

# RESHAPING

THE REAL ESTATE SKYLINE



**ARIHANT**  
SUPERSTRUCTURES LTD.  
CONTINUING STABILITY

ANNUAL REPORT 2018 - 2019



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ARIHANT SUPERSTRUCTURES LIMITED

## CHAIRMAN'S SPEECH

“

The good news for Arihant Superstructures is that we continue to grow in terms of revenue and have crossed the ₹ 2000 Mn milestone for the first time, to close the financial year at ₹ 2422 Mn. This is in line with our trademark

### “CONTINUING STABILITY”.

Irrespective of the turbulence in the sector we continue to build & deliver by utilising the opportunities in the market.

”

*Dear Shareholders,*

The journey of sluggishness in the real estate sector didn't halt in FY18 and even continued to create ripples in FY19. The issues related to liquidity crisis on the NBFC's and the housing finance companies in the FY19 had taken a toll on the home buyers. The stress in non-banking financial company (NBFC) sector is affecting consumer finance. The loan disbursement had been severely affected leading to cancellations of booking in this sector, dampening the spirit of end users. Arihant Superstructures has always dealt with quality institutions that ensured that we are adequately funded and sanctioned amounts are disbursed on time.

It is a norm that if there is turbulence in the finance sector, real estate sector is bound to get affected. The recovery may take some time, but we are confident that the re-election of the strong and decisive government will leave no stone unturned in the revival of the housing sector. Honorable PM Shri Narendra Modi and team have been providing the sops and incentives to the real estate sector, which will facilitate the right fillip and pick up in sentiments in the housing sector.

The good news for Arihant Superstructures is that we continue to grow in terms of revenue and have crossed the Rs. 2000 Mn milestone for the first time, to close the financial year at Rs. 2422 Mn. This is in line with our trademark “CONTINUING STABILITY”. Irrespective of the turbulence in the sector we continue to build & deliver by utilising the opportunities in the market.

The traction in execution of the marquee projects such as Arihant Aalishan, Kharghar and Arihant Aspire, Panvel shall reinforce the confidence of the prospective buyers, as seeing is believing. The trend of buying projects in advanced stages of construction has picked up lately. Hence we are offering ready or almost finished flats as part of our sales strategy.

Navi Mumbai – MMR and Jodhpur, Rajasthan will continue to improve as “PREFERRED CITY” for living as the great liveable cities with the boost in CONNECTIVITY due to creation of robust INFRASTRUCTURE.

## CHAIRMAN'S SPEECH

I hope the themes elaborated in the Annual Reports of the last few years have provided you a decent insight into the future trends and thought process of the leadership in this sector. We are pleased to bring you another such theme piece this year, where we have discussed about the emerging trends in Student Accommodation, Rental Housing, Co-Working/Co-Living Spaces and Senior Living and how the real estate business could shape up in the next few years.

We at Arihant Superstructures family would like to thank all our stakeholders right from vendors, bankers and lenders, contractors, employees, customers and shareholders who continued to stick with us through the thick & thin. We are poised to get the best advantage when the sector revives and we all will be benefitted as the sun shines.



Ashok Chhajer

### REVENUE DRIVERS

- Presence in hot spot regions
- To add more projects in the affordable housing segment
- DM model to drive revenue
- Events throughout the year to boost sales

### BUSINESS DEVELOPMENT

- Acquisition of 7 Acres of Land at a Prime location in Panvel
- ASL's First Development Management Model Project acquired (3Anaika)
- Land acquisition done and launched Arihant Amber

### TOTAL UNITS LAUNCHED

**373 UNITS WITH TOTAL AREA OF 284,349 SQ. FT.**

- Launch of Arihant 3Anaika – 264 Units (September, 2018)
- Launch of Arihant Amber – 71 Units (December, 2018)
- Launch of Arihant Aarohi Phase 2 – 38 Units (March 2019)

### TOTAL NET SALES

**706 UNITS AMOUNTING TO INR 2.72 BN.**

- MMR/Navi Mumbai: 603 units sold (503,064 sq. ft.)
- Jodhpur: 103 units sold (129,193 sq. ft.)

### TOTAL HOMES DELIVERED

**723 UNITS**

- Arihant Aarohi Phase 1: Occupancy Certificate Received
- Arihant Anaika Phase 1: Occupancy Certificate Received
- Arihant Anshula: Part-occupancy Certificate Received

### AWARDS

- "Real Estate Leadership" Award by Hurun Report India in 2019
- "ET Business Icon Award" – A Trusted Brand in Real Estate by Economic Times in 2019
- "Affordable Housing Project of the Year award" award by MCHI-CREDAI in 2018
- "Affordable Low Cost Quality Housing" award by Economic Times in 2018

### PROJECT RECOGNITION

- Iconic Award for Arihant Aspire by Radio City in Sept 2018
- IGBC Pre-certified Platinum Rating for Arihant Aspire project in July 2018

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## CONTACT INFORMATION

AS ON AUGUST 12, 2019

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### BOARD OF DIRECTORS

**Ashok Chhajer** - Chairman & Managing Director

**Nimish Shah** - Whole-Time Director

**Vinayak Nalavde** - Independent Director

**Virendra Mital** - Independent Director

**R.N. Bhardwaj** - Independent Director

**V. R. Iyer** - Woman Independent Director

### CHIEF FINANCIAL OFFICER

**Pradeep Mehta**

### COMPANY SECRETARY & COMPLIANCE OFFICER

**Govind Rao**

### INTERNAL AUDITOR

**KPMG**

01<sup>st</sup> Floor, Apollo Mills Compound,  
N M Joshi Marg, Mahalaxmi, Mumbai-400011

### STATUTORY AUDITOR

**Kailash Chand Jain & Co.**

Edena, 1st Floor, 97, Maharshi Karve Road,  
Near Income Tax Office, Mumbai - 400011

### SECRETARIAL AUDITOR

**D. A. Kamat & Co.**

A/308, Royal Sands, Shastri Nagar,  
Andheri (W), Mumbai 400 053

### BANKERS

**The Federal Bank Limited**

**ICICI Bank Limited**

**HDFC Bank Limited**

### LISTING

**Bombay Stock Exchange Limited**

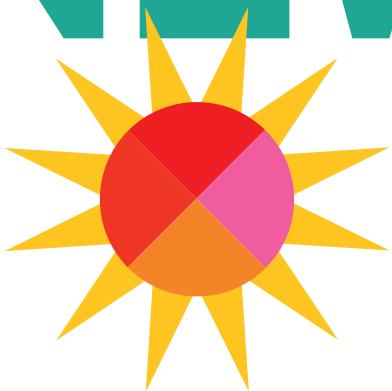
**National Stock Exchange of India Limited**

### REGISTRAR & TRANSFER AGENT

**Adroit Corporate Services Pvt.Ltd.**

17-20, Jafferbhoy Ind. Estate,  
1st Floor, Makwana Road,  
Marol Naka, Andheri (E), Mumbai - 400059

# REFRESH WITH THE NEW TREN



# APING



The Indian housing market is gradually showing indications of growth this year, as consumer interest and sales alike have shown increased activity. The Government too is pushing for growth in the economy, and it will only hasten the pace of growth seen in the housing market as that's the primary requirement for any family.

In addition, the real estate market itself is evolving giving rise to a myriad of opportunities for investors and real estate players alike. Increasing urbanization is the greatest driver for the sector. According to NITI Aayog, 31% of the Indian population live in urban areas, and these numbers are expected to grow incrementally over 50% by 2050. Interestingly, the government is also aiding the growth of newer cities across the country. This provides the real estate sector with newer markets, newer opportunities and effective ways to address the unique needs and requirements of the growing tomorrow – the new India.

In the last few years, customer expectations have evolved, as they demand newer standards of design, quality and service. Real estate companies of tomorrow must shed their pure 'brick and mortar' image to turn agile, innovative and embrace the needs of these customers who are younger, knowledgeable and empowered.

A new generation of imaginative consumers has inspired the realty sector to re-engineer their approach towards real estate and property. It is also forcing industry to reimagine the offerings, and tap new and emerging area of concept homes.

## MANAGED CONCEPT SPACES FOR COMMUNITIES

Decades back, the Indian housing market went through a revolutionary change when the joint family system gave way to nuclear families. The market had then changed from 'custom-built' homes to apartments which were quick, easy and catered to the needs of young nuclear families.

Yet again now, the sector is on the edge of a similar revolution. Though, much more massive in scale, size and opportunity. No more can we, real estate players, build just homes or commercial complexes. We have to provide housing solutions to those who want to rent homes or working places, rent furniture and all the related facilities. These millennials are much more demanding than any generation ever was.

## CHANGING TRENDS IN REAL ESTATE

Millennials are raring to go and experimental in nature. They are willing to pack their bags and head where their dreams take them, at the drop of a hat. They change jobs more frequently than the earlier generation and do not believe in settling down too soon. They may also therefore not be inclined to stay in one city for too long. And yet, when they do, they demand the best and are willing to pay for comfort, security as well as prestige – these are the Aspirers who want to believe they own where they live and yet would like to move to another space soon and own it as much. They believe in travelling through the world, through experiences as well as through multiple choices that life has to offer.

This segment of Aspirers is choosy, diligent with

decision-making and influential in setting trends for the future.

The new-age housing market for these Aspirers will be about spaces that are cozy, comfortable, secure and replete with all the gadgetry and yet conscious on budgets. Space management and design along with amenities and services play a huge role in their decision making.

**Space management and design along with amenities and services play a huge role in their decision making.**

Roadblocks that exist in the current real estate market, including excessive brokerage, lengthy rental agreements, unknown landlords in a heavily fragmented market, etc remain an egging barrier. Not only are they stress-inducing for their fast-paced multi-tasking lives, they are considered 'un-productive' recurring waste of time to an average working professional.

This has become a ground for innovative startups to experiment with hassle-free housing solutions in major cities, adding maintenance and management into the mix.

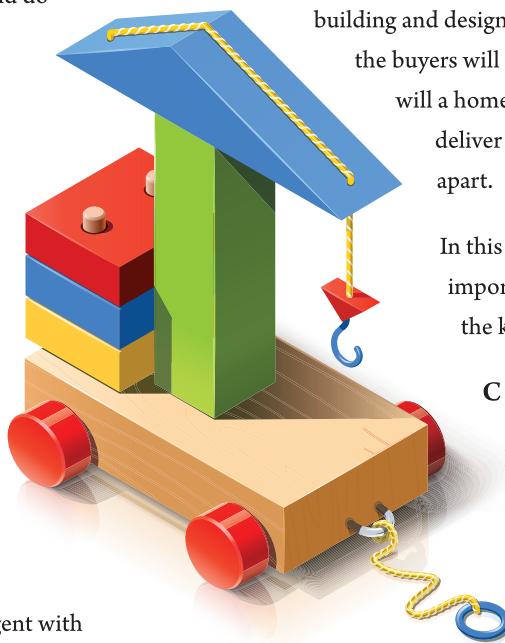
## AIDING INNOVATION

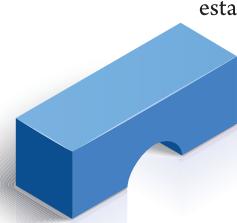
Real estate companies would possibly partner or support innovation which will soon take root in the market. Construction is already turning into a factory-affair where building and designing is only part of it. Who we sell it to, who the buyers will cater to, how much can we sell it for, what will a home be used for, and what is it that we can deliver differently, would set a real estate company apart.

In this scenario of the future, we see three important areas of opportunities that could hold the key to the future of real estate companies.

## CO-WORKING SPACES

India already has a massive market for office spaces. In 2018, as much as 33 million square feet of office space was absorbed. This area is poised for growth across new and emerging areas as 'gig





economy' grows. Globally and within India too, the number of freelancers and informal workers are growing too, giving rise a need for co-working spaces. Driving this growth are startups whose number stood at around 4,200 in 2015 and all set to reach 11,500 by 2020.

