4,52,93,541</b>
Transfer from statement of profit and loss	-	-	(2,63,98,969)	-	(2,63,98,969.16)	1,23,69,825
Other comprehensive income for the year (net of tax)	-	-	-	23,41,692	23,41,692	54,841
Appropriations made during the year	-	-	(26,96,26,512)	-	(26,96,26,512)	-
<b>Balances at March 31, 2018</b>	<b>8,83,08,752</b>	<b>57,06,50,000</b>	<b>74,75,40,449</b>	<b>1,09,11,084</b>	<b>1,41,74,10,284</b>	<b>5,77,18,207</b>

**For Ramachandra Rao & Associates,**

Chartered Accountants  
Firm's Registration No.: 007735S  
Sd/-

CA. Ramachandra Rao Suraneni  
**Proprietor**  
Membership No. 206003

Place : CHENNAI  
Date : 30.05.2018

**For and on behalf of the Board of Directors of  
Arihant Foundations and Housing Limited**

Sd/-  
Kamal Lunawath  
**Managing Director**  
DIN : 00087344

Place : CHENNAI  
Date : 30.05.2018

Sd/-  
Vimal Lunawath  
**Whole Time Director**  
DIN : 00586269

Sd/-  
J.Meenakshi  
**Company Secretary**

## 1. Background

Arihant Foundations & Housing Limited ("the company") was incorporated on 6th March, 1992 as a limited company. The company engaged in the business of constructions of residential, commercial complexes and IT parks.

## 2. Summary of significant accounting policies

### a) Basis of preparation and presentation of financial statements

#### i) Accounting convention

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the companies (Indian Accounting Standards) Amendment Rules, 2016.

For all periods upto and including the year ended March 31, 2017, the group prepared its financial statements in accordance with the accounting standards notified under the Section 133 of the Companies Act, 2013, read together with Companies (Accounts) Rules 2014 (Indian GAAP)

These are the group's first annual financial statements prepared in accordance with Indian Accounting Standards (Ind AS). The Group has adopted all applicable standards and the adoption was carried out in accordance with Ind AS 101 – First Time Adoption of Indian Accounting Standards'. An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and cash flows of the group are provided in Note 36 First Time Adoption.

All amounts included in the financial statements are reported in Indian Rupees Lakhs.

#### ii) Basis of measurement

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. All assets and liabilities are classified into current and non-current based on the operating cycle

of less than twelve months or based on the criteria of realisation / settlement within twelve months period from the balance sheet date.

### iii) Principles of consolidation

#### Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to variable returns from its involvement with the entity and has ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group. The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances, and unrealised gain on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed wherever necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of equity and balance sheet respectively/

#### Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

#### Joint arrangements

Under Ind AS 111, Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Arihant Foundations and Housing Limited has only joint ventures. Interest in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet

## Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss and the group's share of other comprehensive income of the investee in the other comprehensive income. Dividends received or receivable from the associates and joint ventures are recognised as a reduction in the carrying amount of investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the equity, including any other unsecured long term receivables, the group does not recognise further losses unless it has incurred obligations or made payments on behalf of the other equity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

### b) Use of estimates

The preparation of the 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. 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.

The Group bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group. Such changes are reflected in the assumptions when they occur.

### b) Use of estimates (Continued)

## Significant management judgements

The following are significant management judgements in applying the accounting policies of the group that have the most significant effect on the financial statements.

### Classification of leases

The group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

### Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions

### Capitalisation of internally developed intangible assets

Distinguishing the research and development phases of a new customised project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

### Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

### Recoverability of advances / receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

#### Useful lives of depreciable / amortisable assets

Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

#### Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

#### Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

#### c) Current versus non-current classification

The group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
  - Held primarily for the purpose of trading;
  - Expected to be realized within twelve months after the reporting period, or
  - 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:

- It is expected to be settled in normal operating cycle;
  - It is held primarily for the purpose of trading;
  - It is due to be settled within twelve months after the reporting period, or
  - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The group has evaluated and considered its operating cycle as 12 months.

#### d) Property, plant and equipment

The group has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the group and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Property, plant and equipment [other than freehold land and lease hold land (perpetual lease)] are depreciated under the on straight line method ("SLM method") over the estimated useful lives of the assets, which are prescribed under Schedule II to the Companies Act, 2013.



Useful life adopted by the group for various class of assets is as follows:

Vehicles	Useful Lives
Motor cycle / Two Wheelers	10 Years
Motor cars	8 Years
On Furniture and fixtures	10 Years
On Office equipments	5 Years
On Computers & Accessories	3 years

The Group has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives. Schedule II requires the Group to identify and depreciate significant components with different useful lives separately.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

**e) Intangible assets**

The Group has elected to continue with the carrying value for all of its intangible assets as recognized in its Previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016. Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortisation and impairment. Advances paid towards the acquisition of intangible assets outstanding at each Balance Sheet date are disclosed as other non-current assets and the cost of intangible assets not ready for their intended use before such date are disclosed as intangible assets under development. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised. The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

**f) Impairment of property, plant and equipment and intangible assets**

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Group estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the Statement of Profit and Loss.

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

**g) Revenue recognition**

**Revenue from projects**

Revenue from sale of properties is recognised when it is probable that the economic benefits will flow to the Company and it can be reliably measured, which coincides with entering into a legally binding agreement. Revenue is measured at the fair value of the consideration received / receivable net of rebate and taxes. Revenue from sale of undivided share of land (UDS) in qualifying projects where the risks and rewards on the sale of the UDS are separable from the risks and rewards on the construction contract is recognized upon the transfer of all significant risks and rewards of ownership of such real estate, as per the terms of the contracts entered into with the buyers, which coincides with the firming of the sales contracts/agreements and a minimum level of collection of dues from the customer. Revenue from the sale of UDS on other projects where the risk and rewards on the sale of the UDS are not separable from the construction contracts and therefore do not qualify above are recognized on the percentage of completion method."

"In accordance with the "Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable)" (guidance note) all projects where revenue is recognized for the first time, construction revenue on such projects have been recognized on percentage of

completion method provided the following three holds have been met

- (a) all critical approvals necessary for the commencement have been obtained;
- (b) the expenditure incurred on construction and development costs is not less than 25 percent of the total estimated construction and development costs;
- (c) at least 25 percent of the saleable project area is secured by agreements with buyers; and
- (d) at least 10 percent of the agreements are realized at the reporting date in respect of such contracts."

Contract revenues represent the aggregate amounts of fair value of sale price for agreements entered into and are accrued based on the percentage that the actual construction costs incurred until the reporting date bears to the total estimated construction costs to completion. For projects where the risks and rewards on the sale of the UDS are separable from the risks and rewards on the construction contract, land costs are excluded for the purpose of computing the percentage of completion. Contract costs include the estimated construction, development, proportionate land cost and other directly attributable costs of the projects under construction. Losses expected to be incurred on projects in progress, are charged to the statement of profit and loss in the period in which these losses are known. For projects executed through joint development arrangements, which represent joint operations, whereby the Group gives up a defined percentage of constructed area in lieu of payment for its share in the land, the Group accounts for such developmental rights acquired in accordance with IndAS 111, Joint Arrangements as under:

- a) its assets, including its share of any assets held jointly;
- (b) its liabilities, including its share of any liabilities incurred jointly;
- (c) its revenue from the sale of its share of the output arising from the joint operation;
- (d) its share of the revenue from the sale of the output by the joint operation; and

- (e) its expenses, including its share of any expenses incurred jointly.

"The estimates for saleable area and contract costs are reviewed by the management periodically and the cumulative effect of the changes in these estimates, if any, are recognized in the period in which these changes may be reliably measured. Unbilled revenue disclosed under other financial assets represents revenue recognized over and above the amount due as per payment plans agreed with the customers. Progress billings which exceed the costs and recognized profits to date on projects under construction are disclosed as unearned revenue under other current liabilities. Any billed amount that has not been collected is disclosed under trade receivables and is net of any provisions for amounts doubtful of recovery. Revenue from the sale of land is recognized in the period in which the agreement to sell is entered into. Where there is a remaining substantial obligation under the agreement, revenue is recognized on the fulfilment of such obligation."

#### **Rental income**

Income from rentals are recognized as an income in the statement of profit and loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the Group with expected inflationary costs.

#### **Interest income**

Interest income is reported on an accrual basis using the effective interest method and is included under the head "other income" in the Statement of Profit and Loss.

#### **Dividend income**

"Income from dividends are recognized when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably."

#### **h) Inventories**

##### **Raw materials**

Inventory includes raw materials used for the construction activity of the Group. Raw materials are valued at the lower of cost and net realizable value with the cost being determined on a 'First In First Out' basis.

#### Properties under development

"Properties under development represents construction work in progress which are stated at the lower of cost and net realizable value. This comprises of cost of land, construction related overhead expenditure, borrowing costs and other net costs incurred during the period of development."

#### Properties held for sale

"Completed properties held for sale are stated at the lower of cost and net realizable value. Cost includes cost of land, construction related overhead expenditure, borrowing costs and other costs incurred during the period of development. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale."

#### Properties held for development

"Properties held for development represents land acquired for future development and construction, and is stated at cost including the cost of land, the related costs of acquisition and other costs incurred to get the properties ready for their intended use."

#### i) Employee benefits

"Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits."

#### Defined contribution plan

"The Group's contribution to provident fund is charged to the statement of profit and loss or inventorized as a part of project under development, as the case may be. The Group's contributions towards provident fund are deposited with a government administered fund, in accordance with Employees' Provident Funds and Miscellaneous Provisions Act, 1952."

#### Defined benefit plan

##### "(i) Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any).

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method

#### (ii) Compensated absences

The Group provides benefit of compensated absences under which unavailed leave are allowed to be accumulated to be availed in future. The compensated absences comprises of vesting as well as non vesting benefit. The cost of short term compensated absences are provided for based on estimates. Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date."

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related

"Service cost on the Group's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs. Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period. "obligation.

#### "Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee"

#### j) Leases

"The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or

assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2016 (date of transition to Ind AS), the group has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition."

### "Finance Lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss."

"A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life, whichever is lower. However, if there is no reasonable certainty that the group will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease period."

### "Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases."

### k) Foreign currency transactions

Functional and presentation currency

The functional currency of the Group is the Indian Rupee. These financial statements are presented in Indian Rupees (₹)

### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

"-Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/ (losses)."

-Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

### l) Borrowing costs

"Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs."

### m) Government Grants

"Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is

adjusted against the cost of the depreciable asset, to which the grant relates to, on receipt of such subsidy."

#### **n) Income taxes**

"Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date."

"Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income 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 profit or loss at the time of the transaction."

"Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, 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 utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

"Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and

are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously."

#### **o) Provisions and contingencies**

##### **"Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense."

##### **o) Provisions and contingencies (Continued)**

##### **"Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Group does not recognise a contingent liability but discloses its existence in the financial statements."

##### **"Contingent assets**

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised."

**p) Financial instruments**

**Financial assets**

**Initial recognition and measurement**

"Financial assets ( other than trade receivables ) are recognized when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through statement of profit and loss which are measured initially at fair value. Subsequent measurement of financial assets is described below. Trade receivables are recognized at their transaction price as the same do not contain significant financing component."

**Subsequent measurement**

"For the purpose of subsequent measurement, financial assets are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

- a. Amortized cost
- b. Fair Value Through Other Comprehensive Income (FVTOCI) or
- c. Fair Value Through Profit or Loss (FVTPL)"

"All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below."

**(i) Financial asset at amortised cost**

"Includes assets that are held within a business model where the objective is to hold the financial assets to collect contractual cash flows and the contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are measured subsequently at amortized cost using the effective interest method. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if

the credit risk on that financial instrument has increased significantly since initial recognition. "

**(ii) Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)**

"Includes assets that are held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, the Group, based on its assessment, makes an irrevocable election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading. These elections are made on an instrument-by instrument (i.e., share-by-share) basis. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in other comprehensive income. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. The dividends from such instruments are recognized in statement of profit and loss. "

The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognized in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

**(iii) Financial assets at Fair Value Through Profit or Loss (FVTPL)**

"Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortized cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value

with gains or losses recognized in statement of profit and loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists."

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognized in the statement of profit and loss.

#### **De-recognition of financial assets**

"A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's standalone balance sheet) when:"

"a. The rights to receive cash flows from the asset have expired, or

b. The Group 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 (i) the Group has transferred substantially all the risks and rewards of the asset, or (ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset."

#### **De-recognition of financial assets (Continued)**

"When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

#### **Financial liabilities**

##### **Initial recognition and measurement**

"Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate."

"All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs."

"The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments."

##### **Subsequent measurement**

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

##### **Gains or losses on liabilities held for trading are recognised in the profit or 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 P&L. However, the Group 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 or loss. The Group has not designated any financial liability as at fair value through profit and loss."

##### **Loans and borrowings**

"This is the category most relevant to the Group. 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. This category generally applies to borrowings."

### **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."

### **Offsetting of financial instruments**

"Financial assets and financial liabilities are offset and the net amount is reported in the 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."

### **Derivative financial instruments and Hedge accounting Initial recognition and subsequent measurement**

"The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative."

"Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability."

"For the purpose of hedge accounting, hedges are classified as:"

- a. Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- b. Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; and
- c. Hedges of a net investment in a foreign operation"

"At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated."

### **Derivative financial instruments and Hedge accounting (Continued)**

"Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:"

#### **(i) Fair value hedges**

"The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs. For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is



derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss."

## ii) Cash flow hedges

"The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss. The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met."

## (iii) Hedges of a net investment

"Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is reclassified to the statement of profit or loss (as a reclassification adjustment)."

## q) Impairment of financial assets

"In accordance with Ind AS 109 Financial Instruments, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets."

"The Group tracks credit risk and changes thereon for each customer. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss."

"ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:"

"-All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity uses the remaining contractual term of the financial instrument."

-Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group uses default rate for credit risk to determine impairment loss allowance on portfolio of its trade receivables

"Trade receivables

The Company applies approach permitted by Ind AS 109 Financial Instruments which requires expected lifetime losses to be recognised from initial recognition of receivables."

## "Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided."

**r) 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:

- In the principal market for the asset or liability, or"
- 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."

**s) Fair value measurement (Continued)**

"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:"

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

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

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

**s) 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. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short - term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management."

**t) Segment reporting**

"Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the engineering design service, which constitutes its single reportable segment."

**u) Earnings/ (Loss) per Share (EPS)**

"Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources."

"Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company ( after adjusting for interest on the convertible preference shares if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented."

**v) Cash flow statement**

"Cash flows are reported using the indirect method, whereby profit / ( loss ) before tax is adjusted for the effects of transactions of non - cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and other short- term highly liquid investments with original maturities of 3 months or less, as applicable."

**Notes to Consolidated Financial Statements**  
**3 Property, plant and equipment and Intangible assets**

Particulars	Property, plant and equipment							Intangible assets	
	Land	Freehold Buildings	Leasehold Buildings	Furniture and Fixtures	Plant and Equipment	Office Equipment	Vehicles	Total	Computer software
Gross carrying amount (Deemed Cost)									
Deemed cost as at 01 April 2016	1,79,31,721	9,52,92,261	57,95,307	2,26,22,813	1,26,06,979	80,24,927	2,59,73,687	18,82,47,695	19,17,015
Additions	-	-	-	5,32,180	-	4,07,259	85,76,791	95,16,230	24,60,800
Disposals	-	-	-	-	-	-	8,87,149	8,87,149	-
Balance as at 31 March 2017	1,79,31,721	9,52,92,261	57,95,307	2,31,54,993	1,26,06,979	84,32,186	3,36,63,329	19,68,76,776	43,77,815
Additions	-	-	-	-	10,000	2,29,362	33,69,129	35,98,491	-
Disposals	-	-	-	-	-	-	6,50,000	6,50,000	-
Balance as at 31 March 2018	1,79,31,721	9,52,92,261	57,95,307	2,31,54,993	1,26,16,979	86,61,548	3,63,72,458	19,98,25,267	43,77,815
Accumulated depreciation/amortization									
Balance as at 01 April 2016	-	2,42,87,165	10,79,576	1,94,19,984	69,08,200	70,21,658	1,25,05,801	7,12,22,384	16,04,577
Depreciation/amortization expense for the year	-	17,67,562	93,114	18,69,818	12,14,981	5,71,493	52,41,074	1,07,58,042	3,62,492
Reversal on disposal of assets	-	-	-	-	-	-	3,84,821	3,84,821	-
Balance as at 31 March 2017	-	2,60,54,727	11,72,690	2,12,89,802	81,23,181	75,93,151	1,73,62,054	8,15,95,605	19,67,069
Depreciation/amortization charge during the year	-	14,92,747	92,667	5,76,024	11,89,323	3,68,580	60,01,308	97,20,649	5,39,664
Reversal on disposal of assets	-	-	-	-	-	-	4,14,352	4,14,352	-
Balance as at 31 March 2018	-	2,75,47,474	12,65,357	2,18,65,826	93,12,504	79,61,731	2,29,49,010	9,09,01,902	25,06,733
Netbook									
Balance as at 01 April 2016	1,79,31,721	7,10,05,096	47,15,731	32,02,829	56,98,779	10,03,269	1,34,67,886	11,70,25,311	3,12,438
Balance as at 31 March 2017	1,79,31,721	6,92,37,534	46,22,617	18,65,191	44,83,798	8,39,035	1,63,01,275	11,52,81,171	24,10,746
Balance as at 31 March 2018	1,79,31,721	6,77,44,787	45,29,950	12,89,167	33,04,475	6,99,817	1,34,23,448	10,89,23,365	18,71,082

**ARIHANT FOUNDATIONS & HOUSING LIMITED**

**Notes to Consolidated Financial Statements**

	As at 31.03.2018 ₹	As at 31.03.2017 ₹	As at 01.04.2016 ₹
<b>Financials assets</b>			
<b>4) Non - Current Investment</b>			
<b>Investment in equity instruments(fully paid-up)</b>			
<b>Unquoted</b>			
<b>i) Joint Ventures / Associates</b>			
Arihant Unitech Realty Projects Ltd. (5,00,000 Equity shares of R.10/- Each Fully Paid Up)	11,76,48,503	11,81,26,751	11,79,89,296
North Town Estates Pvt Ltd (32,500 Equity shares of R.10/- Each Fully Paid Up)	9,88,88,121	23,41,69,491	26,82,80,342
Heirloom Real Estate Pvt.Ltd. (2,500 Equity shares of R.10/- Each Fully Paid Up)	-	-	25,000
Mnagalgiri Realty Projects Pvt. Ltd (2,72,210 Equity shares of Rs.10/-Each Fully paid up.)	28,26,047	28,26,047	9,50,74,853
	<b>21,93,62,670</b>	<b>35,51,22,289</b>	<b>48,13,69,491</b>
<b>Investment in Debentures</b>			
Mangalagiri Realty Projects Pvt Ltd "(1,77,394 Optionally Redeemable Convertible Debentures of R.100/- Each)"	1,77,39,400	1,77,39,400	2,03,89,400
<b>Investment in Partnership Firms</b>			
Arihant Heirloom	7,21,42,941	7,00,83,507	6,36,29,924
<b>TOTAL (A)</b>	<b>30,92,45,011</b>	<b>44,29,45,196</b>	<b>56,53,88,815</b>
<b>Investments carried at fair value through other comprehensive income</b>			
<b>Investments in other companies (fully paid-up)</b>			
<b>Quoted- Non Trade</b>			
Happy Homes Profin Ltd (44,800 Equity shares of R 10/- each Fully Paid Up. Market value Rs.1, Carried at other than cost)	1	1	1
Hindustan Construction Company Ltd (500 Shares of Rs. 45.53 Each Fully Paid Up; Market value is Rs.19,750 /-)	11,100	19,750	9,800
IDBI Bank Ltd (500 Shares of Rs. 156.20 Each Fully Paid Up; Market value is Rs. 37,550/-)	36,125	37,550	34,750
Indotech Transformers (691 Equity Shares of Rs. 130.19/- Each Fully Paid up; Market value is Rs 1,43,279 /-)	1,18,506	1,43,279	1,29,769