In India, co-working spaces also offer a high cost advantage of 25%-30% over traditional office space, which has made it an attractive option for companies beyond startups as well. Added to that, this area has identified a need in the market and fulfilling it.

"A SME looking for a 1,000-2,000 sq. ft. space would usually have to settle for local landlords or Grade B and C buildings as established developers who own most of the Grade A buildings have large floor plates. Serviced offices or co-working operators bridge this gap." highlighted in an HDFC report on co-working spaces.

The sector has already caught the imagination of large global players and private equity players like Goldman Sachs and Blackstone. There is also enough evidence to believe that co-working spaces will also spread geographically across cities and suburbs turning into a boon for a large section of working population and organizations alike.

This opportunity of creating and designing comfortable spaces for young working population will enable realty companies to provide high-value solutions in the market.

## STUDENT HOUSING

India is home to the world's youngest populations. Around 18% of 1.3 billion people in the country are between ages of 15 and 24. A large part of this young population is enrolling in colleges and studying in cities and towns away from home. This number is at 34 million, according to a report on student housing by Knight Frank.

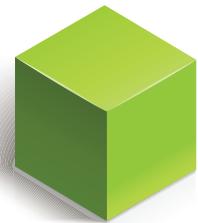
And, almost 70% of these students' study in colleges and universities in ten big states. A burgeoning middle class with high aspirations and increased demand for educated

workers is collectively expected to fuel the number of students in India upward of 40 million.

These masses of young students are in dire need of hostel facilities especially for the upcountry students. Only 20% of the current demand for student housing is met by decent on-campus offerings within the university or college. A research conducted by the Human Resource Department says that development in this area has not kept pace with increased enrollment across the country, neither with the number of mushrooming vocational education and primary training centers in the country.

This segment and their housing needs are catered to, by private home owners and landlords. Most of the options available are without frills and absolutely non standardized. Add to this, few offer value-added services like Wi-Fi or laundry services.

According to Knight Frank, the demand for student beds is at 8 million which is expected to grow at a rate of 8% annually till 2025. As much as \$100 million has already been invested into student housing in 2018, but that is only a drop in the ocean. As much as \$50 billion is expected to flow into this market, catering to young minds who need spaces to study.



There are a range of offerings within student housing-- be it hostels, serviced apartments, dormitories or community-centric living. As this opportunity burgeons, it can turn into a gold mine for the sector and for 'first-movers' from the real estate industry.

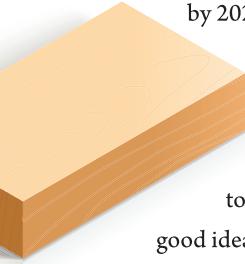
The number of seniors in India is expected to reach 173 million by 2025 and will go up to 240 million by 2050.

one such growing opportunity.

Not only are newly retired professionals flush with retirement

benefits, they are also open to moving to an upcoming area which is far away from the hustle and bustle of the city, making them easy customers. Their needs may be minimalist and yet subliminally of high quality – with healthcare and comfort living with easy accesses the top in the priority list.

These customers are increasing in numbers. As per the Census projections, the percentage of elders will be 12.4% of the total population in 2025. This number will grow to 19.7% in 2050. The number of seniors in India is expected to reach 173 million by 2025 and will go up to 240 million by 2050.



More importantly, the market for senior homes is all set to change due to a tectonic shift in the mindset of seniors. A large section of seniors today are independent, financially stable and have a good idea of how they want to spend their retired life, thanks to a rise in the number of educated seniors in the population mix.

Today, many seniors are looking at new careers, or looking to invest in hobbies, have specific ideas on socializing which provides real estate players with opportunities to cater to their changing demands and lifestyles. Along with gym facilities, real estate players should also add imagination into the mix with fun elements added in for recreation and clubhouses. Secondly it need not be a far off reclusive place..... it could very well be a mixed community living with special assistance and services required for the senior citizens.

According to a report by JLL India, a large number of formats exist to cater to these new-age home buyers. The urban city formats are located within city limits with all amenities available floor-wise, and also aid an active lifestyle with increased social connect. The peri-urban formats are within or peripheral locations. The sub-urban formats are communities with large expanse of spaces for amenities and independent homes. This format will be able to provide open spaces with greenery and healthcare options within the campus.

The various formats also allow for different lifestyles like independent living, assisted living and skilled nursing care. These formats too call for partnerships that go beyond investments. Hospitals or Medicare facilities and healthcare

professionals are an integral part of the ecosystem which will be able to provide healthy and happy sunset years to many. And these formats could be an integral part of mixed development within a gated community

## RENTAL HOUSING

The rental housing market has been long due an overhaul. Apart from it being a privately-owned and broker-driven market that is fragmented, it offers very little respite to tenants. Today, renting a house is replete with stress, repetitive costs and lacks a meaningful redressal mechanism.

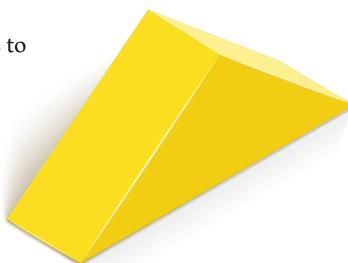
As predicted, the market is soon set to change. With high impetus to ‘small and medium businesses’ and start-ups, there is a huge demand not only for innovative commercial spaces; but also a huge demand for a home away from home to house these young professionals. Their requirements are uniquely modern and with they themselves being busy, the need for them is to save the time and costs of managing a home.

This is the revolution of the future -of homes closer to work places and in varied sizes and combinations including studio apartments. But this is only one part of it as single working professionals or the newly married ones look for hassle-free housing needs. Internationally, a large section of innovators are looking at multiple ways to cater to such population.

Single room housing is offered as condominiums or residential hotels or even called efficiency units which are self-contained with all of life’s needs in a truncated space. This form of innovation requires the real estate industry to re-imagine living spaces like they never have, before - imaginative and beautiful spaces that give ‘small space renters’ value for money.

Home maintenance in such a solution will be a part of the housing solution. And, young professionals will be one of the first to embrace this change as they are short of time.

These trends in-turn offer opportunities to corporatize the rental segment. In the commercial spaces we have already seen this trend settling-in with global and Indian companies vying for their co-working spaces to be owned. It will



only be a short while before leasing segment moves to the residential side too. This would give birth to companies that may even be listed in the stock markets and offer value in terms of the sheer size of real estate it owns.

### CORPORATE CO-LIVING SPACES

Young and single professionals who are growing in number, are also preferring to live as communities that offer living spaces along with social infrastructure be it gaming, dining or lounge areas. These are best suited for professionals who prefer to live closer to work, while bringing in advantages of community living.

As per a Knight Frank report, more than 50% of people in the 18-35 year old age group are willing to live in corporate co-living spaces. This is in top cities like Delhi, NCR, Mumbai and Bengaluru.

This new and emerging space is already attracting international investors. These corporate co-working options will be located close to office working areas, will bring about steady rentals and will cut across housing and service, as a hybrid offering.

This would mean investments in this space – huge blocks of capital raised for these real estate leasing giants of tomorrow that offer a standardized offering across multiple segments.

### OWNING A HOME

The opportunities mentioned above may seem to mean an end to home ownership by the millennials. However, we beg to differ on this hypothesis. Indian Millennials would like every other Indian seek security once they are in their 30s & 40s having a family including children. The difference possibly would be that these homes would need to be fully functional with amenities and facilities.

# ARIHANT ADVANTAGE

The future holds an opportunity to apply our innovation and ideas for progress. A trait we have come to own. From Navi Mumbai the brand today is a force to reckon in the Mumbai MMR Region as well as Jodhpur.

We see the first to identify the opportunities and offerings that Navi Mumbai provided. Today, we are one of the largest real estate developers in the area and growing leaps and bounds. Based on the location, we tweak the way we deliver these solutions.

As innovation takes priority in the real estate, we want to believe it took root in our dreams and our endeavor to dream big and ensure the vision of a tomorrow takes shape today. It is Carpe Diem for us, and we are confident of actualizing the vision we seek to offer.



# \* A Lifestyle Project

## Integrity

*The Core Promise of Dependability  
and Professional Conduct*



LIFESTYLE IS NOT A WORD;  
IT'S A SPACE WHERE SUPREMACY STAYS.  
AN ADDRESS OF THE NEXT.  
THE REFLECTION OF THE BEST.

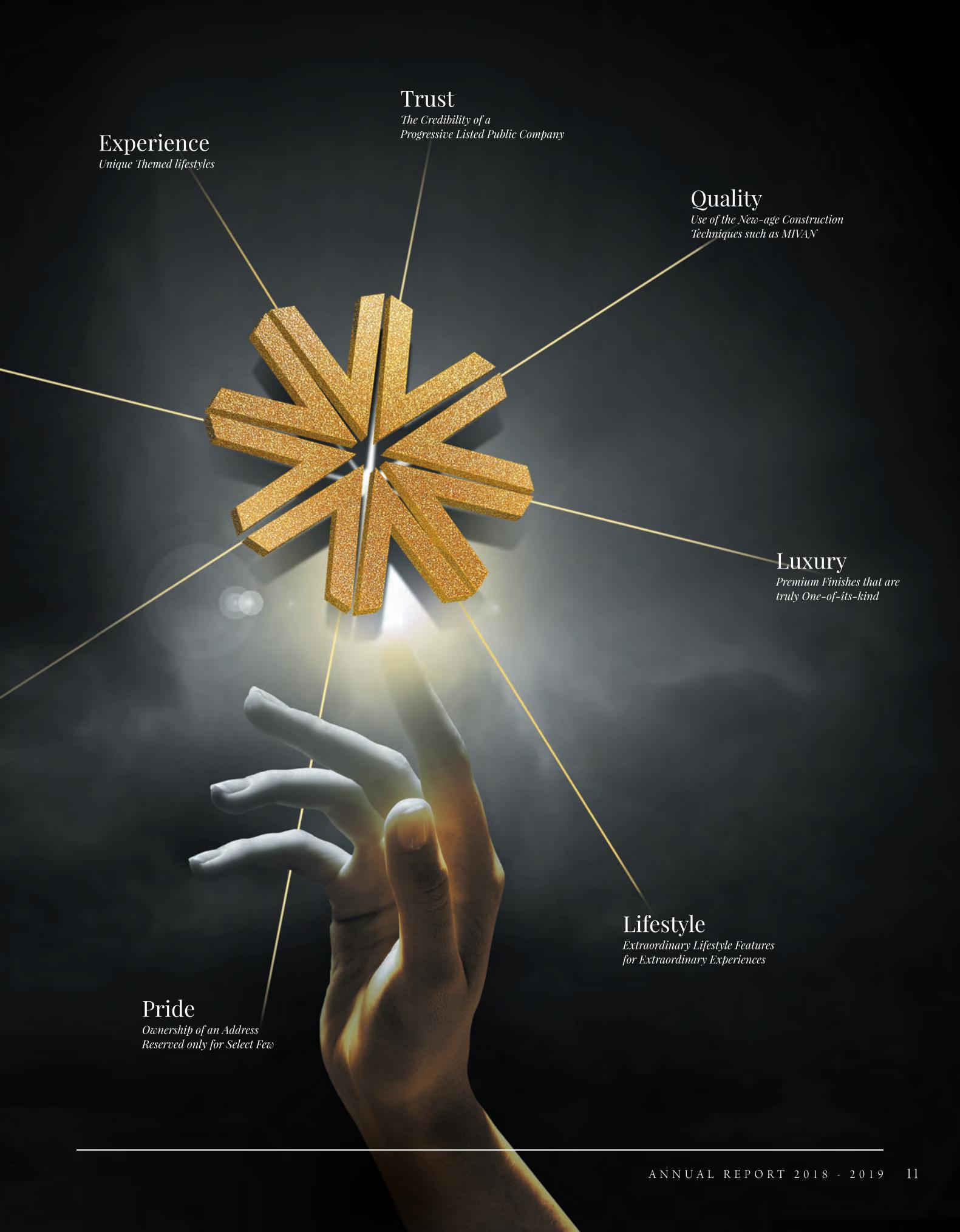
We are poised to develop, shape and imagine evolved living spaces that not only raise the lifestyle expectations but also offer curated, well-thought imaginations living spaces that go beyond the idea of just a home. A lifestyle project – where life walks into a new world of supreme experiences.