	As at 31.03.2018 ₹	As at 31.03.2017 ₹	As at 01.04.2016 ₹
Tata Consultancy Services Ltd (3,600 Shares of Rs.250.65/- Each Fully Paid up; market value is Rs. 87,54,480/-)	1,02,57,480	87,54,480	90,57,780
Birla Sunlife Mutual Fund	11,50,00,000		
	<u>12,54,23,212</u>	<u>89,55,060</u>	<u>92,32,100</u>
<b>4 Non - Current Investment (continued) Unquoted- Non Trade</b>			
Investment In Govt. Bonds National Savings Certificate	5,000	5,000	5,000
TOTAL (B)	<u>12,54,28,212</u>	<u>89,60,060</u>	<u>92,37,100</u>
<b>Grand Total (A+B)</b>	<b>43,46,73,223</b>	<b>45,19,05,256</b>	<b>57,46,25,915</b>
<b>Aggregate amount of:</b>			
-Quoted investments and market value thereof;	12,54,28,212	89,60,060	92,37,100
-Unquoted investments	30,92,45,011	44,29,45,196	56,53,88,815
-Provision for diminution in value of investments other than temporary	-	-	-
<b>5 Trade receivables (Unsecured considered good, unless stated otherwise) Non-current Trade receivables</b>	<u>35,71,34,316</u> <b>35,71,34,316</b>	<u>34,16,70,263</u> <b>34,16,70,263</b>	<u>34,13,01,705</u> <b>34,13,01,705</b>
<b>Current</b>			
Trade receivables			
- exceeding six months	17,46,55,043	15,56,62,371	9,92,56,612
- less than six months	27,85,63,496	24,14,52,349	35,66,95,717
Debts due by private companies in which directors are directors	<u>36,65,45,927</u> <b>81,97,64,466</b>	<u>9,49,54,336</u> <b>49,20,69,056</b>	<u>27,07,88,267</u> <b>72,67,40,596</b>
Trade receivables include due from related parties amounting to ₹3665 lakhs 31-03-2017: ₹949 and 01-04-2016 ₹2.708 Lakhs. The carrying amount of the current trade receivable is considered a reasonable approximation of fair value as is expected to be collected within twelve months, such that the effect of any difference between the effective interest rate applied and the estimated current market rate is not significant.			
All of the Company's trade receivables have been reviewed for indicators of impairment by the management and no receivables were found to be impaired.			
Customer credit risk is managed based on the Company's established policy, procedures and control relating to customer credit risk management, pursuant to which outstanding customer receivables are regularly monitored by the management. Outstanding customer receivables are regularly monitored by the management to ensure the risk of credit loss is minimal. Credit quality of a customer is assessed based on historical information in relation to pattern of collections, defaults and credit worthiness of the customer.			

	As at 31.03.2018 ₹	As at 31.03.2017 ₹	As at 01.04.2016 ₹
<b>6) Loan</b>			
<b>Non Current</b>			
(Unsecured, considered good)			
Other parties	29,54,86,069	31,88,05,999	4,39,13,683
	<u>29,54,86,069</u>	<u>31,88,05,999</u>	<u>4,39,13,683</u>
<b>7) Other financial assets</b>			
(Unsecured, considered good)			
Non-current			
Security deposits	52,98,27,593	56,53,46,181	45,67,14,856
Interest-free inter-corporate deposits to related party	-	16,55,84,959	-
	<u>52,98,27,593</u>	<u>73,09,31,140</u>	<u>45,67,14,856</u>
<b>Current</b>			
Other deposits			
Reimbursement Receivable	9,20,74,769	6,61,76,825	7,17,35,370
Advances to related parties	2,18,416	2,18,416	2,18,416
	-	-	24,98,737
	<u>9,22,93,186</u>	<u>6,63,95,241</u>	<u>7,44,52,523</u>

There are no other financial assets due from directors or other officers of the Company. The carrying amount of the other financial assets are considered as a reasonable approximation of fair value.

**8) Deferred tax assets (net)**

The breakup of net deferred tax asset is as follows:

**Deferred tax asset arising on account of :**

Adjustment on account of fair valuation of Security Deposits	8,36,57,015	4,02,28,616	3,94,48,335
Others	4,33,86,297	3,19,80,180	3,31,13,192
<b>Total deferred tax asset</b>	<u>12,70,43,312</u>	<u>7,22,08,796</u>	<u>7,25,61,527</u>
<b>Less: Deferred tax liability arising on account of :</b>	<b>A</b>		
Adjustments on account of fair valuation of Security Deposits	(2,68,92,283)	(3,23,27,695)	(3,77,57,669)
Adjustments on account of fair valuation of Investments	(32,64,957)	(27,56,859)	(40,27,009)
<b>Total deferred tax liability</b>	<b>B</b>	<u>(3,50,84,554)</u>	<u>(4,17,84,678)</u>
<b>Net deferred tax assets</b>	<b>(A-B)</b>	<u>9,68,86,071</u>	<u>3,07,76,848</u>

Deferred tax recognized in statement of profit and loss and in other comprehensive income for the year ended 31 March 2018:

Particulars	Recognized in other comprehensive income	Recognized in statement of profit and loss
Deferred tax asset arising on account of : Adjustments on account of fair valuation of Investments	5,08,098	-
Reversal of deferred tax asset created earlier : Adjustments on account of fair valuation of Security Deposits	-	26776202
Adjustments on account of recognition of premium in the guarantees given by the Company "	-	
Reversal of deferred tax liability created earlier : Adjustments on account of fair valuation of Security Deposits	-	(81,26,824)
Others	-	(5,15,340)
<b>TOTAL</b>	<b>5,08,098</b>	<b>1,81,34,038</b>

In assessing the recoverability of deferred income tax assets, management considers whether it is more likely than not that some portion or all of the deferred income tax assets will be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced. All deferred tax assets have been recognized in the balance sheet.

**9) Other non current assets**

Prepaid finance cost	3,05,03,086	4,27,77,388	6,09,22,719
Balance with government authorities	<u>15,13,934</u>	<u>4,83,504</u>	<u>11,24,463</u>
	<b>3,20,17,020</b>	<b>4,32,60,892</b>	<b>6,20,47,182</b>

	As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
<b>10) Inventories</b> (valued at lower of cost and net realizable value)			
Land	-	-	-
Raw materials	-	32,66,232	10,63,24,291
Work in progress	75,70,13,333	70,29,11,542	53,80,93,867
Transferrable Development Rights	20,15,98,518	36,12,31,912	46,63,98,068
Finished goods	-	18,59,15,474	25,63,61,157
Project under development	<u>9,01,70,185</u>	<u>1,47,72,210</u>	<u>4,94,88,378</u>
	<b>1,04,87,82,036</b>	<b>1,26,80,97,370</b>	<b>1,41,66,65,761</b>

**11) Cash and bank balances**

Cash and cash equivalents			
Cash on hand	14,50,471	17,35,664	1,90,07,272
Balances with banks in current accounts	<u>7,65,38,723</u>	<u>2,63,70,435</u>	<u>1,53,45,546</u>
<b>(A)</b>	<b>7,79,89,195</b>	<b>2,81,06,099</b>	<b>3,43,52,818</b>

Bank balances other than mentioned in cash and cash equivalents

Unpaid dividend account	65,606	2,09,850	4,01,832
Deposit accounts	1,57,25,603	1,69,31,897	2,00,70,191
(B)	<u>1,57,91,209</u>	<u>1,71,41,747</u>	<u>2,04,72,023</u>
<b>Total (A+B)</b>	<u>9,37,80,403</u>	<u>4,52,47,846</u>	<u>5,48,24,841</u>

	As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
<b>12) Loan</b>			
<b>Current</b>			
Other loans	<u>11,36,10,113</u>	<u>17,79,41,940</u>	<u>15,14,78,929</u>
	<b>11,36,10,113</b>	<b>17,79,41,940</b>	<b>15,14,78,929</b>
<b>13) Current Tax Asset (Net)</b>			
Income Tax Assets (Net)	<u>2,36,45,449</u>	<u>6,98,67,656</u>	<u>5,81,60,896</u>
	<b>2,36,45,449</b>	<b>6,98,67,656</b>	<b>5,81,60,896</b>
<b>14) Other current assets</b>			
(Unsecured, considered good)			
Advance for Land	5,67,15,685	3,29,65,685	3,29,65,685
Balances with government authorities	5,14,80,430	28,17,867	22,40,570
Advance given to suppliers and others	18,57,63,197	15,73,14,668	8,18,000
Advance given to employees	1,96,275	-	-
Advance given to related parties	8,18,000	-	-
Staff Advance	49,09,669	46,49,503	15,16,11,036
Prepaid expenses	1,81,33,100	28,56,85,107	48,41,422
Other Receivables	41,62,538	1,34,668	35,93,03,805
Land owner share receivable	<u>7,92,636</u>	<u>36,17,056</u>	<u>3,10,217</u>
	<b>32,29,71,530</b>	<b>48,71,84,554</b>	<b>55,20,90,735</b>

	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number	Amount	Number	Amount	Number	Amount
<b>15) Equity share capital</b>						
<b>Authorized</b>						
1,00,00,000 equity shares of Rs.10/- each	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
<b>Issued, subscribed and fully paid up</b>						
86,00,000 equity shares of R.10/- each fully paid up	<u>86,00,000</u>	<u>8,60,00,000</u>	<u>86,00,000</u>	<u>8,60,00,000</u>	<u>86,00,000</u>	<u>8,60,00,000</u>
	<b>86,00,000</b>	<b>8,60,00,000</b>	<b>86,00,000</b>	<b>8,60,00,000</b>	<b>86,00,000</b>	<b>8,60,00,000</b>



**a) There is no change in issued and subscribed share capital during the year.**

**b) Terms/right attached to equity shares**

"The Company has issued only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, which can be approved by the Board of Directors. In the event of liquidation, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders."

**c) Shareholders holding more than 5% of the aggregate shares in the Company**

	Nos.	% holding	Nos.	% holding	Nos.	% holding
<u>Equity Shares of ₹ 10 each</u>						
Smt. Snehalatha Lunawath	14,07,000	16.36%	14,07,000	16.36%	14,07,000	16.36%
Smt. S. Jayalakshmi	7,96,202	9.26%	7,96,202	9.26%	7,96,202	9.26%
Mr. Kamal Lunawath	7,49,100	8.71%	7,49,100	8.71%	7,49,100	8.71%
Mr. Vimal Lunawath	6,96,400	8.10%	6,96,400	8.10%	6,96,400	8.10%
Taj Foundation Private Limited	6,90,000	8.02%	6,90,000	8.02%	6,90,000	8.02%
Ocean Dial Asset Management Ltd A/c ICGQ Ltd	5,92,400	6.89%	5,92,400	6.89%	5,92,400	6.89%

d) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and buy back of shares during the last 5 years immediately preceding 31 March 2018.

**e) Capital management policies and procedures**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders plus its borrowings and cash credit facility, if any, less cash and cash equivalents as presented on the face of the balance sheet.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The amounts managed as capital by the Company for the reporting periods under review are summarized as follows:

	As at 31 March 2018 ₹	As at 31 March 2017 ₹	As at 01 April 2016 ₹
Borrowings	1,40,45,56,641	1,34,54,68,648	98,66,17,952
Cash and bank balances	9,37,80,404	4,52,47,846	5,48,24,841
Net debt (A)	<u>1,31,07,76,237</u>	<u>1,30,02,20,802</u>	<u>93,17,93,111</u>
Total equity (B)	<u>1,50,34,10,284</u>	<u>1,79,70,94,074</u>	<u>1,74,64,94,844</u>
Overall financing (A+B)	<u>2,81,41,86,522</u>	<u>3,09,73,14,876</u>	<u>2,67,82,87,955</u>
Gearing ratio	<u>47%</u>	<u>42%</u>	<u>35%</u>

	As at 31 March 2018 ₹	As at 31 March 2017 ₹
<b>16) Other equity</b>		
<b>Securities premium account</b>		
Balance at the beginning of the year	57,06,50,000	57,06,50,000
Add : Additions made during the year	-	-
Balance at the end of the year	<u>57,06,50,000</u>	<u>57,06,50,000</u>
<p>Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.</p>		
<b>General reserve</b>		
Balance at the beginning of the year	8,83,08,752	8,83,08,752
Add : Additions made during the year	-	-
Balance at the end of the year	<u>8,83,08,752</u>	<u>8,83,08,752</u>
<p>General reserve represents an appropriation of profits by the Company.</p>		
<b>Retained earnings</b>		
Balance at the beginning of the year	1,04,35,33,635	99,17,59,560
Add: Transfer from statement of profit and loss	(1,40,29,144)	(6,88,85,611)
Add: Appropriations made during the year	<u>(26,96,26,512)</u>	<u>12,06,59,686</u>
Balance at the end of the year	<u>75,98,77,979</u>	<u>1,04,35,33,635</u>
<b>Accumulated other comprehensive income</b>		
Balance at the beginning of the year	85,69,392	97,76,532
Add : Movement during the year	<u>23,41,692</u>	<u>(12,07,140)</u>
Balance at the end of the year	<u>1,09,11,084</u>	<u>85,69,392</u>

**ARIHANT FOUNDATIONS & HOUSING LIMITED**

**Notes to Consolidated Financial Statements**

	As at 31.03.2018 ₹	As at 31.03.2017 ₹	As at 01.04.2016 ₹
<b>17) Borrowings</b>			
<b>Non-current</b>			
<b>Secured</b>			
Term Loan			
-from bank	39,60,51,236	51,06,79,974	19,08,22,580
-from others	<u>45,72,96,448</u>	<u>51,58,40,732</u>	<u>79,22,43,785</u>
	<b>85,33,47,684</b>	<b>1,02,65,20,706</b>	<b>98,30,66,365</b>
	<u>(21,65,27,215)</u>	<u>(16,12,05,698)</u>	<u>(28,91,44,943)</u>
Less: Current maturities of long-term debt(Also refer note 20)	<b>(A) 63,68,20,469</b>	<b>86,53,15,008</b>	<b>69,39,21,421</b>
<b>Unsecured</b>			
<b>From others</b>			
Loans from related parties	50,34,61,225	37,49,86,219	13,02,72,843
Deposits	31,43,89,756	3,72,82,328	4,59,76,799
Other Loan	<u>8,53,32,589</u>	<u>6,78,85,093</u>	<u>11,64,46,888</u>
	<b>90,31,83,570</b>	<b>48,01,53,640</b>	<b>29,26,96,530</b>
	<u>(13,54,47,398)</u>	<u>-</u>	<u>-</u>
	<b>(B) 76,77,36,172</b>	<b>48,01,53,640</b>	<b>29,26,96,530</b>
<b>TOTAL (A+B)</b>	<b>1,40,45,56,641</b>	<b>1,34,54,68,648</b>	<b>98,66,17,952</b>
<b>Current Unsecured From others</b>			
Loans from related parties	44,83,500	53,43,000	8,43,000
	<u>44,83,500</u>	<u>53,43,000</u>	<u>8,43,000</u>

**LONG TERM BORROWINGS**

**(i) SECURED**

**A. FROM BANKS - TERM LOANS**

Particulars	Interest Rate P.A. ₹	Amount Outstanding	
		31.03.2018 ₹	31.03.2017 ₹
<b>ICICI BANK -18 CR Loan:</b> Secured by way of equitable mortgage on certain immovable properties, owned by company and on receivables from the project. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - Term one loan 10 crore repayable in 8 instalment of Rs.1.25 crores ,Term two loan of 2.50 crores repayable in 8 instalment of Rs.31,25,000/-,Term three loan of 1 crores repayable in 18 instalment of Rs.5,55,555/-Term Four loan of 4.5 crores repayable in 8 instalment of Rs.56,25,000/- however 7.4 crores loan availed as on Balance sheet date.	13.6%	-	7,23,33,332

Deposits includes all inter corporate deposits

<b>LONG TERM BORROWINGS</b>			
<b>(i) SECURED</b>			
<b>A. FROM BANKS - TERM LOANS</b>			
<b>Particulars</b>	<b>Interest Rate P.A.</b>	<b>Amount Outstanding</b>	
		<b>31.03.2018</b> ₹	<b>31.03.2017</b> ₹
<p><b>"ICICI BANK -5.25 CR Loan:</b> Secured by way of equitable mortgage on certain immovable properties, owned by company and on receivables from the project. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - 180 instalment of Rs.4,56,600/- 179 instalment is outstanding as on balance sheet date"</p>	8.63%	5,25,00,000	-
<p><b>"KOTAK MAHINDRA BANK:</b> Secured by way of equitable mortgage on certain immovable properties, owned by company. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. The date of commencement of loan is 27-03-2017. Repayment - The term of loan is One hundred and twenty months of Rs.12,93,976/- one hundred and twenty months EMI is outstanding as on the balance sheet date"</p>	-	9,42,50,606	10,00,00,000
<p><b>"Standard Chartered Bank :</b> Secured by way of charge on the lease rentals from let out properties of the company and by way of equitable mortgage of immovable properties owned by the company. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - One hundred and sixty seven monthly installments of Rs.16,30,632/- which commenced from 18-07-2015"</p>	12.25%	-	13,06,95,452
<p><b>"State bank of India (Over Draft) 12.60 Cr :</b> Secured by way of equitable mortgage on certain immovable properties, owned by company. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - 9 Monthly instalments of Rs.11,00,000 /- , 12 Monthly instalments of Rs.10,00,000 /- , 24 Monthly instalments of Rs.15,00,000 /- ,24 Monthly instalments of Rs.18,00,000 /- ,12 Monthly instalments of Rs.21,00,000 /- which commenced from 31-07-2015 .Sixty instalments are outstanding as on the balance sheet date."</p>	12.50%	-	9,72,71,223
<p><b>"HDFC LTD:</b> <b>Secured by way of equitable mortgage on certain immovable properties, owned by company. Further the loan has been guaranteed by way of personal guarantee of the managing director of the company. Sanctioned loan amount Rs.,24,00,00,000/- out of which 8,00,00,000/- drawn as on Balance Sheet. Repayment - Six instalment of Rs.4,00,00,000/-, starting from 31-06-2018. six instalments are outstanding as on the balance sheet date."</b></p>	10.75%	13,00,66,100	85961230
<p><b>"HDFC LTD:</b> Secured by way of equitable mortgage on certain immovable properties, owned by company. Further the loan has been guaranteed by way of personal guarantee of the managing director of the company. Repayment - variable monthly instalment starting from 31-07-2016. Thirty nine installments are outstanding as on the balance sheet date."</p>	10.75%	11,92,34,530	2,44,18,737
<b>Total</b>	<b>(A)</b>	<b>39,60,51,236</b>	<b>510679974</b>