## Transparency

*Highest Customer Satisfaction  
throughout the process*

# Rising<sup>THE</sup> Star of Supremacy



**Experience**  
*Unique Themed lifestyles*

**Trust**  
*The Credibility of a  
Progressive Listed Public Company*

**Quality**  
*Use of the New-age Construction  
Techniques such as MIVAN*

**Luxury**  
*Premium Finishes that are  
truly One-of-its-kind*

**Lifestyle**  
*Extraordinary Lifestyle Features  
for Extraordinary Experiences*

**Pride**  
*Ownership of an Address  
Reserved only for Select Few*

 *A Lifestyle Project*

**ARIHANT CLAN  
AALISHAN**

— KHARGHAR ANNEXE —

BIG SIZE STUDIO, 1, 2, 3 & 4 BHK RESIDENCES  
BARAZ 1 & 2 AND ZEENAT 1- 3 TOWERS OF 53 STOREYS | KAVEH - 37 STOREY TOWER



Phase I MahaRERA No. P52000006391 / Phase II MahaRERA No. P52000017271

Artist's Impression

 *A Lifestyle Project*

**ARIHANT  
ASPIRE**

— PALASPE - PANVEL —

8 MAGNIFICENT TOWERS OF 42 STOREYS  
LAVISH STUDIO & 2 BHK APARTMENTS



Artist's Impression

Phase I MahaRERA No. P52000014107

सच में कुछ बदल रहा है  
**Changing™**  
Lifestyle  
BY ARIHANT HOMES

# ARIHANT ALOKI

KARJAT EAST  
NEAR RAILWAY STATION

STILT+12 STOREY TOWERS  
1, 2 & 3 BHK RESIDENCES



Phase I MahaRERA No. P52000004014

Artist's Impression

सर्व में कुछ बदल रहा है  
Changing™  
Lifestyle  
BY ARIHANT HOMES

ARIHANT  
**AAROHI**  
KALYAN - SHIL ROAD

STILT+13 STOREY TOWER  
2 & 3 BHK RESIDENCES



Artist's Impression

Phase II MahaRERA No. P51700015328

सच में कुछ बदल रहा है  
**Changing Lifestyle™**  
BY ARIHANT HOMES

# ARIHANT ARSHIYA

KHOPOLI - NEW TOWN, NEAR IMAGICA

STILT+8 STOREY TOWERS  
1 RK, 1 & 2 BHK RESIDENCES



Phase II MahaRERA No. P52000002342

Artist's Impression

सर्व में कुछ बदल रहा है  
Changing™  
Lifestyle  
BY ARIHANT HOMES

ARIHANT  
**ANMOL**  
BADLAPUR - EAST

STILT+12 STOREY TOWERS  
SPACIOUS 1 & 2 BHK RESIDENCES



Artist's Impression

Phase II MahaRERA No. P51700003112

सच में कुछ बदल रहा है  
**Changing**  
Lifestyle  
BY ARIHANT HOMES

# ARIHANT ANSHULA

TALOJA PHASE II  
NEAR METRO STATION

STILT+4 STOREY BUILDING  
MINI TOWNSHIP - 1, 2 & 3 BHK RESIDENCES



MahaRERA No. P52000009246

Artist's Impression

सर्व में कुछ बदल रहा है  
Changing Lifestyle™  
BY ARIHANT HOMES

# ARIHANT ANAIKA

TALOJA PHASE II  
NEAR METRO STATION

1, 2 & 3 BHK RESIDENCES



Artist's Impression

Phase I MahaRERA No. P52000001869

सच में कुछ बदल रहा है  
**Changing™**  
Lifestyle  
BY ARIHANT HOMES

**ARIHANT**  
**AMISHA**  
TALOJA  
NEAR PANVEL

STILT+4 STOREY BUILDING  
SPACIOUS 1 & 2 BHK RESIDENCES



Phase I MahaRERA No. P52000008203

Artist's Impression

# ARIHANT ADITA

JODHPUR  
NEAR DPS CIRCLE

STILT+14 STOREY TOWERS  
THOUGHTFULLY PLANNED 2 & 3 BHK RESIDENCES

ACTUAL PHOTOGRAPH

RAJ/P/2018/599

सच में कुछ बदल रहा है  
**Changing™**  
Lifestyle  
BY ARIHANT HOMES

**ARIHANT  
AYATI**  
JODHPUR  
PAL-LINK ROAD, DEVNAGAR

B+G+P+17 STOREY TOWER  
LUXURIOUS 3, 4 & 5 BHK RESIDENCES



Artist's Impression

सर्व में कुछ बदल रहा है  
Changing™  
Lifestyle  
BY ARIHANT HOMES

ARIHANT  
**ANCHAL**  
JODHPUR  
NEAR DALI BAI CIRCLE

G+7 STOREY TOWERS  
SPACIOUS 2 BHK RESIDENCES



Artist's Impression

RAJRERA NO. RAJ/P/2017/322

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## **NOTICE TO THE SHAREHOLDERS**

**NOTICE** is hereby given that the Thirty Sixth (36<sup>th</sup>) Annual General Meeting of Arihant Superstructures Limited ('the Company') will be held at 10:30 A.M. on Thursday, 26<sup>th</sup> September, 2019 at Hotel, "The Regenza" by Tunga, Plot No. 37, Sector 30A, Vashi, Navi Mumbai – 400703 to transact the following business:

### **ORDINARY BUSINESS:**

#### **Item No. 01: Adoption of Financial Statements:**

To receive, consider and adopt the Audited Financial Statements (Stand-alone and Consolidated) of the Company for the Financial Year ended 31<sup>st</sup> March, 2019, and the Reports of Directors ('the Board') and Auditors thereon.

#### **Item No. 02: Declaration of Dividend:**

To declare a Final Dividend of Rs.0.50/- per Equity Share for the Financial Year ended 31<sup>st</sup> March, 2019.

#### **Item No. 03: Retirement by Rotation:**

To appoint a Director in place of Mr. Nimish Shah (DIN: 03036904), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

### **SPECIAL BUSINESS**

#### **Item No. 04: To approve increase in remuneration of Mr. Nimish Shah (DIN: 03036904), Whole time Director of the Company:**

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

**"RESOLVED THAT**, pursuant to the provisions of Section 178, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, and Schedule V of the Act read with Companies (Appointment and Remuneration of Managerial Personnel ) Rules, 2014 and other applicable rules, regulations issued by the Ministry of Corporate Affairs in this regard and applicable Regulations of SEBI (LODR) Regulations, 2015 and all other statutory approvals and consents of the Central Government, as required, as recommended by Nomination and Remuneration Committee & Audit Committee approval of the Members be and is hereby accorded for increase of remuneration of Mr. Nimish Shah, Whole-time Director of the Company from Rs. 5,000,000 (Rupees Fifty Lakh Only) Per Annum to Rs. 54,20,000 (Rupees Fifty Four Lacs Twenty Thousand Only) Per Annum till the conclusion of his term revised further with effect from 13th April, 2019."

**FURTHER RESOLVED THAT**, the Board be and is hereby authorized to revise, modify and amend the limits of remuneration from time to time as deemed fit and within the limits set out in Schedule V to the Act.

**FURTHER RESOLVED THAT**, in the event of loss or inadequacy of profit, the minimum remuneration payable to Mr. Nimish Shah shall be as per the limit in Part II of Schedule V."

#### **Item No. 05: To Raise funds through issue of Securities upto an amount not exceeding ₹ 300 Crores including premium if any:**

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

**"RESOLVED THAT** pursuant to Sections 23,42, 62 and 71 and other applicable provisions, if any, of the Companies Act, 2013, if any; and the rules framed thereunder, including any amendment thereto or statutory modification(s) or re-enactment(s) thereof for the time being in force ("Companies Act, 2013"), the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ("SEBI Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the provisions of the Foreign Exchange Management Act, 1999, Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993("FEMA Regulations") or the Depository Receipt Scheme, 2014 as amended from time to time and such other statutes, notifications, clarifications, circulars, rules and regulations as may be applicable and relevant, as amended from time to time, issued by the Government of India ("GOI"), the Reserve Bank of India ("RBI"), Real Estate Regulatory Authority ("RERA"), the Securities and Exchange Board of India ("SEBI"), the stock exchanges where the Equity Shares of the Company are listed ("Stock Exchanges") and any other appropriate authorities, institutions or bodies, as may be applicable

and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into by the Company with each of the Stock Exchanges, and subject to such approvals, consents, permissions and sanctions, if any, of the GOI, RBI, RERA, SEBI, Stock Exchanges and any other appropriate authorities, institutions or bodies, as may be necessary and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and/or sanction, which may be agreed/ accepted by the Board of Directors (hereinafter referred to as the "Board" which shall be deemed to include any committee thereof, constituted or to be constituted to exercise its powers conferred by this resolution), consent of the shareholders be and is hereby accorded to the Board in its absolute discretion, to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including employees of the Company as may be permitted), with or without a green shoe option, either in India or in the course of international offering(s) in one or more foreign markets, such number of Equity Shares, Global Depository Receipts ("GDRs"), American depository receipts ("ADRs"), foreign currency convertible bonds ("FCCBs"), non-convertible debentures with or without warrants, preference shares convertible into Equity Shares, other financial instruments convertible into Equity Shares (including warrants or otherwise, in registered form), any security convertible into Equity Shares with or without voting/special rights, securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares, including the issue and allotment of Equity Shares pursuant to a green shoe option, if any (all of which are hereinafter collectively referred to as "Securities") or any combination of Securities, up to Rs. 300 Crores (Rupees Three Hundred Crores only) or equivalent thereof in one or more foreign currencies and/or Indian rupees, inclusive of such premium as may be fixed on such Securities by offering the Securities in one or more countries through public issue(s) of prospectus, private placement(s) and Qualified Institutions Placement ("QIP") follow on offer or a combination thereof at such time or times, at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest, etc., in one or more tranches, whether Indian rupee denominated or denominated in foreign currency, to residents and/or non-residents and/or Indian and / or multilateral financial institutions/banks and/or incorporated bodies and/or individuals and/or trustees and/or stabilizing agent or otherwise, Qualified Institutional Buyers as defined under the SEBI Regulations ("QIBs"), qualified foreign investors, Foreign Institutional Investors ("FIIs"), Foreign Portfolio Investors ("FPIs"), Foreign Corporate Bodies (FCBs)/Companies/Mutual Funds/Pension Funds/Venture Capital Funds/Banks, alternative investment funds, insurance companies, to all or any other category of investors who are authorized to invest in the Securities of the Bank as per extant regulations/guidelines or any combination of the above as may be deemed appropriate by the Board in its absolute discretion and whether shareholders of the Company or not as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) either in foreign currency or equivalent Indian Rupees inclusive of such premium as may be determined by the Board, in any convertible foreign currency, as the Board at its absolute discretion may deem fit and appropriate, and as may be permitted under applicable law from time to time.