<b>LONG TERM BORROWINGS</b>			
<b>(i) SECURED</b>			
<b>B. Others - Term Loans</b>			
<b>Particulars</b>	<b>Interest Rate P.A.</b>	<b>Amount Outstanding</b>	
		<b>31.03.2018</b> ₹	<b>31.03.2017</b> ₹
<p><b>"Aditya Birla Housing Finance Limited:</b> Secured by way of equitable mortgage on certain immovable properties, owned by company and on receivables from the project. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. The date of commencement of loan is 12-08-16. Repayment - The term of loan is Fifteen months, EMI will start from February 2017. However, more amount is repaid during the year."</p>	13.50%	-	7,20,48,641
<p><b>"Bajaj Finance Ltd:</b> Secured by way of equitable mortgage on certain immovable properties, owned by the company Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - one hundred and forty nine instalment of varying EMI. EMI starting 02-08-2015. One hundred and ten instalment are outstanding as on the balance sheet date"</p>	12.00%	1,86,42,263	4,40,94,160
<p><b>"Bajaj Finance Ltd: 7 cr</b> Secured by way of equitable mortgage on certain immovable properties, owned by the company Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - one hundred and eighty instalment Rs.862766/- . EMI starting 02-08-2017. One hundred and twenty two instalment are outstanding as on the balance sheet date"</p>	12.50%	6,07,35,067	-
<p><b>"ICICI Home Finance- Gajapathy Road Flat:</b> Secured against the immovable property for which the loan has been taken. Repayment - Two hundred and sixty two monthly installments of Rs.79,589/- starting from 10-3-2008. One hundred and forty six installments are outstanding as on the balance sheet date."</p>	9.50%	55,92,415	58,52,388
<p><b>"Bajaj Finance Ltd 1.25 cr:</b> Secured by way of equitable mortgage on certain immovable properties, owned by the company Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - one hundred and forty two instalment of Rs.1,66,075/. EMI starting 02-09-2015. One hundred and eleven instalments are outstanding as on the balance sheet date"</p>	12.00%	1,10,60,814	1,15,31,776
<p><b>"Bajaj Finance Ltd -20cr</b> Secured by way of equitable mortgage on certain immovable properties, owned by the company Further the loan has been guaranteed by way of personal guarantee of the directors of the company. One hundred and eighty instalment of Rs.2088450/- one hundred and seventy instalment balance as on balance sheet date"</p>	9.50%	19,47,65,033	-

<b>LONG TERM BORROWINGS</b>			
<b>(i) SECURED</b>			
<b>A. FROM BANKS - TERM LOANS</b>			
Particulars	Interest Rate P.A.	Amount Outstanding	
		31.03.2017 ₹	31.03.2016 ₹
<b>"Kotak Mahindra Prime Ltd - Audi A8:</b> Secured against the vehicle for which the loan has been taken. Repayment -Sixty monthly installments of Rs.1,79,690/- starting from 10-01-2013. Nine installments are outstanding as on the balance sheet date."	10.00%	-	15,52,659
<b>"Piramal Finance pvt ltd :</b> Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothecation of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the managing director of the company. Repayment -Twelve installments of 2,50,00,000/- of every quarter. loan sanctioned Rs.30,00,00,000/-, loan withdrawn Rs15,00,00,000/-"	13.00%	5,20,00,000	4,21,48,521
<b>TATA CAPITAL HOUSING FINANCE LTD</b> Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothecation of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment - Fifteen monthly installments of Rs. 1,44,71,301/- . Fifteen monthly instalment is outstanding as on balance sheet date	12.50%	5,50,92,856	13,15,79,587
<b>"others:</b> secured against the asset/ property for which the loan has been obtained"	12% to 18%	5,94,08,000	207,033,000
<b>Total (B)</b>		<b>4,57,296,448</b>	<b>39,82,15,732</b>
<b>Grand Total</b>		<b>8,53,347,684</b>	<b>79,85,15,739</b>

	As at 31-03- 2018 ₹	As at 31 -03-2017 ₹	As at 01-04- 2016 ₹
<b>18) Provisions</b>			
<b>Non-current</b>			
Provisions for employee benefits			
Gratuity	78,98,689	59,93,253	47,17,053
	<u>78,98,689</u>	<u>59,93,253</u>	<u>47,17,053</u>
<b>Current</b>			
Provision for taxation	62,94,914	35,78,108	1,79,18,318
Provisions for employee benefits	1,21,447	1,18,011	31,350
	<u>64,16,361</u>	<u>36,96,119</u>	<u>1,79,49,668</u>

**a) Provision for employee benefits**

**i) Gratuity**

Gratuity is payable to all the members at the rate of 15 days salary for each year of service. In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date.

The following table sets out the funded status of the Gratuity Plan and the amounts recognized in the financial statement :

	As at 31-03-2018 ₹	As at 31-03-2017 ₹	As at 01-04-2016 ₹
<b>Change in projected benefit obligation</b>			
Projected benefit obligation at the beginning of the year	61,11,264	36,87,243	38,52,651
Interest cost	4,23,715	2,87,605	3,85,265
Current service cost	5,30,195	6,27,943	5,48,996
Past service cost	13,75,244	-	-
Benefits paid		6,22,723	-
Actuarial (gain) / loss	<u>(4,20,282)</u>	<u>8,85,750</u>	<u>(10,99,669)</u>
Projected benefit obligation at the end of the year	<u>80,20,136</u>	<u>61,11,264</u>	<u>36,87,243</u>
<b>Thereof</b>			
Unfunded	80,20,136	61,11,264	36,87,243
<b>Components of net gratuity costs are:</b>			
Current service cost	5,30,195	6,27,943	5,48,996
Past service cost	13,75,244	-	-
Interest cost	<u>4,23,715</u>	<u>2,87,605</u>	<u>3,85,265</u>
<b>Net amount recognised in the income statement</b>	<u>23,29,154</u>	<u>9,15,548</u>	<u>9,34,261</u>
Remeasurements			
Net actuarial (gain)/ loss	<u>(4,20,282)</u>	<u>8,85,750</u>	<u>(10,99,669)</u>
<b>Net amount recognised in other comprehensive income</b>	<u>(4,20,282)</u>	<u>8,85,750</u>	<u>(10,99,669)</u>
<b>Principal actuarial assumptions used:</b>			
a) Discount rate	7.72%	7.44%	7.80%
b) Long-term rate of compensation increase	12%	12%	12%
c) Attrition rate	1%	1%	24%
d) Mortality table	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

The estimates of rate of escalation in salary considered in actuarial valuation takes 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. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

**Employee benefits - Maturity profile**

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
<b>31 March 2018</b> Defined benefit obligation	59,384	67,885	19,84,442	2,11,91,875	2,32,44,202
<b>31 March 2017</b> Defined benefit obligation	56,588	59,575	14,59,290	58,70,449	73,89,314

The significant actuarial assumptions for the determination of the defined benefit obligation are the attrition rate, discount rate and the long-term rate of compensation increase. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability at 31 March 2018.

	Attrition rate		Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
<b>31 March 2018</b>						
> Sensitivity Level	-2.95%	3.37%	-10.55%	12.63%	77.70%	-71.20%
> Impact on defined benefit obligation	72,26,622	76,97,349	66,60,821	83,86,592	80,24,675	69,16,245
<b>31 March 2017</b>						
> Sensitivity Level	0.32%	-0.32%	-9.51%	11.42%	4.38%	4.16%
> Impact on defined benefit obligation	55,06,340	54,71,168	49,66,374	61,15,149	57,28,768	52,60,163

	As at 31-03-2018 ₹	As at 31-03-2017 ₹	As at 31-04-2016 ₹
<b>19) Trade payables</b>			
<b>Current</b>			
Dues to micro and small enterprises*	26,41,27,652	55,99,24,935	49,83,65,115
Dues to others	20,00,000	1,08,74,794	1,68,13,991
Capital Creditors	<u>26,61,27,652</u>	<u>57,07,99,729</u>	<u>51,51,79,106</u>

\* There are no micro and small enterprises, as defined under the provisions of Micro, Small and Medium Enterprises Development Act 2006, to whom the Company owes dues as at the reporting date. The micro and small enterprises have been identified by the management on the basis of information available with the Company and have been relied upon by the auditors.

<b>20) Other financial liabilities</b>	-	23,99,58,169	25,00,00,000
<b>Non Current</b>	-	<u>23,99,58,169</u>	<u>25,00,00,000</u>
Security deposit			
<b>Current</b>			
Interest Accrued but not due	30,45,222	52,26,954	42,08,617
Current maturities of long-term debt	35,19,74,613	16,12,05,698	28,91,44,943
Unpaid Dividend	65,606	2,09,850	4,01,832
Employee dues payable	5,58,019	5,58,112	2,90,861
Other payables	29,17,55,530	2,20,96,690	2,79,44,521
Payable to related parties	-	26,86,427	-
Financial Guarantee- Liability	3,39,98,047	2,28,29,753	48,85,186
	<u>68,13,97,037</u>	<u>21,48,13,484</u>	<u>32,68,75,961</u>



21)

	As at 31-03-2018 ₹	As at 31 -03-2017 ₹	As at 01-04- 2016 ₹
<b>Other current liabilities</b>			
Statutory dues	74,88,927	41,83,056	59,77,293
Advance from customers and for projects	36,46,57,944	28,96,75,262	28,29,21,919
Revenue received in advance	1,09,119	71,239	66,861
Advance for sale of investment	-	-	9,50,00,056
Deferred income	-	9,16,92,946	10,91,00,985
Land owner share payable	-	-	4,03,52,536
Profit from joint ventures	6,74,01,561	3,41,10,851.76	23,19,69,658
	<b>43,96,57,551</b>	<b>41,97,33,355</b>	<b>76,53,89,307</b>

22) Financial assets and liabilities

**Categories of financial assets and financial liabilities**

Particulars	Financial assets at fair value through profit and loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
<b>As at 31 March 2018</b>				
<b>Financial assets</b>				
<b>Investments</b>	-	14,31,62,612	29,15,10,611	43,46,73,223
Loans	409,096,182	-	-	409,096,182
Trade receivables	-	-	1,17,68,98,782	1,17,68,98,782
Cash and bank balances	-	-	7,79,89,195	7,79,89,195
Other bank balances	-	-	1,57,91,209	1,57,91,209
Other financial assets	52,98,27,593	-	9,22,93,186	62,21,20,779
	<b>938,923,775</b>	<b>14,31,62,612</b>	<b>1,65,44,82,982</b>	<b>2,73,65,69,369</b>
<b>As at 31 March 2018</b>				
<b>Financial liabilities</b>				
Trade payables	-	-	26,61,27,652	26,61,27,652
Borrowings	817,850,980	-	591,189,161	1,409,040,141
Other financial liabilities	34,556,066	-	646,840,971	681,397,037
	<b>852,407,046</b>	-	<b>1,50,41,57,784</b>	<b>2,35,65,64,830</b>
<b>As at 31 March 2017</b>				
<b>Financial assets</b>				
<b>Investments</b>	-	2,66,94,460	42,52,10,796	45,19,05,256
Loans	31,88,05,999	-	17,79,41,940	49,67,47,939
Trade receivables	-	-	83,37,39,319	83,37,39,319
Cash and bank balances	-	-	2,81,06,099	2,81,06,099
Other bank balances	-	-	1,71,41,747	1,71,41,747
Other financial assets	7,30,931,140	-	6,63,95,241	797,326,381
	<b>1,049,737,139</b>	<b>2,66,94,460</b>	<b>1,54,85,35,142</b>	<b>2,62,49,66,741</b>

Particulars	Financial assets at fair value through profit and loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
<b>As at 31 March 2017</b>				
<b>Financial liabilities</b>				
Trade payables	-	-	57,07,99,729	57,07,99,729
Borrowings	41,22,68,547	-	938,543,101	135,081,648
Other financial liabilities	<u>50,33,04,203</u>	-	<u>48,532,550</u>	<u>45,477,653</u>
	<u><b>91,55,72,750</b></u>	-	<u><b>1,460,810,280</b></u>	<u><b>2,376,383,030</b></u>
<b>As at 01 April 2016</b>				
<b>Financial assets</b>				
Investments				
Loans	-	2,96,21,500	54,50,04,415	57,46,25,915
Trade receivables	4,39,13,683	-	15,14,78,929	19,53,92,612
Cash and bank balances	-	-	1,06,80,42,301	1,06,80,42,301
Other bank balances	-	-	3,43,52,818	3,43,52,818
Other financial assets	-	-	2,04,72,023	2,04,72,023
	<u>45,67,14,856</u>	-	<u>7,44,52,523</u>	<u>53,11,67,379</u>
	<u><b>50,06,28,539</b></u>	<u><b>2,96,21,500</b></u>	<u><b>1,89,38,03,009</b></u>	<u><b>2,42,40,53,048</b></u>
<b>As at 01 April 2016</b>				
<b>Financial liabilities</b>				
Trade payables	-	-	51,51,79,106	51,51,79,106
Borrowings	17,62,49,642	-	811,211,310	987,460,952
Other financial liabilities	<u>250,290,861</u>	-	<u>32,65,85,100</u>	<u>576,875,961</u>
	<u><b>42,65,40,503</b></u>	-	<u><b>1,652,975,515</b></u>	<u><b>2,079,516,018</b></u>

**Arihant Foundations and Housing Limited**
**Notes to Consolidated Financial Statements**

(All amounts are in Indian Rupees, unless otherwise stated)

	As at 31 March 2018 ₹	As at 31 March 2017 ₹
<b>23) Revenue from operations</b>		
Sales	39,50,63,779	48,26,53,393
Sale of TDR	17,71,09,170	-
Marketing fees received	1,80,53,401	60,23,549
Project management fees received	9,86,972	15,48,433
Profit on Sale of TDR	-	12,96,39,203
<b>(A)</b>	<b>59,12,13,322</b>	<b>61,98,64,578</b>
Other Operating Revenues		
Lease rentals	3,57,93,598	3,29,62,459
Maintenance charges received	2,88,03,466	2,62,41,063
Other operating income	4,39,116	9,54,850
<b>(B)</b>	<b>6,50,36,180</b>	<b>6,01,58,372</b>
<b>Total A+B</b>	<b>65,62,49,502</b>	<b>68,00,22,950</b>
<b>24) Other income</b>		
Interest received	5,06,18,281	3,72,35,569
Dividend income	1,74,600	1,67,400
Profit on Sale of Investment	-	1,28,849
Financial Guarantee- Income	1,14,51,664	95,99,026
Liability no longer required	5,77,06,183	-
Miscellaneous income	9,06,83,083	8,38,64,635
	<b>21,06,33,811</b>	<b>13,09,95,479</b>
<b>25) Construction And Project Expenses</b>		
Cost of land	4,62,60,685	5,27,14,506
Cost of constructed properties	95,18,757	95,18,757
Materials	9,40,06,023	9,32,48,130
Labour & sub-contract expenses	10,07,27,420	10,61,00,595
Legal expenses	34,706	2,80,66,490
Marketing Expenses	2,52,847	-
Consultancy charges	12,81,714	58,23,310
Interest charges and other finance costs related to projects	4,09,69,899	5,31,81,503
Cost of plots* and plot development right	23,65,888	23,65,888
Other Project Expenses	2,64,36,472	2,96,48,360
	<b>32,18,54,411</b>	<b>38,06,67,539</b>
<b>26) Changes In Inventories Of Materials, Work- In-Progress And Finished Goods</b>		
a. Inventories at the beginning of the year		
i. Raw Materials	32,66,232	10,63,24,291
ii. Work-in-progress	70,29,11,542	53,80,93,867
iii. Finished goods	18,59,15,474	25,63,61,157
	<b>89,20,93,248</b>	<b>90,07,79,315</b>

	As at 31 March 2018 ₹	As at 31 March 2017 ₹
b. Inventories at the end of the year		
i. Raw Materials	15,90,004	32,66,232
ii. Work-in-progress	58,48,98,167	70,29,11,542
iii. Finished goods	<u>17,05,25,162</u>	<u>18,59,15,474</u>
<b>Net (increase) / decrease</b>	<b><u>13,50,79,915</u></b>	<b><u>86,86,067</u></b>
<b>27) Employees Benefit Expenses</b>		
Salaries & Wages	3,28,80,712	3,01,33,213
Contribution to provident and other funds	22,46,403	25,73,285
Staff Welfare	27,61,096	13,30,659
Other Employee benefit expenses	<u>24,93,677</u>	<u>10,31,080</u>
	<b><u>4,03,81,888</u></b>	<b><u>3,50,68,237</u></b>
<b>28) Finance costs</b>		
Interest expenses	16,92,15,862	22,05,58,848
Amortisation of Interest cost	1,52,30,680	1,21,34,205
Other borrowings costs	<u>54,43,992</u>	<u>16,92,991</u>
	<b><u>18,98,90,534</u></b>	<b><u>23,43,86,044</u></b>
<b>29) Depreciation And Amortization</b>		
Depreciation of tangible assets	97,20,649	1,07,58,042
Amortisation of intangible assets	<u>5,39,664</u>	<u>3,62,492</u>
	<b><u>1,02,60,313</u></b>	<b><u>1,11,20,534</u></b>
<b>30) Other expenses</b>		
Power & Fuel	25,45,479	18,84,800
Rent	71,12,700	68,42,300
Rates & Taxes	8,60,320	8,95,524
Advertisement & Business Promotion	1,08,09,140	1,09,82,591
Legal, Professional & Consultancy Charges	1,02,20,403	1,19,65,306
Travelling & Conveyance	24,11,914	27,40,483
Repairs and maintenance:		
-Repairs & Office Maintenance	2,80,80,970	3,16,17,621
-Vehicle Maintenance	10,99,205	13,14,428
Telephone, Postage, Printing & Stationery	19,21,817	24,08,351
Financial Guarantee- Expense	76,20,523	2,65,06,077
Donation	1,77,000	12,95,370

	As at 31 March 2018 ₹	As at 31 March 2017 ₹
Audit Fees	14,45,300	14,72,000
- For Statutory Audit	-	50,600
- For Tax Audit	-	86,250
- For Income tax representation	1,85,648	12,328
Loss on sale of fixed assets	9,229	84,941
Share of Loss	-	7,35,47,219
Expenses on deposits	56,58,925	41,52,554
Miscellaneous expense	<u>8,01,58,572</u>	<u>17,78,58,743</u>
<b>31) Earnings per equity share (EPS)</b>		
<b>For profit for the year</b>	(1,40,29,144)	(6,88,85,611)
Nominal value of equity shares	10	10
Profit attributable to equity shareholders (A)	(1,40,29,144)	(6,88,85,611)
Weighted average number of equity shares outstanding during the year (B)	86,00,000	8,60,00,000
<b>Basic earnings per equity share (A/B) (in ₹)</b>	(1.63)	(0.80)
<b>Diluted earnings per equity share (A/B) (in ₹)</b>	(1.63)	(0.80)
<b>32) Remuneration to auditors</b>		
As auditor		
Statutory audit	14,45,300	14,72,000
Limited review	-	-
Tax audit	-	-
Total	<u>14,45,300</u>	<u>14,72,000</u>
<b>33) Leases</b>		
<b>Operating lease commitments - as lessee</b>		
Total lease payments charged off to the statement of profit and loss	71,12,700	68,42,300
<b>Disclosures in respect of non-cancellable operating leases</b>		
The lease rentals charged for the years ended 31 March 2018 and 31 March 2017 and maximum obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:	62,46,300	60,24,000
	84,05,700	1,46,52,000
	-	-
The total of future minimum lease payments for each of the following periods:		
(i) Not later than one year		
(ii) Due later than one year and not later than five years	3,57,93,598	3,29,62,459
(iii) Due later than five years		
<b>Operating lease commitments - as lessor</b>		
Total lease receipts charged off to the statement of profit and loss		
<b>Disclosures in respect of non-cancellable operating leases</b>		
The lease rentals charged for the years ended 31 March 2018 and 31 March 2017 and maximum obligations on long-term, non-cancellable operating leases receivable as per the rentals stated in the respective agreements are as follows:		
The total of future minimum lease payments for each of the following periods:		
(i) Not later than one year	3,63,87,765	3,42,02,679
(ii) Due later than one year and not later than five years	8,19,81,132	11,78,42,013
(iii) Due later than five years	-	5,26,884