**FURTHER RESOLVED THAT**, pursuant to the provisions of Section 62 and all other applicable provisions and rules prescribed therein of the Act, the provisions of Chapter VIII of the SEBI Regulations; and the provisions of the FEMA, the FEMA Regulations, the Board may at its absolute discretion, issue, offer and allot Securities of an aggregate amount upto "**Rs. 300 Crores**" (Rupees Three Hundred Crores Only) or equivalent thereof in one or more foreign currency and/or Indian rupees inclusive of such premium, as specified above, to QIB pursuant to a QIP, as provided under Chapter VIII of the SEBI Regulations and such Securities shall be fully paid up and the allotment of such Securities shall be completed within 12 (twelve)months from the date of the shareholders resolution approving the proposed issue or such other time as may be allowed by the SEBI Regulations from time to time, at such price being not less than the price determined in accordance with the pricing formula of the aforementioned SEBI Regulations.

**FURTHER RESOLVED THAT**, the Board may, at its sole discretion, offer a discount of not more than five percent (or such other percentage as permissible under applicable law) on the floor price so calculated for the QIP, as permitted under SEBI Regulations and further, subject to the provisions of applicable laws, price determined for the QIP shall be subject to appropriate adjustments as per the provisions of Regulation 85(4) the SEBI Regulations, if required.

**FURTHER RESOLVED THAT**, the Equity Shares proposed to be issued through the QIP in accordance with the Chapter VIII of the SEBI Regulations and shall rank pari-passu with the existing Equity Shares of the Company in all respects including dividend.

**FURTHER RESOLVED THAT**, without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any, of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and transferability thereof in accordance with the applicable laws & prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Securities and the Board subject to applicable laws, regulations and guidelines be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such Securities that are not subscribed.

**FURTHER RESOLVED THAT**, any issue of Securities by way of a QIP shall be at a price which is not less than the price determined in accordance with the pricing formula provided under the SEBI Regulations (the “QIP Floor Price”) and that the price determined for the QIP shall be subject to appropriate adjustments as per the provisions of the SEBI Regulations, if required.

**FURTHER RESOLVED THAT**, the relevant date for determining the price of the Equity Shares to be allotted pursuant to the QIP, if any, shall mean, the date of the meeting in which the Board or a committee thereof decides to open the proposed issue, and in the manner as provided under Chapter VIII of the SEBI Regulations and in case Securities are convertible securities, then either the date of the meeting in which the Board decides to open the proposed issue or the date on which holder of Eligible Securities become eligible to apply for Equity Shares, as may be determined by the Board.

**FURTHER RESOLVED THAT**, in the event the Securities are proposed to be issued as FCCBs, ADRs or GDRs, the relevant date for the purpose of pricing the Securities shall be determined in accordance with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through the Depository Receipt Mechanism) Scheme, 1993, or the Depository Receipt Scheme, 2014, as the case may be (including any amendments thereto or re-enactment thereof, for the time being in force) or as may be permitted under applicable law.

**FURTHER RESOLVED THAT**, for the purpose of giving effect to the above resolutions, the Board (or committee appointed by it thereof) be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to finalization and approval for the preliminary as well as final offer document(s), determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, premium amount on issue/conversion of the Securities, if any, rate of interest, redemption period, listings on one or more overseas stock exchanges, execution of various transaction documents, creation of mortgage/ charge in accordance with Section 180(1)(a) of the Companies Act, 2013, in respect of any Securities as may be required either on paripassu basis or otherwise, as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the shareholders or otherwise to the end and intent that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**FURTHER RESOLVED THAT**, the Board be and is hereby authorized to engage/appoint the Lead Manager, Legal Advisors, Underwriters, Guarantors, Depositories, Custodians, Registrars, Stabilizing Agent, Trustees, Bankers, Advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents, certificates, declarations, undertakings, applications etc. with such agencies and to seek the listing of such Securities on one or more national and/or international stock exchange(s). We hereby also give our approval for any engagements/ appointments which may have already been entered into for the purpose of giving effect to the resolutions as proposed in this notice.

**FURTHER RESOLVED THAT**, the Board be and is hereby authorized to do such acts, deeds and matters as may be necessary and also to delegate all or any of the powers conferred on its by or under this Resolution to any committee of the Board or to any Director of the Company, any other officer(s) or employee(s) of the Company or any professional as it may consider appropriate in order to give effect to this Resolution.”

**Item No. 06: Appointment/Continuation of Mr. Raj Narain Bhardwaj (DIN: 01571764) as an Independent Director of the Company:**

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

**“RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (“Amendment Regulations, 2018”) and any other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the shareholders of the Company be and is hereby accorded for continuation of Mr. Raj Narain Bhardwaj (DIN 01571764) as an Independent Director, beyond the age of 75 years, till the completion of his current term in 11<sup>th</sup> August, 2022.

**“RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed proper and expedient to give effect to this Resolution.”

**Item No. 07: To approve the proposed Material Related Party Transactions for the Year 2019-20:**

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

**“RESOLVED THAT**, pursuant to the Regulation 2(zc) and 23(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof and any rules thereunder for the time being in force), and subject to such other approvals, sanctions, consents and permissions as may be deemed necessary and pursuant to the approval of the Audit Committee, the consent of the Shareholders be and is hereby accorded to Board of Directors of the Company for the Material Related Party Transactions proposed to be entered in the Year 2019-20 as per details as set out under item no. 7 of the Explanatory Statement annexed to this Notice with Related Parties as defined under various provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

**FURTHER RESOLVED THAT**, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to finalize the terms and to execute agreements, deeds or writings required to be executed in relation to the proposed Material Related Party Transactions and to do all acts, things and deeds as may be deemed necessary to give effect to this resolution.”

**For and on behalf of the Board of Directors**  
**Arihant Superstructures Limited**

**Ashok Chhajer**  
**Chairman & Managing Director**  
**DIN: 01965094**

**Place: Navi Mumbai**  
**Date: August 12, 2019**

**Registered Office:**

“Arihant Aura”, 25<sup>th</sup> Floor, B-Wing, Plot No. 13/1,  
TTC Industrial Area, Thane Belapur Road,  
Turbhe, Navi Mumbai – 400 705  
CIN: L51900MH1983PLC029643  
Tel: 91 22 62493333 Fax: 91 22 62493334  
E-mail: [info@asl.net.in](mailto:info@asl.net.in), [investor@asl.net.in](mailto:investor@asl.net.in), [cs@asl.net.in](mailto:cs@asl.net.in)  
Website: [www.asl.net.in](http://www.asl.net.in)

**NOTES:**

1. The Explanatory Statement in pursuance to the provisions of Section 102 of the Companies Act, 2013, towards the Special Business proposed to be undertaken in the Annual General Meeting is attached to this Notice.
2. In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Secretarial Standard on General Meetings, the details and information of all Directors seeking appointment/ re-appointment is attached to this Notice.

3. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member of the Company. The instrument appointing the Proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the Annual General Meeting. Proxies submitted on behalf of Limited Companies, Body Corporates, etc., must be supported by appropriate resolutions / authority, as applicable. A person can act as Proxy on behalf of Members not exceeding Fifty (50) and holding in the aggregate not more than 10% of the total Share Capital of the Company. 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 act as a Proxy for any other person or Shareholder.
4. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is Adroit Corporate Services Pvt. Ltd. (hereinafter referred to as "Company's Registrar and Transfer Agent") 19, Jaferbhoy Industrial Estate, 1<sup>st</sup> Floor, Makwana Road, Marol Naka, Andheri (East), Mumbai – 400 059.
5. The Register of Members and Share Transfer Books ("hereinafter referred to as Book Closure") of the Company will be closed, from Friday, 20<sup>th</sup> September, 2019 to Sunday, 26<sup>th</sup> September, 2019 (both days inclusive) for the purpose of holding Annual General Meeting and for determining the names of the Members eligible for Dividend on Equity Shares, if declared in the Annual General Meeting.
6. Members, Proxies and Authorized Representatives are requested to bring to the Meeting, the attendance slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
7. If the Final Dividend, as recommended by the Board of Directors, is approved at the Annual General Meeting, payment of such Dividend will be made on or after 26<sup>th</sup> September, 2019 to those persons or their mandates as under:
  - I. Whose names appear as the Beneficial Owners in respect of Shares held in Dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as on 19<sup>th</sup> September, 2019 (i.e. being last trading day before Book Closure) in respect of the Shares held in electronic mode; and;
  - II. To all Members in respect of Shares held in Physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company or Company's Registrar and Transfer Agent as on 19<sup>th</sup> September, 2019 (i.e. being last trading day before Book Closure).
8. Members holding Shares in Dematerialized form are requested to intimate all changes pertaining to their Bank details such as Bank account number, name of the Bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agent, to provide efficient and better services. Members holding Shares in Physical form are requested to intimate such changes to Company's Registrars and Transfer Agent.
9. Members holding Shares in Physical form are requested to consider converting their holdings to Dematerialized form to eliminate all risks associated with Physical Shares and for ease of Portfolio Management. Members can contact the Company or Company's Registrars and Transfer Agent for assistance in this regard.
10. Members holding Shares in Physical form, in identical order of names, in more than one folio are requested to send to the Company or Company's Registrars and Transfer Agent the details of such folios together with the Share Certificates for consolidating their holdings in one folio. A consolidated Share Certificate will be issued to such Members after making requisite changes.
11. In case of joint holders attending the Annual General Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
12. Members seeking any information with regard to the accounts are requested to write to the Company at an early date (i.e. not later than 7 days before Annual General Meeting), so as to enable the Management to keep the information ready at the Annual General Meeting.
13. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays and Sundays, between 11:00 a.m. to 1:00 p.m. upto the date of the Annual General Meeting.

14. As per the provisions of Section 72 of the Companies Act, 2013 the facility for making Nomination is available for the Members in respect of the Shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website [www.asl.net.in](http://www.asl.net.in) (under 'Investors' Relation Section). Members holding Shares in Physical form may submit the same to Company's Registrars and Transfer Agent. Members holding Shares in electronic form may submit the same to their respective Depository Participant.

**15. Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund (IEPF):**

Pursuant to Sections 123, 124 and 125 of the Companies Act, 2013 and other applicable provisions, if any, of the Act, all unclaimed / unpaid Dividend, Application money, Debenture interest and interest on Deposits as well as the principal amount of Debentures and Deposits, as applicable, remaining unclaimed / unpaid for a period of Seven Years from the date they became due for payment, in relation to the Company, Arihant Superstructures Ltd. have been transferred to the IEPF established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred prior to March 31, 2019, nor shall any payment be made in respect of such claims. Members who have not yet encashed their Dividend Warrant(s) pertaining to the Final Dividend for the Financial Year 2012-13 and onwards are requested to make their claims without any delay to Company's Registrars and Transfer Agent. Pursuant to the provisions of IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company under the 'Investors' Relation Section as also on website of the Ministry of Corporate Affairs.

The Company is under process to transfer An Amount of Rs.1492.20 for the Financial Year 2010-11, being unclaimed/unpaid Dividend as on 02<sup>nd</sup> August, 2018 to IEPF under Section 124(5) read with Section 125(1) of Companies Act, 2013.

The following table gives information relating to outstanding Dividend accounts and the dates by which they can be claimed by the Shareholders:

<b>Financial Year</b>	<b>Date of declaration of Dividend</b>	<b>Last Date for claiming unpaid/unclaimed Dividend</b>
2011-12	September 22, 2012	September 21, 2019
2012-13	September 26, 2013	September 25, 2020
2013-14	September 25 2014	September 24, 2021
2014-15	September 25, 2015	September 24, 2022
2015-16	September 20, 2016	September 19, 2023
2016-17	September 30, 2017	September 29, 2024
2017-18	September 28, 2018	September 27, 2025

Further, pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the IEPF Rules, all Shares on which the Dividend has not been paid or claimed for Seven Consecutive Years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs, in due course. In accordance with the IEPF Rules, the Company has transferred 250 Equity Shares for the Financial Year 2008-09 to the IEPF. The Shareholders whose Dividend/Shares is/will be transferred to the IEPF Authority can claim the same from the IEPF Authority by following the procedure as detailed on the website of the IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.

16. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.
17. The Notice of the Annual General Meeting along with the Annual Report for the Financial Year 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company's Registrars and Transfer Agent / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report for the Financial Year 2018-19 will also be available on the Company's website viz. [www.asl.net.in](http://www.asl.net.in)
18. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with Depository Participant's / Company's Registrars and Transfer Agent. Through sending an email at [info@adroitcorporate.com](mailto:info@adroitcorporate.com), the registered e-mail address will be used for sending future communications.
19. The route map showing directions to reach the venue of the Thirty Sixth Annual General Meeting is annexed at the end as the part of the Annual Report.
20. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.

21. Members/ Proxies/ Representatives are requested to bring filled in attendance slip enclosed in the Annual Report for attending the Annual General Meeting.

## 22. Remote e-Voting Instructions for Annual General Meeting:

- i. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the Annual General Meeting.
- ii. The Board of Directors has appointed CS Rachana Shanbhag, (Membership No. F8227), M/s. RHS & Associates, Practicing Company Secretaries, Mumbai as the Scrutinizers to scrutinize the voting at the Annual General Meeting and remote e-voting.
- iii. The facility for voting, through polling paper shall also be made available at the Annual General Meeting and the Members attending the Annual General Meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the Annual General Meeting through polling paper.
- iv. The Members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
- v. Members can opt for only one mode of voting i.e. either by polling paper at the Annual General Meeting or remote e-voting. In case Members cast their votes through both modes, voting done by e-voting shall prevail and votes cast through polling paper shall be treated as invalid.

### The instructions for E-voting are as follows:

#### A. The way to vote electronically on NSDL E-voting system consists of “Two Steps” which are mentioned below:

Step 1: Log-in to NSDL E-voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL E-voting system.

#### B. Details on Step 1 is mentioned below:

Visit the E-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

Once the home page of E-voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.

A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on E-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

Your User ID details are given below :

Manner of holding Shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold Shares in Demat Account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold Shares in Demat Account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding Shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if Folio Number is 001*** and EVEN is 108463 then user ID is 108463001***

- a. Your password details are given below:
  - i. If you are already registered for E-voting, then you can user your existing password to login and cast your vote.
  - ii. If you are using NSDL E-voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- iii. **How to retrieve your ‘Initial password’:**
  - If your email ID is registered in your Demat Account or with the Company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of Client ID for CDSL account or folio number for Shares held in Physical Form. The .pdf file contains your ‘User ID’ and your ‘Initial password’.
  - If your email ID is not registered, your ‘Initial password’ is communicated to you on your Postal address.
- g. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - i. Click on “Forgot User Details/Password”(If you are holding shares in your Demat Account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

Physical User Reset Password” (If you are holding Shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your Demat Account Number/Folio Number, your PAN, your name and your registered address.
- h. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- i. Now, you will have to click on “Login” button.
- j. After you click on the “Login” button, Home page of e-Voting will open.

#### C. Details on Step 2 is given below:

##### How to cast your vote electronically on NSDL E-voting system:

- a. After successful login at Step 1, you will be able to see the Home page of E-voting. Click on E-voting. Then, click on Active Voting Cycles.
- b. After click on Active Voting Cycles, you will be able to see all the Companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
- c. Select “EVEN” of Arihant Superstructures Limited for casting your vote.
- d. Now you are ready for E-voting as the Voting page opens.
- e. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of Shares for which you wish to cast your vote and click on “Submit” and also“Confirm” when prompted.
- f. Upon confirmation, the message “Vote cast successfully” will be displayed.
- g. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- h. Once you confirm your vote on the Resolution, you will not be allowed to modify your vote.

#### 23. General Guidelines for Shareholders:

Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly Authorized Signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [rhsassociates1@gmail.com](mailto:rhsassociates1@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the E-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

#### 24. Other Instructions

- i. The e-voting period commences on Monday, 23rd September, 2019 (9:00 a.m.) to Wednesday, 25th September 2019 (5:00 p.m.). During this period, Members holding Shares either in Physical form or in Dematerialized form, as on the cut-off date i.e. 19<sup>th</sup> September, 2019, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
- ii. The voting rights of Members shall be in proportion to their Shares in the Paid up Equity Share Capital of the Company as on the cut-off date i.e. 19<sup>th</sup> September, 2019. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, as well as voting at the Meeting through polling paper.
- iii. Any person, who acquires Shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding Shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting vote. If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- iv. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses who are not in the employment of the Company and make, not later than three days of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the result of the voting forthwith.
- v. The result declared along with the Scrutinizer's Report shall be placed on the Company's website viz. [www.asl.net.in](http://www.asl.net.in) and on the website of NSDL viz. [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited, Mumbai where the Shares of the Company are listed.

**For and on behalf of the Board of Directors  
Arihant Superstructures Limited**

**Ashok Chhajer**

**Chairman & Managing Director  
DIN: 01965094**

**Place: Navi Mumbai  
Date: August 12, 2019**

**Registered Office:**

"Arihant Aura", 25<sup>th</sup> Floor, B-Wing, Plot No. 13/1,  
TTC Industrial Area, Thane Belapur Road,  
Turbhe, Navi Mumbai – 400 705  
CIN: L51900MH1983PLC029643  
Tel: 91 22 62493333 Fax: 91 22 62493334  
E-mail: [info@asl.net.in](mailto:info@asl.net.in), [investor@asl.net.in](mailto:investor@asl.net.in), [cs@asl.net.in](mailto:cs@asl.net.in)  
Website: [www.asl.net.in](http://www.asl.net.in)

**EXPLANATORY STATEMENT TO THE ANNUAL GENERAL MEETING NOTICE  
(Under Section 102 of Companies Act, 2013)****Item No. 4:**

Mr. Nimish Shah (DIN: 03036904) was appointed as a Whole-time Executive Director of the Company, on 13th April, 2015 under Companies Act, 2013 and his appointment was approved by the Shareholders in the AGM held on 25th September, 2015 for a period of five years. Mr. Nimish Shah (DIN: 03036904) is contributing immensely in the business activities of the Company and is guiding the Company in its expansion activities.

Considering the increased scope of work being handled by Mr. Nimish Shah (DIN: 03036904) and the prevalent standards in the industry for payment of professional Directors of such experience, the Board on the recommendation of the Nomination and Remuneration Committee and on approval of Audit Committee, has proposed to increase the remuneration payable to Mr. Nimish Shah (DIN: 03036904) as stated in the Resolution. No. 04. Other terms and conditions of the appointment are not being revised or modified and hence have not been repeated in this Notice. Accordingly, the resolution for the revision in the remuneration i.e. from 13th April, 2019 is being placed before the Members for their approval.

Pursuant to Sections 196, 197, 198 and all other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the increase in remuneration payable to Mr. Nimish Shah (DIN: 03036904) is now being placed before the Members for their approval by way of Special Resolution.

Further, in terms of Section 197, 198 of Companies Act, 2013, it is proposed to authorize Board of Director to further revise or amend Managerial Remuneration within limits set in Schedule V to the Act.

The Board of Directors recommends the resolution for the approval of the Members as a Special Resolution. Apart from Mr. Nimish Shah (DIN: 03036904), who would be interested in this resolution, none of the other Directors, Key Managerial Personnel (“KMP”) of the Company and relatives of the Directors and KMP are, in any way, concerned or interested, financially or otherwise, in these items, except to the extent of their shareholding interest, if any, in the Company.

The statement of additional information required to be disclosed as per Regulation 36(3) of SEBI Listing Regulations and Secretarial Standard 2 issued by ICSI is attached at the end of this Explanatory Statement and must be read as the part of this Notice.

**Item No. 5:**

Pursuant to the Provision of Section 23, 42, 62 and 71 and other applicable provisions of the Companies Act, 2013 and applicable Regulations of Securities and Exchange Board of India and subject to all other concerned authorities approvals, the Company had obtained the consent of the Shareholders vide Postal Ballot Result declared on 25th July, 2018 for raising capital not exceeding Rs. 300 Crores through issue of eligible Securities of the Company to meet the funding requirement and Business objective of the Company.

As per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and provision of the Section 62 of the Companies Act, 2013 read with rule 13 (2) (e) of Companies (Share Capital and Debentures) Rules, 2014 such Resolution is valid for a period of 12 months from the date of passing of Resolution.

The Board is seeking an enabling resolution for raising capital by way of public or private placement including QIP to strengthen the capital base of the Company, implementation of Ongoing Projects, acquisition of land parcels, working capital requirement, repayment of existing indebtedness of the Company, expansion of the existing business of the Company and to fund general corporate purposes.

The fund raising may be through a mix of equity/equity linked instruments, as may be deemed appropriate. Shareholders' approval is sought for the issue of Equity Shares or such other securities linked to or convertible into Equity Shares or depository receipts of the Company. Shareholders' approval is sought for issuing any such instrument as the Board may deem appropriate to parties who may or may not be an existing shareholder of the Company. Whilst no specific instrument has been identified at this stage, in the event the Company issues any equity linked instrument, the issue will be structured in a manner such that the additional equity share capital/securities that may be issued pursuant to the above resolution would not be more than Rs. 300 Crores (Rupees Three Hundred Crores Only) including premium. The equity shares, if any, allotted on issue/ conversion of Securities shall rank in all respects pari-passu with the existing Equity Shares of the Company.

The Company may issue securities by way of a QIP in terms of Chapter VIII of the SEBI Regulations. The resolution proposed is an enabling resolution and the exact price, proportion and timing of the issue of the securities will be decided by the Board or a Committee constituted by the Board for this purpose, based on an analysis of the specific requirements after consulting all concerned. Therefore, the proposal seeks to confer upon the Board/the committee of the Board the absolute discretion to determine the terms of issue in consultation with the Lead Manager to the issue.

As per Chapter VIII of the SEBI Regulations, an issue of securities on QIP basis shall be made at a price not less than the average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the two weeks preceding the 'relevant date'. The Board/ the Committee of the Board may, at its absolute discretion, issue securities at a discount of not more than five percent or such other discount as may be permitted under applicable regulations to the 'floor price' as determined in terms of the SEBI Regulations subject to provisions of Section 53 of the Companies Act, 2013.

As the pricing of the offer cannot be decided except at a later stage, it is not possible to state the price of securities to be issued. However, the same would be in accordance with the provisions of the SEBI Regulations, the Companies Act, 2013, or any other guidelines/regulations/consents as may be applicable or required.

In case of issue of convertible bonds and/or equity shares through depository receipts, the price will be determined on the basis of the current market price and other relevant guidelines.

The "relevant date" for the above purpose, shall be:

- i. in case of allotment of equity shares, the date of meeting in which the Board/Committee decides to open the proposed issue;
- ii. in case of allotment of eligible convertible securities, either the date of the meeting in which the Board/Committee decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares, as may be determined by the Board.

The Stock Exchanges for this purpose are the BSE Limited and National Stock Exchange of India Limited.

In case of QIP issuance the proposed special resolution shall be valid for a period of 12 months from the date of shareholders' approval, before which the Company is required to complete the allotments under the authority of said resolution.

The Board recommends the resolution for approval of the shareholders as a Special Resolution. None of the Directors and Key Managerial

Personnel(s) of the Company or their relatives are directly or indirectly concerned or interested in this Resolution.

#### **Item No. 6:**

Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified on June 7, 2018 prescribes that no listed entity shall appoint a person or continue the directorship of any person as a non-executive Director who has attained the age of seventy five years unless a special resolution is passed to that effect.

Mr. Raj Narain Bhardwaj (DIN: 01571764) who was appointed as an Independent Directors of the Company in the Board Meeting held on August 12<sup>th</sup>, 2017 and at the 34<sup>th</sup> Annual General Meeting of the Company held on September 30<sup>th</sup>, 2017 for a period of five years by way of special resolution shall attain the age of 75 years on May 8<sup>th</sup>, 2020.

In view of the said provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Nomination and Remuneration Committee discussed the matter and recommended the continuation of Directorship of the above Independent Directors for the remaining period of their term until 11<sup>th</sup> August, 2022.

Mr. Raj Narain Bhardwaj (DIN: 01571764) has vast experience in Capital Markets and Insurance and considering his qualifications & expertise; the Board of Directors is of the opinion that the continuation of Mr. Raj Narain Bhardwaj (DIN: 01571764) as an Independent Director and his contributions and guidance will greatly benefit the Company.

The said appointment is in line with the Nomination and Remuneration Policy of the Company.

The brief profile of Mr. Raj Narain Bhardwaj (DIN: 01571764) along with the other disclosures required under SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Secretarial Standards is attached as a Note to this Explanatory Statement. Members are requested to please refer to the same.

The Board of Directors recommends resolution for the continuation of Mr. Raj Narain Bhardwaj (DIN: 01571764) as an Independent Director for the period as mentioned above for approval of the shareholders as a Special Resolution.

None of the Directors, Key Managerial Personnel's or their relatives are deemed to be interested in this Resolution, except Mr. Raj Narain Bhardwaj (DIN: 01571764).

The statement of additional information required to be disclosed as per Regulation 36(3) of SEBI Listing Regulations and Secretarial Standard 2 issued by ICSI is attached at the end of this Explanatory Statement and must be read as the part of this Notice.

**Item No. 7:**

The Company proposes to enter into certain business transactions with its Subsidiary Companies, Directors and Key Managerial Personnels and Entities in which Directors and KMPs / Relatives of Directors and KMPs have significant influence, for Year 2018-19 which are of value exceeding 10% of the Annual Consolidated Turnover of the Company. The details of such transactions are mentioned below:

Sr. No.	Nature of Transactions	Pricing Mechanism	Justification for Arm's Length Price	Maximum Amount of Transactions on group level (₹ in Crores)	Related Party and Relationship
1	Sale, purchase or supply of goods or materials	Market Price as applicable to 3 <sup>rd</sup> parties	The agreements for sale, purchase or supply shall be at the same rate at which it is provided to unrelated parties	100	Mentioned in Attached Annexure A
2	Selling or otherwise disposing of, or buying of property	Market Price as applicable to 3 <sup>rd</sup> parties	The agreements for sale, purchase or supply shall be at the same rate at which it is provided to unrelated parties	100	Mentioned in Attached Annexure A
3	Leasing of property	Market Price as applicable to 3 <sup>rd</sup> parties	The agreements for leasing shall be at the prevalent market rates	100	Mentioned in Attached Annexure A
4	Availing or rendering of any services	Market Price as applicable to 3 <sup>rd</sup> parties	The agreements for availing or rendering services shall be at the same rate at which it is provided to unrelated parties	100	Mentioned in Attached Annexure A
5	Giving loan, guarantee and security	Not Applicable	Such loans, guarantees and security shall only be provided for the principal business activities of the Company in the Ordinary Course of Business.	400	Only to companies which are subsidiaries or associates. No loan, guarantee or security is proposed for any Director, promoter or individual related thereof
6	Loan and advances given by Director to the Company	Market Price as applicable to 3 <sup>rd</sup> parties	Any loan obtained from a Director shall be accompanied by a declaration stating that the same is not from the borrowed funds of the Director. Further, the rate of interest at which such loan is obtained shall be at par with the interest rates charged by Banks/ Financial Institutions.	100	Mr. Ashok Chhajer (Chairman & Managing Director/ Promoter/ KMP)
			Total	900 Cr	

**Annexure A**  
**Details of Related Party**

Sr. No.	Name of Related Party	Relationship
1	ArihantAashiyana Private Limited	Subsidiary Company
2	Arihant Abode Limited	Subsidiary Company
3	ArihantVatika Realty Private Limited	Subsidiary Company
4	ArihantGruhnirman Private Limited	Subsidiary Company
5	ArihantTechnoinfra Private Limited	Group Company (Entity in which Directors have significant influences)
6	Adinath Realty Private Limited	Group Company (Entity in which Directors have significant influences)
7	Arihant Paradise Realty Private Limited	Group Company (Entity in which Directors have significant influences)
8	Arihant Enterprise	A firm, in which a director or his relative is a partner
9	Arihant Estate	A firm, in which a director or his relative is a partner
10	Ashok Chhajer and his Relatives *	Managing Director/Promoter

**\*Relatives means:**

1. **As per section 2(77) of Companies Act, 2013 “relative” with reference to any person, means any one who is related to another, if-**
  - I. They are members of HUF;
  - II. They are husband and wife; or
  - III. One person is related to the other in such manner as may be prescribed.
2. **As per Companies (Specification of definitions details) Rules, 2014**
  - I. A person shall be deemed to be relative of another, if he or she is related to another in the following manner, namely:- I. Father
  - II. Mother
  - III. Son
  - IV. Son’s Wife
  - V. Daughter
  - VI. Daughter’s Husband
  - VII. Brother
  - VIII. Sister

The Regulation 23 of the SEBI (Listing Obligation and Disclosure Requirement), Regulations 2015 and any other applicable provisions of the Companies Act, 2013 if any; defines the term “Material Related Party Transaction”. It provides that all Related Party Transactions shall be considered as “Material” if the transaction entered with or transactions to be entered individually or taken together with a Related Party along with previous transactions during a Financial Year exceeds 10% of the Annual Consolidated Turnover of the Company as per the last Audited Financial Statement of the Company. The Material Related Party Transactions requires approval of the Shareholders by passing a Resolution and in respect of voting on such resolution(s), the said related party shall abstain from voting.

Members may note that based on the criteria mentioned in the SEBI (Listing Obligation and Disclosure Requirement), Regulations 2015, the above mentioned proposed transactions may exceed the threshold limit of 10% of Annual Consolidated Turnover on the basis of their last Audited Financial Statements wherein, they would be deemed to be “Material Related Party Transactions” and hence will require approval of the Shareholders by means of Special Resolution.

In reference to all above proposed Transactions, the Members may further note that this approval is in general terms of compliance of Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

The Audit Committee has approved the above proposed Related Party Transactions and has noted that these transactions are in the ordinary course of Business and are at arm's length basis.

Hence, the proposed transactions to be entered are placed before the Shareholders for their approval.

Except Mr. Ashok Chhajer and his relatives none of the other Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in this Resolution.

The statement of additional information required to be disclosed as per Secretarial Standard 2 issued by ICSI and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 is attached at the end of this Explanatory Statement and must be read as the part of this Notice.

The Board of Director recommends the resolution for approval of members as Special Resolution.

**This information forms a part of the Notice and Explanatory Statement for the 36<sup>th</sup> Annual General Meeting:**

**Disclosure under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 issued by ICSI:**

<b>Name</b>	<b>Mr. Nimish Shah (DIN: 03036904)</b>	<b>Mr. Raj Narain Bhardwaj (DIN: 01571764)</b>
<b>Age</b>	<b>45</b>	<b>74</b>
<b>Qualification</b>	Mr. Nimish Shah is a B. E. (Civil) from University of Bombay.	Mr. Bhardwaj did his Graduation in B.A. (Hons.), and Post-Graduation in M.A. (Economics) from Delhi School of Economics, affiliated to University of Delhi.  He is a Post Graduate in Economics from Delhi School of Economics and holds Diploma in Personnel Management and Industrial Relations from Panjab University Patiala
<b>Experience</b>	Having more than 17 years of experience in construction and related activities. He is actively involved in all the activities of engineering includes detailed Planning and Execution, Project Estimations, Infrastructure and Site organization of the projects. He was Involved in several turnkey projects of Water supply and Sewerage Scheme for Govt. of Maharashtra and successfully commissioned them.	Mr. Bhardwaj is the Former Chairman & Managing Director of LIC of India. He is also former Member of Securities Appellate Tribunal, Government of India and Ministry of Finance. He has served as Executive Director (Investments) and Chief (Investments) in LIC of India between May 2000 to November 2002. Mr. Bhardwaj was nominated as Member of the Committee appointed by the Government of India in 2001 to study Investment Management and held discussions with Fund Managers in Europe and USA.
<b>No. of Shares held</b>	<b>NIL</b>	<b>NIL</b>
<b>Terms &amp; Conditions</b>	The appointment of Mr. Shah was approved by the Shareholders in the AGM held on 25th September, 2015 for a period of Five Years as Whole-Time Executive Director of the Company. He is liable to retire by rotation.	Continuation of appointment as per the terms & conditions decided in the Annual General Meeting held on 30th September, 2017
<b>Remuneration Last Drawn</b>	<b>50,00,000 P.A.</b>	<b>NA</b>
<b>Remuneration sought to be paid</b>	<b>54,20,000 P.A.</b>	<b>NA</b>
<b>Number of Board Meetings attended during the Financial Year 2018-19</b>	<b>4</b>	<b>4</b>
<b>First Date of Appointment</b>	<b>13<sup>th</sup> April, 2010</b>	<b>12th August, 2017</b>

<b>Name</b>	<b>Mr. Nimish Shah (DIN: 03036904)</b>	<b>Mr. Raj Narain Bhardwaj (DIN: 01571764)</b>
<b>Date of Appointment in current terms</b>	13 <sup>th</sup> April, 2015	12th August, 2017
<b>Relationship with other Directors/ Manager/ Key Managerial Personnel</b>	NIL	NIL
<b>Directorships held in other Companies in India</b>	NIL	<ol style="list-style-type: none"> <li>1. Jaiprakash Associates Limited</li> <li>2. Jaiprakash Power Ventures Limited</li> <li>3. Sbi Life Insurance Company Limited</li> <li>4. Jaiprakash Power Ventures Limited</li> <li>5. Milestone Capital Advisors Private limited</li> <li>6. Landmark Capital Advisors Private limited</li> <li>7. Il&amp;Fs Milestone Realty Advisors Private limited</li> <li>8. Samvridhi Advisors Private Limited</li> <li>9. Invent Assets Securitisation Andreconstruction Private Limited</li> </ol>
<b>Membership on the Board of other Companies</b>	NIL	<ol style="list-style-type: none"> <li>1. Shri Raj Bhardwaj Narain is a member of the Nomination &amp; Remuneration Committee and Stakeholders Relationship Committee of the Company.</li> <li>2. He is also a member of Audit Committee of Jaiprakash Power Ventures Limited.</li> <li>3. He is also a member of Audit Committee, Nomination &amp; Remuneration Committee, Stakeholders Relationship Committee and CSR Committee in Reliance Communications Limited.</li> <li>4. He is also a member of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee and Policyholder Protection Committee in SBI Life Insurance Company Limited.</li> </ol>

## DIRECTORS REPORT

The Directors are pleased to submit the Annual Report of your Company; Arihant Superstructures Limited (the “Company” or “ASL”) along with the Audited Financial Statements for the Financial Year (FY) ended March 31, 2019. Consolidated Performance of the Company and its Subsidiaries has been referred to wherever required.

### 1. Financial Results:

The Financial Performance of the Company, for the Financial Year ended 31<sup>st</sup> March, 2019 as compared to the previous financial year is summarized below:

(₹in Lakhs)

Particulars	Financial Year ended 31 <sup>st</sup> March, 2019		Financial Year ended 31 <sup>st</sup> March, 2018*	
	Consolidated	Standalone	Consolidated	Standalone
Sales and Other Income	24,220	7,061	18,925	10,722
Profit before Interest, Depreciation & Tax	5,694	1476	3,849	2,274
Interest	3,236	1173	1,501	630
Depreciation	186	71	134	62
Profit/ (Loss) before Tax	2,272	232	2,214	1,582
Provision for Tax	439	10	750	548
Profit/ (Loss) after Tax	1,832	242	1,465	1,034
Profit/(Loss) for the Year	1,832	242	1,465	1,034
Add: Balance of Profit and Loss Account	7116	7363	6,728	7,198
Share of Minority	467	-	208	-
Profit available for Appropriation	8481	7605	7,985	8,232
Less: Appropriation				
Loss on Adoption of Ind AS 115	693	605	-	-
Dividend on Equity Shares (excluding tax)	205	205	412	412
Tax on dividends	42	42	84	84
Balance of Profit carried to Balance Sheet	424	6753	7,489	7,704

The Audited Consolidated and Standalone Financial Statements of the Company are attached to this Report and the Audited Financial Statements of the Subsidiaries are available on the website of the Company at [www.asl.net.in](http://www.asl.net.in) for the review of the Members.

The Paid up Share Capital of the Company as on 31st March, 2019 was Rs. 41,15,99,910/-.

The Shares of the Company are listed on Bombay Stock Exchange (“BSE”) and National Stock Exchange (“NSE”). The shares are actively traded & have not been suspended for trading.

### 2. Dividend:

Based on the Company’s Performance, the Directors are pleased to recommend for approval of the Members at the Annual General Meeting a Final Dividend of 0.50/- per Equity Share of the Company for the Financial Year 2018-19. The Final Dividend on Equity Shares, if approved by the Members would involve a cash outflow of Rs. 24,810,280/- (Rupees Two Crore Forty Eight Lakhs Ten Thousand Two Hundred & Eighty Only) including Dividend Distribution tax resulting in a payout of 3.26% of the Standalone Profits of the Company.

The Register of Members shall remain close from Friday, 20<sup>th</sup> September, 2019 to Thursday, 26<sup>th</sup> September, 2019 (both days inclusive) for the purpose of Final Dividend and Annual General Meeting.

### 3. Transfer to Reserve:

The Company does not propose to transfer any amount to the General Reserves. However, Company has transferred entire profit to the Reserve and Surplus.

#### **4. Financial Performance:**

On Consolidated Basis, revenue from operations for FY 2018-19 at Rs. 24,220 Lakhs was higher by 28% over last FY (Rs. 18,925 Lakhs in FY 2017-18). Earnings before Interest, Tax, Depreciation and Amortization (“EBITDA”) were Rs. 5,694 Lakhs registering a increase of 48% EBITDA from Rs. 3,849 lakhs. Profit after tax (“PAT”) for the FY 2018-19 was Rs. 1,832 Lakhs which is increased from previous year Rs. 1,465 Lakhs.

On Standalone basis, revenue from operations for FY 2018-19 at Rs. 7,061 Lakhs which has declined from previous year of Rs. 10,722 Lakhs. Earnings before Interest, Tax, Depreciation and Amortization (“EBITDA”) were 1,476 Lakhs registering a decline of 35% EBITDA from 2,274 Lakhs. Profit after tax (“PAT”) for the FY 2018-19 was Rs. 242 Lakhs which is declined from previous year Rs. 1,034 Lakhs.

#### **5. Accounting Standards and Consolidated Financial Statements:**

The Consolidated Financial Statements of the Company and its Subsidiaries, prepared in accordance with Accounting Standards, issued by the Institute of Chartered Accountants of India, which forms part of this Annual Report.

#### **6. Indian Accounting Standards (Ind AS):**

The Financial Statements have been prepared on accrual basis in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and the provisions of the Companies Act, 2013 w.e.f 01<sup>st</sup> April, 2017.

The Financial Statements have been prepared on accrual and going concern basis under historical cost convention except for certain Financial Assets and Liabilities which have been measured at fair value (refer accounting policy regarding financial instruments). If no such transactions can be identified, an appropriate valuation model is used. Impairment losses of continuing operations, including impairment on inventories, are recognised.

The Financial Statements are presented in Indian Rupees (“INR” or ) and all amounts are rounded to the nearest Lakhs, except as stated otherwise.

#### **7. Directors' Responsibility Statement:**

In terms of Section 134 (5) of the Companies Act, 2013, the Directors would like to state that:

- (a) In the preparation of the Annual Accounts, the applicable Accounting Standards had been followed and that no material departures have been made from the same;
- (b) Such Accounting Policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2019 and of the profit and loss of the Company for that period;
- (c) Proper and sufficient care for the 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 fraud and other irregularities;
- (d) The Annual Accounts of the Company have been prepared on a going concern basis;
- (e) Internal Financial Controls have been laid down by the Company and that such internal Financial Controls are adequate and were operating effectively; and
- (f) Proper system have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **8. Deposits:**

The Company has not accepted any Deposits within the meaning of Section 73 & 74 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 and accordingly no disclosures are required in this regard.

#### **9. Subsidiaries and Associate Companies:**

The Company has two material unlisted subsidiaries under Regulation 16(1)(c) of SEBI (Listing Obligation and Disclosure Requirements), 2015 namely : Arihant Vatika Private Limited and Arihant Aashiyana Private Limited. The other two Subsidiary Companies namely Arihant Abode Private Limited and Arihant Technoinfra Private Limited are Non-material, Unlisted Subsidiary Companies as defined under Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and pursuant to provisions of Section 129 (3) of the Companies Act, 2013. A statement containing salient features of the Financial Statements of the Company's Subsidiaries in Form AOC-1 is attached to the

**Financial Statements of the Company.**

Further the Company has not changed its shareholding in any of its subsidiary Companies. All the Subsidiary Companies are engaged in the business of Development and construction of properties.

During the year the Company does not have any Associate Company in term of applicable provisions of the Companies Act, 2013.

**10 Operations Review of Company Projects:****Project: Arihant Aarohi**

Residential project located at Kalyan Shil Road. Arihant Aarohi having over 2.5 acres area of land. Arihant Aarohi comprising elegant 1BHK & 2BHK. The project has internal & external amenities such as 2x2 vitrified tiling in all rooms, UPVC sound resistant French windows, granite top kitchen platform, swimming pool, library, children's play area, health club, gymnasium, landscape garden, indoor game room, power backups for lifts.

**Project: Arihant Adita**

Residential project is situated at Pal Road, Gangana, Jodhpur (Rajasthan) and is just 1 km from the National Highway. This is first of its type high rise Residential project in Jodhpur. The project will provide the people of Jodhpur all state-of-the-art facilities and amenities, in line with projects in Mumbai and other Metro cities. Project consists of five phases which have 14 buildings equivalent to saleable area of 1.3 Mn sq.ft. The project has amenities such as swimming pool, badminton court, basket ball court, kids play room, amphitheater, garden lawn, steam room, gymnasium, etc. to name a few.

**Project: Arihant Ashray**

This is an affordable housing project named as "Arihant Ashray" situated at Pal Road, Gangana, Jodhpur (Rajasthan).

**Project: Arihant Ayati**

Residential project named as "Arihant Ayati" is situated at Devnagar, Jodhpur (Rajasthan). This Project is stilt+17 storied Towers consisting Super Luxurious Flats having the internal and external amenities like 3-burner gas hob & chimney in kitchen, UPVC sliding windows with tinted glass, high speed lifts, swimming pool, high health club with gymnasium & steam room, green concept at top terrace for cool temperature and external texture with pure acrylic paint etc.

**Project: Arihant Anchal**

This is an Affordable Housing Project named as "Arihant Anchal" located at Jodhpur (Rajasthan). Its internal and external amenities like super quality velvet touch paint, POP finished AAC brick walls, branded CP, sanitary and electrical fittings, molded panel doors and aluminum sliding window, vitrified flooring and designer wall tiles, lifts and beautiful entrance with grand club house.

**Project: Arihant Angan**

This is an Affordable Housing Project named as "Arihant Aangan" located at Jodhpur (Rajasthan). Its internal and external amenities like super quality velvet touch paint, POP finished AAC brick walls, branded CP, sanitary and electrical fittings, molded panel doors and aluminum sliding window, vitrified flooring and designer wall tiles, lifts and beautiful entrance with grand club house.

**Project: Arihant Aakarshan**

This is a residential project located at Chokha, Jodhpur. Arihant Aakarshan having approximately 6.5 acres kingdom with modern luxuries. Arihant Aakarshan consists of stilt + 20 Storied, 7 Magnificent Tower comprising elegant 2BHK, 3BHK & 4 BHK furnished Sky-bungalows with world-class fixtures & furniture's. The project has internal & external amenities such as 800 mm x 800 mm vitrified tile flooring, modern kitchen with water purifier, gas hob & chimney, granite top kitchen platform with double bowl sink and service platform, bathroom with bathtub, basin counter, glass partition, premium quality CP fitting and branded sanitary ware, module panel main door and bathroom door, FRP doors for bathrooms, UPVC sound resistance French windows, luster/velvet touch paint with POP on all walls, world-class gymnasium with fitness equipment, swimming pool with changing rooms, elegant clubhouse lobby, banquet hall for parties & celebration, private theatre, exotic spa, children amusement, golf area, indoor games room, library, lawn tennis court.

### **Project: Arihant Arshiya**

Residential project named as “Arihant Arshiya” is situated at Khalapur, Khopoli. This project having 20 acres land area. Arihant Arshiya is apart stilt + 8 Storied Towers comprising elegant 1 RK, 1 BHK, 2 BHK flats. The project is having internal & external amenities such as swimming pool, library, children play area, health club-gymnasium & steam room, landscape garden, indoor game room, temple, complex owned shuttle bus service.

### **11. Operations Review of Company Subsidiaries Projects:**

#### **Project: Arihant Aspire**

Residential project located at Panvel, Navi Mumbai. The project consists of 8 Buildings. Arihant Aspire a 42 storied towers comprising elegant studio and 2 BHK apartments. The project having internal & external amenities such as Laxmi Mataji Temple, intercom facility, velvet touch paint with POP in all rooms, elegant entrance lobby, 4 high speed lifts in each building, business lounge, landscapes garden, swimming pool with Kids pool, gymnasium with clubhouse, children's play area, amphitheater with party lawn, jogging track, meditation center, ample car parking, basket ball court, external camera for security checks.

#### **Project: Arihant Anmol**

Residential project located at Jouveli Badlapur (E). Anmol project having 7 acres land area. The project has granite top kitchen platform swimming pool, library, children play area, health club-gymnasium & steam room, landscape garden, indoor game room, S. S. elevator, indoor game room & party hall.

#### **Project: Arihant Amisha**

Residential project named as “Arihant Amisha” situated at Wawanje Taloja, Panvel. This project having 7 acres land area. The project has various amenities such as temple, swimming pool, health club with gymnasium & steam room, Community hall, cum social activity center &library, swimming pool, beautiful landscaped garden etc.

#### **Project: Arihant Aloki**

Residential project named as “Arihant Aloki” situated at Bhisegaon, Karjat (E). This project having 6 acres land area. Arihant Aloki comprising elegant 1 BHK & 2 BHK, 3 BHK flats. The project has internal & external amenities such as 2 x 2 vitrified flooring in all rooms, granite top kitchen platform, luster paint, aluminum powder coated sliding windows, children's play area, community hall, health club- gymnasium & steam room, landscape garden, indoor game room.

#### **Project: Arihant ClanAalishan**

Residential project named as “Arihant Clan Aalishan” is situated at Kharghar Annex, Navi Mumbai. This is the one of the tallest project of Navi Mumbai and is stilt + 53 Storied 3 Magnificent Towers consisting 2 BHK, 3 BHK and 4 BHK Super Luxurious Flats having the internal and external amenities such as 800 mm x 800 mm vitrified tile flooring, modern kitchen with water purifier, gas hob & chimney, granite top kitchen platform with double bowlss ink and service-platform, bathroom with bath tub, basin counter, glass partition, premium quality CP fitting and branded sanitary ware, moulded panel main door and bathroom door, FRP doors for bath rooms, UPVC sound resistance French windows, Luster /velvet touch paint with POP on all walls, herbal boulevard & gengarden, land scape party area, pairidaeza, senior citizen garden, children's out door play area, rain dance arena with water fountain, hi-tech gymnasium, swimming pool, unisex aroma spa with jacuzzi, mini theatre, aeorbics, yoga and meditation center, indoor sports club, badminton & squash court, children' screche, library and business lounge.

#### **Project: Arihant Anaika**

Residential project named as “Arihant Anaika” is situated at Nr. Taloja Phase II, Navi Mumbai. Arihant Anaika is a stilt + 4 Storied Towers consisting of 1 BHK, 2 BHK and 3 BHK flats having the internal and external amenities such as 2 x 2 vitrified flooring tiles, POP on all walls, luster paint on internal walls, granite top kitchen platform, premium quality bathroom, moulded panel main door & bed room doors, FRP doors for bathroom, mesmerizing elevation, elegant entrance lobby, beautiful landscape garden, swimming pool, health club with gymnasium, indoor games, children's play area.

#### **Project: Arihant Anshula**

Residential project named as “Arihant Anshula” is situated at Nr. Taloja Phase II, Navi Mumbai. Arihant Anshula is a stilt + 4 Storied Towers consisting of 1 BHK, 2 BHK and 3 BHK flats and it is the dated township concept having the internal and external amenities such as Elegant entrance lobby, Ample car parking for all, Swimming poll, Beautiful landscaped garden, Health club, with gymnasium & steam room, Indoor games room, party hall, Reputed make elevator in each wing, pure acrylic external paint, External camera for security checks.

## 12. Board of Directors and Key Managerial Personnel:

The Board of Directors comprise of eminent, experienced and reputed Individuals of the Industry. During the Year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees and reimbursement of expenses incurred by them for the purpose of attending Meetings of the Company.

Pursuant to the provisions of the Companies Act, 2013, following are the changes in the Board of Directors and Key Managerial Personnel's of the Company till the date of this Report:

Name of the Director/ Key Managerial Personnels	DIN/PAN	Designation	Date of Appointment/ Re-Appointment / Resignation
Mr. Virendra Kumar Mittal	00376830	Independent Director	Appointment w.e.f. 23/05/2018
Mrs. Vijayalakshmi R. Iyer	05242960	Independent Woman Director	Resigned w.e.f. 04/06/2018
Mrs. Vijayalakshmi R. Iyer	05242960	Independent Woman Director	Re-Appointment w.e.f. 10/08/2018
Mr. Naval Singh Shekhawat	CBXPS0984B	Company Secretary & Compliance Officer	Resignation w.e.f. 15/11/2018
Mr. Govind Rao	BIHPR7895E	Company Secretary & Compliance Officer	Appointment w.e.f. 16/11/2018
Mr. Dinesh Chandra Babel	00376830	Independent Director	Resignation w.e.f. 31/03/2019
Mr. Vinayak Vaman Nalavde	02047436	Independent Director	Re-Appointment w.e.f. 01/04/2019

The Current Compositions of the Board of Directors of the Company are as follows:

Name of the Director	DIN	Designation
Mr. Ashok Chhajer	01965094	Chairman & Managing Director
Mr. Nimish Shah	03036904	Whole-time Executive Director
Mr. Virendra Mital	00376830	Independent Director
Mr. Vinayak Nalavde	02047436	Independent Director
Mr. Raj Narain Bhardwaj	01571764	Independent Director
Mrs. Vijayalakshmi R. Iyer	05242960	Independent Woman Director

Details of the Current Compositions of Key Managerial Personnel's of the Company

Name	Designation
Mr. Govind Rao	Company Secretary & Compliance Officer
Mr. Pradeep Mehta	Chief Financial Officer

Pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013, Mr. Nimish Shah, (DIN:03036904), Whole-time Executive Director of the Company is liable to retire by rotation and offers himself for re-appointment as the Whole-Time Executive Director of the Company and has stated his willingness to be re-appointed at this Annual General Meeting.

The Company seeks approval of members for continuation of Mr. Raj Narain Bhardwaj (DIN: 01571764) as Independent Director of the Company on attaining the age of 75 Years at the forthcoming Annual General Meeting. Further members approval is sought for revision in remuneration of Mr. Nimish Shah (DIN: 03036904) from 13th April, 2019 till the completion of his tenure.

The complete details and disclosures pertaining to the qualification, experience, education and other details as required under the Companies Act, 2013, Secretarial Standards-2 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed to the Notice to the Annual General Meeting for the Directors seeking appointment/re-appointment. The Board recommends their appointment / re-appointment & revision in remuneration respectively.

The disclosures pertaining to the Equity Shares held and the Remuneration received by the Directors and Key Managerial Persons during the Financial Year 2018-19 are disclosed in MGT-9 which forms a part of this Report.

The Company has obtained a certificate from Practicing Company Secretary (PCS) Stating that no Directors are disqualified during the Financial Year 2018-19 and the same form part of this report.

### **13. Board and Committee Meetings:**

The Board of Directors meets at regular intervals to discuss the business and compliance matters of the Company. The details of the Meetings of the Board of Directors and the Committees of the Board of Directors and their respective constitution are stated in the Corporate Governance Report attached which form part of this Board's Report.

During the year under Review the Board of Directors met 4 times and gap between 2 meetings does not exceed 120 days.

The Board has constituted the following Mandatory and Non-mandatory Committees of the Board of Directors:

Sr. No.	Mandatory Committees	Non-Mandatory Committees
1	Audit Committee	Executive Committee
2	Nomination and Remuneration Committee	Disinvestment Committee
3	Stakeholders' Relationship Committee	Fund Raising Committee
4	Corporate Social Responsibility Committee	Insider Trading Compliances Committee

The Company Secretary of the Company is the Secretary to each of these Committees.

Separate Meeting of Independent Directors is conducted during every Year, in terms of the requirements of Schedule IV to the Companies Act, 2013 and Regulation 25 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the Board of Directors have adopted various policies on the functioning and running of the Board of Directors as mandated by the SEBI (Listing Obligations and Disclosure Requirements)Regulations,2015 and which are also available on the website of the Company at [www.asl.net.in](http://www.asl.net.in).

### **14. Independent Directors:**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149 (7) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Company has a familiarization program for its Independent Director and the details of the same are included in the Corporate Governance Report.

### **15. Board Evaluation:**

The Board of Directors have carried out an Annual evaluation of its own performance, Board Committees and individual Director pursuant to the provisions of the Companies Act, 2013 and the Corporate Governance requirements as prescribed by SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

The Performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The Performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members on the basis of the criteria such as the composition of Committees, effectiveness of Committee Meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and Committee Meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in Meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate Meeting of Independent Directors, Performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board Meeting that followed the Meeting of the Independent Directors, at which the performance of the Board, its Committees and individual Directors was also discussed. Performance evaluation of independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

**16. Internal Financial Control Systems and their Adequacy:**

The Management continuously reviews the Internal Control Systems and procedures for the efficient conduct of the Company's business. The Company adheres to the prescribed guidelines with respect to the transactions, Financial Reporting and ensures that all its assets are safeguarded and protected against losses. The Internal Auditor of the Company conducts the Audit on regular basis and the Audit Committee actively reviews Internal Audit Reports and effectiveness of Internal Control Systems.

Internal Control Systems are implemented to safeguard the Company's assets from loss or damage, to keep constant check on the cost structure, to prevent revenue leakages, to provide adequate Financial and Accounting Controls and implement Accounting Standards

**17. Statutory Auditors:**

The Shareholders have approved the appointment of M/s. Kailash Chand Jain & Co., (Firm Registration No. 112318W) as the Statutory Auditors of the Company, for a period of 5 years, in the Annual General Meeting held on 28<sup>th</sup> September, 2018, for a period of five consecutive years till the conclusion of the Annual General Meeting to be held in the Year 2023.

The Statutory Auditors have confirmed that they meet the criteria of eligibility as stated U/s 141 (3) of the Companies Act, 2013.

**18. Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s D. A. Kamat & Co, Practicing Company Secretaries, Mumbai, to undertake the Secretarial Audit of the Company for the Financial Year 2018-19 under review. The Secretarial Audit Report is annexed as **Annexure I** to this Report.

**19. Secretarial Compliance Certificate:**

The Company has obtained Secretarial Compliance Certificate from M/s. D A Kamat & Co., PCS for the Financial Year 2018-19. The comments in the Secretarial Compliance Certificate are self-explanatory.

**20. Internal Auditors:**

The Board of Directors had appointed M/s KPMG, Chartered Accountants, Mumbai as the Internal Auditors for the Financial Year 2018-19. The Internal Auditors conduct their review and Audit on a quarterly basis and submit their report to the Audit Committee and Board of Directors.

Further the Board of Directors have appointed M/s KPMG as the Internal Auditors for the Financial Year 2019-20, in the Board Meeting held on 27<sup>th</sup> May, 2019.

**21. Comments by the Board on Qualification, Reservation or Adverse remark or disclaimer in Audit Report:**

There is no Qualification, Reservation or Adverse remark in Statutory Audit Report for the Financial Year 2018-19.

Further, in respect of the comments/observations, made by the Secretarial Auditor, the Board of Directors have taken note of the same and are undertaking necessary steps to ensure due compliance of the provisions of Companies Act, 2013, Insider Trading regulations and other specifically applicable laws therein.

**22. Nomination and Remuneration Policy:**

The Board has on the recommendation of the Nomination and Remuneration Committee framed a Policy for selection and appointment of Directors, Key Managerial Personnels and Senior Management and their Remuneration. The details and extract of the Remuneration Policy is disclosed in the Corporate Governance Report attached to this Annual Report. A copy of the Nomination and Remuneration Policy is available on the website of the Company on [www.asl.net.in](http://www.asl.net.in).

Further the Company has policy includes criteria for appointment, determining qualification, positive attribute and independence of Director.

**23. Particulars of Contract or Arrangements with Related Party:**

The Board of Directors has a Related Party Transaction Policy approved as mandated by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. All Related Party Transactions are placed before

the Audit Committee and the Board of Directors along with the Quarterly Financial Results. Further, Material Related Party Transactions are also reported to the Stock Exchanges in the Quarterly Corporate Governance Report. Omnibus Approvals for all repetitive transactions, are obtained from Audit Committee and Shareholders' approval for Material Related Party Transactions undertaken as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is obtained. A copy of the Related Party Transactions Policy is available on the website of the Company on [www.asl.net.in](http://www.asl.net.in).

The Related Party Policy of the Company has been reviewed by Board of Directors in its meeting held on 12th August, 2019.

Information on transactions with Related Parties pursuant to Section 134 (3) (h) of the Act read with Rule 8 (2) of the Companies(Accounts) Rules, 2014 are given in **Annexure II** in FormAOC-2 and the same forms part of this Report.

Further the approval of members is sought in terms of regulation 23(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the material related party transactions proposed to be entered into by the Company with the related party at 36th Annual General Meeting. The Board recommends the same.

#### **24. Particulars of Loans, Guarantees and Investments:**

Particulars of Loans given, Investments made, Guarantees given and Securities provided along with the purpose for which the Loan or Guarantee or Security is proposed to be utilized by the recipient are provided in the Financial Statements, forming part of this Annual Report.

#### **25. Risk Management:**

The Board of Directors has reviewed the Risk Assessment and Minimization Procedures as per Regulation 17 (9) of the SEBI (Listing Obligations and Disclosure Requirement), Regulations, 2015, in Board Meeting of every Quarter for the Financial Year 2018-19. There are no material risks, which in the opinion of the Management, affect the continuity and existence of the business.

#### **26. Vigil Mechanism and