**34) Related parties**

**a) Names of related parties and nature of relationship:**

Nature of relationship	Name of related party
Associates	Heirloom Real Estate Pvt Ltd
Partnership Firms	Arihant Foundations Arihant Foundations & Housing Arihant Heirloom
Key Management Personnel	Mr. Kamal Lunawath (Chairman and Managing Director) Mr. Vimal Lunawath (Whole time Director) Mr. Bharat Jain (Whole time Director)
Relatives of Directors	Mrs. Snehalatha Lunawath Mrs. Preethi Lunawath Mrs. Kavita Lunawath

**34) Related parties (Continued)**

**b) Transactions with related parties**

Transaction	Related Party	Year ended 31 March 2018 (₹)	Year ended 31 March 2017 (₹)
Remuneration to Key Managerial Personnel	Kamal Lunawath	12,00,000	12,00,000
	Vimal Lunawath	12,00,000	12,00,000
	Bharat Jain	18,00,000	18,00,000
Interest expense on loan received	Kamal Lunawath	3,11,87,833	3,15,78,742
	Vimal Lunawath	1,23,86,649	1,22,03,085
Loan received	Kamal Lunawath	3,07,69,050	5,05,70,868
	Vimal Lunawath	4,45,24,566	2,99,82,776
Loan repaid	Kamal Lunawath	3,60,69,414	5,51,55,230
	Vimal Lunawath	4,53,03,880	4,13,93,377
Advances made	Transperent Heights Real Estate Ltd	2,97,000	3,13,919
<b>C) Balances with related parties</b>			
Borrowings	Directors	23,57,87,382	23,94,20,606
Loans	Heirloom Real Estate Pvt Ltd	9,08,26,239	9,75,43,410
Trade Receivables	Transperent Heights Real Estate Ltd	86,06,428	83,09,428

### 35 ) Fair value measurement

#### Fair value measurement hierarchy

The Company records certain financial assets and financial liabilities at fair value on a recurring basis. The Company determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The Company holds certain fixed income investments and other financial assets such as employee loans, deposits etc. which must be measured using the fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions. The fair value hierarchy also

requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Financial assets and financial liabilities measured at fair value  
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

>Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

> Level 3: Unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy of financial and non - financial assets and liabilities measured at fair value on a recurring basis at 31 March 2018, 31 March 2017, and 01 April 2016:

Fair value measurement using						
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs		
		Date of valuation	Total	(Level 1)	(Level 2)	(Level 3)
<b>i) Assets measured at fair value:</b>						
<b>Fair value through other comprehensive income</b>	2018	31 March 2018	14,31,62,612	12,54,23,212	1,77,39,400	-
<b>Investments</b>	2017	31 March 2017	2,66,94,460	89,55,060	1,77,39,400	-
	2016	01 April 2016	2,96,21,500	92,32,100	2,03,89,400	-

Investment in mutual funds are valued based on the Net Asset Value (NAV) of the funds as at the year end. The NAV of the funds are provided by the fund management company at the end of each reporting year.

Fair value measurement using						
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs		
		Date of valuation	Total	(Level 1)	(Level 2)	(Level 3)
<b>ii) Liabilities measured at fair value:</b>						
<b>Financial guarantees</b>	2018	31 March 2018	34,556,066	-	-	34,556,066
	2017	31 March 2017	503,304,203	-	-	503,304,203
	2016	01 April 2016	250,290,861	-	-	250,290,861

The fair value of the financial guarantees are based on the credit risk associated with the guarantees extended and the maximum exposure that is expected to have on the event of default by the debtor.

There have been no transfers between Level 1 and Level 2 during the year.

Investment in mutual funds are valued based on the Net Asset Value (NAV) of the funds as at the year end. The NAV of the funds are provided by the fund management company at the end of each reporting year.

	Fair value measurement using				
	Quoted prices in active markets	Significant observable inputs		Significant unobservable inputs	
		Date of valuation	Total	(Level 1)	(Level 2)
<b>a) Interest-bearing loans and borrowings:</b>					
Floating rate borrowings			Nil	Nil	Nil
Fixed rate borrowings			1,756,531,254	1,506,674,346	1,275,762,895

The fair values of the Company's interest-bearing borrowings and loans are determined under amortised cost method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. These rates are considered to reflect the market rate of interest and hence the carrying value are considered to be at fair value.

### 36) Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies

The Company's principal financial liabilities comprise of loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its and group companies operations. The Company's principal financial assets include loans trade and other receivables, cash and short-term deposits that derive directly from its operations. The Company also holds short term investments. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by the Group Treasury Team that advises on financial risks and the appropriate financial risk governance framework in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by Group Treasury Team that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors review and agree on policies for managing each of these risks, which are summarised below.

#### a) Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

#### b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates are managed by borrowing at fixed interest rates. During the year Company did not have any floating rate borrowings.

#### c) Foreign currency risk

All of the Company's transactions are carried out in Indian rupees. Company has no exposure to foreign currency risk

#### d) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example trade receivables, placing deposits, investment in mutual funds etc. the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at 31 March 2018, as summarised below:



	31-03-2018 ₹	31-03-2017 ₹	01-04-2016 ₹
<b>Classes of financial assets</b>			
Investments	43,46,73,223	45,19,05,256	57,46,25,915
Trade receivables	1,17,68,98,782	83,37,39,319	1,06,80,42,301
Loan	40,90,96,182	49,67,47,939	19,53,92,612
Cash and bank balances	9,37,80,404	4,52,47,846	5,48,24,841
Other financial assets	62,21,20,779	79,73,26,381	53,11,67,379

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. The Company's policy is to transact only with counterparties who are highly creditworthy which are assessed based on internal due diligence parameters.

In respect of trade receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents, fixed deposits are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Other financial assets mainly comprises of tender deposits and security deposits which are given to land owners or other governmental agencies in relation to contracts executed and are assessed by the Company for credit risk on a continuous basis.

### c) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash in flows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on a monthly, quarterly, and yearly basis depending on the business needs. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period. The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods.

Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Company's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from trade receivables are all contractually due within six months except for retention and long term trade receivables which are governed by the relevant contract conditions.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, and short-term borrowings. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

As at 31 March 2018, the Company's non-derivative financial liabilities have contractual maturities as summarised below:

### Year ended 31 March 2018

	Within 6 months	6 to 12 months
Trade and other payables	19,95,95,739	6,65,31,913
Other financial liabilities	51,10,47,778	17,03,49,259

**ARIHANT FOUNDATIONS & HOUSING LIMITED**

**Notes to Consolidated Financial Statements**

**37) First-time adoption of Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with Companies (Accounting Standard) Rules, 2006, notified under section 133 of the Act and other relevant provisions of the Act (Previous GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on or after 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017. This note explains the principal adjustments made by the Company in restating its statement of financial position as at 01 April 2016 and its previously published financial statements as at and for the year ended 31 March 2017 under previous GAAP.

**a) First time adoption exemptions applied**

Upon transition, Ind AS 101 permits certain exemptions from full retrospective application of Ind AS. The Company has applied the mandatory exceptions and certain optional exemptions, as set out below:

**Mandatory exceptions adopted by the Company**

**(i) De-recognition of financial assets and liabilities**

The de-recognition criteria of Ind AS 109 Financial Instruments has been applied prospectively for transactions occurring on or after the date of transition to Ind AS. Non-derivative financial assets and non-derivative financial liabilities derecognized before date of transition under previous GAAP are not recognized on the opening Ind AS balance sheet.

**37) First-time adoption of Ind AS (Continued)**

**b) Reconciliation of equity**

Particulars	Note	31 March 2017	31 March 2016
Equity as per previous GAAP (A)		1,59,64,51,866	1,48,19,39,872
Adjustments:			
Reversal of profit on investment	a	(34,12,354)	-
Fair valuation of deposits (net)	b&c	4,85,03,245	5,75,01,234
Fair valuation of equity instrument	a	1,16,87,634	1,34,56,342
Fair valuation of Joint development agreements	h	5,18,10,934	4,17,14,226
Fair valuation of financial guarantee	d	3,48,45,065	8,60,76,153
Equity Accounting of joint ventures	g	40,473,530	35,691,877
Deferred tax impact on the above	f	6,20,27,695	7,71,80,469
Net adjustments (B)		<u>24,59,35,749</u>	<u>31,16,20,300</u>
<b>Equity as per Ind AS</b>		<b><u>1,84,23,87,615</u></b>	<b><u>1,79,35,60,172</u></b>

**(ii) Estimates**

Hindsight is not used to create or revise estimates. The estimates made by the Company under previous GAAP were not revised for the application of Ind AS except where necessary to reflect any differences in accounting policies or errors.

**Optional exemptions availed by the Company**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. The Company has elected to use carrying value under previous GAAP as the deemed cost on the date of transition to Ind AS for all property, plant and equipment (including intangible assets). Land and buildings (properties) were carried in the balance sheet prepared in accordance with previous GAAP on the basis of historical cost.

The Company has elected to regard those values of property as deemed cost at the date of the transition since they were broadly comparable to fair value. Accordingly, the Company has not revalued the property at 01 April 2016.

**(ii) Investment in subsidiaries, joint ventures and associates**

Investment in subsidiaries, joint ventures and associates are measured at the carrying value under previous GAAP on the date of transition to Ind AS. These carrying value under previous GAAP are considered to be the deemed cost as at the date of transition.

**(iv) Leases**

Appendix C to Ind AS 17, Leases, requires an entity to assess whether a contract or arrangement contains a lease. As per Ind AS 17, this assessment should be carried out at inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

c) Reconciliation of profit

Particulars	Note	31 March 2017 ₹
Loss Before tax as per previous Indian GAAP (A)		(4,42,07,589)
Adjustments:		
Reversal of profit on investment	a	(34,12,354)
Fair valuation of deposits (net)	b&c	4,85,03,245
Actuarial gain transferred to OCI	e	(8,85,750)
Fair valuation of Joint development agreements	h	10096708
Fair valuation of financial guarantee	d	(24,123,404)
Net adjustments (B)		30,178,445
Net loss before tax (before Other Comprehensive Income) as per Ind AS		<u>(14,029,144)</u>

**First-time adoption of Ind AS (Continued)**

38)

**Reconciliation of equity (continued)**

b)

**Footnotes to the reconciliations**

**a) Fair valuation of Investments**

Under the previous GAAP, investments in mutual funds were classified as long-term investments or current investments based on intended holding period or realisability and were accounted at cost less provision for diminution in value of investments. Under Ind AS, these investments are required to be measured at fair value. The Company has designated the investments as classified at fair value through other comprehensive income. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31 March 2017.

**b) Financial assets**

Under Ind AS, financial assets other than receivables having a fixed maturity period are to be measured at fair value less transaction costs under Ind AS 109. The Net present value of cash flows which are receivable as a contractual right is considered to be the "fair value" of the financial instrument. The rate used for discounting the security deposits is the lowest borrowing rate. The difference between the restated value and the carrying amount has been adjusted to the opening reserves. As per Ind AS 113, paragraphs B13-30 specify discount rate adjustment techniques which have been used for fair valuing the deposits having fixed maturity period. Under the previous GAAP, these financial assets were valued as the sum of cash flows receivable during their period of life.

**c) Financial liabilities**

Under Ind AS, financial liabilities other than trade payables having a fixed maturity period are to be measured at fair value less transaction costs under Ind AS 109. The Net present value of cash flows which are receivable as a contractual right is considered to be the "fair value" of the financial instrument. The rate used for discounting the security deposits is the lowest borrowing rate. The difference between the restated value and the carrying amount has been adjusted to the opening reserves. As per Ind AS 113, paragraphs B13-30 specify discount rate adjustment techniques which have been used for fair valuing the deposits having fixed maturity period. Under the previous GAAP, these financial liabilities were valued as the sum of cash flows receivable during their period of life.

**d) Financial Guarantee**

Under Ind AS, financial guarantees are measured at fair value and classified as liabilities measured at fair value through profit and loss. The liability created is accounted as Premium on Financial Guarantee and the debit is accounted under expense. This liability created needs to be amortized over the period of the financial guarantee contract by charging the amount to revenue. Under previous GAAP, financial guarantees are considered as contingent liability.

**e) Defined benefit obligation**

Both under previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind- AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income.

**f) Deferred tax**

The various transitional adjustments lead to temporary differences that result in deferred tax liability / asset (as the case may be). Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or Other Comprehensive Income. On the date of transition, the net impact on deferred tax assets is of ₹535lakhs (31 March 2017: ₹ 514 lakhs).

**38) Events after the reporting period**

No adjusting or significant non-adjusting events have occurred between the reporting date (31 March 2018) and the date of authorization..

**39) Contingent liabilities, commitments and guarantees**

Contingent liabilities

- i) Value Added Tax liability, if any on works contracts carried out by the company is considered by management as not material but if any liability arises it will be recovered from customers.

The cases pending before the CIT Appeals of Income tax are as follows

	As at 31 March 2018	As at 31 March 2017
AY 1999-2000	76,38,692	76,38,692
AY 2011-2012	71,83,310	71,83,310
AY 2012-2013	0	14,99,288
AY 2013-2014	15,19,250	15,19,250

**For Ramachandra Rao & Associates,**  
Chartered Accountants  
Firm's Registration No.: 007735S  
Sd/-  
CA. Ramachandra Rao Suraneni  
**Proprietor**  
Membership No. 206003

- iii) Amount of service tax under dispute: R.23,16,081/- pertaining to period October 2004 to March 2007 (Previous year:R.23,16,081/- for the period October 2004 to March 2007). Stay has been granted by the CESTAT. If the appeal is disallowed it may result in penalty of equivalent amount
- iv) The company has given corporate guarantee of Rs.205 Crores to its joint venture companies
- v) In continuation to inspection made u/s. 209A of the Companies Act, 1956; the proceedings filed u/s.58A,299 and 295 are under process. The Company has applied for compounding application for the same on 19.01.2015

**40) Segment reporting**

The company is primarily in the business of real estate development and related activities including construction. Major exposure is to residential and commercial construction and development of IT parks. Further majority of the business conducted is within the geographic boundaries of India.

In view of the above, in the opinion of the Management and based on the organizational and internal reporting structure, the company's business activities as described above are subject to similar risks and returns. Further, since the business activities undertaken by the company are within India, in the opinion of the Management, the environment in India is considered to have similar risks and returns. Consequently the company's business activities primarily represent a single business segment. Similarly, this business operations in India represent a single geographical segment.

**Notes 1 to 39 form an integral part of these standalone financial statements**

**For and on behalf of the Board of Directors of  
Arihant Foundations and Housing Limited**

Sd/- Kamal Lunawath <b>Managing Director</b> DIN : 00087344	Sd/- Vimal Lunawath <b>Whole Time Director</b> DIN : 00586269	Sd/- J.Meenakshi <b>Company Secretary</b>
----------------------------------------------------------------------	------------------------------------------------------------------------	-------------------------------------------------

**ARIHANT FOUNDATIONS & HOUSING LIMITED**

**CIN: L70101TN1992PLC022299**

**Regd. Office:** No.3, Ganapathy Colony,  
3<sup>rd</sup> Street, Off. Cenotaph road,  
Teynampet, Chennai- 600018

**25<sup>th</sup> ANNUAL  
GENERAL MEETING**

**ATTENDANCE SLIP**

**25<sup>th</sup> Annual General Meeting of the Company held on 28<sup>th</sup> September, 2018 at 9.00 a.m. at  
“Arihant The Verge”, No.282, Old Mahabalipuram Road (Rajiv Gandhi Salai),  
Kandhanchavadi, Chennai-600 096**

NAME OF THE ATTENDING MEMBER (IN BLOCK LETTERS)	
Folio No./DPID/CLID No.	
No. of shares held	
Name of the PROXY (IN BLOCK LETTERS. TO BE FILLED IN IF THE PROXY ATTENDS INSTEAD OF THE MEMBER)	

I/We hereby record my/our presence at the 25<sup>th</sup> Annual General Meeting on 28<sup>th</sup> September, 2018.

\_\_\_\_\_  
Signature of the Member/Proxy

**THIS ATTENDANCE SLIP DULY FILLED IN IS TO BE HANDED OVER AT THE ENTERANCE OF THE MEETING HALL**

**Form No. MGT-11**

**Proxy form**

ARIHANT FOUNDATIONS & HOUSING LIMITED

CIN: L70101TN1992PLC022299

Regd office: No.3, Ganapathy Colony,  
3<sup>rd</sup> Street, Off. Cenotaph road,  
Teynampet, Chennai- 600018

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

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

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

1.	Name:		Signature:	
	Address:			
	Email:			
Or Failing him/her				
2.	Name:		Signature:	
	Address:			
	Email:			
Or Failing him/her				
3.	Name:		Signature:	
	Address:			
	Email:			

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25<sup>th</sup> Annual General Meeting of the Company held on 28<sup>th</sup> September, 2018 at 9.30 a.m. at “Arihant The Verge”, Floor, No.282, Old Mahabalipuram Road (Rajiv Gandhi Salai), Kandhanchavadi, Chennai-600 096 and at any adjournment thereof in respect of such resolutions as are indicated below:

ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone Financial Statements of the Company for the period ended 31.03.2018 together with the Directors' Report and the Auditors' Report and the consolidated financial statements for the period ended 31.03.2018 together with the Auditors' Report.
2. To appoint a Director in place of Mr. Kamal Lunawath (DIN: 00087324), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

3. Re-appointment of Mr. Kamal Lunawath as Managing Director and to fix the remuneration.
4. Re-appointment of Mr. Vimal Lunawath as Whole Time Director and to fix the remuneration.
5. Re-appointment of Mr. Bharat Jain as Whole Time Director and to fix the remuneration.
6. To approve an offer or invitation for subscription of Non-Convertible Debentures up to an aggregate amount of INR 3,000,000,000/-on a Private Placement basis

Signed this..... day of..... 20....

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

Notes:

1. *This form should be signed as per specimen signature registered with the RTA/DP*
2. *This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.*

**ROUTE MAP TO THE AGM VENUE OF:  
ARIHANT FOUNDATIONS & HOUSING LIMITED  
25<sup>TH</sup> ANNUAL GENERAL MEETING  
AT 9:00A.M  
FRIDAY,28<sup>TH</sup> SEPTEMBER,2018**

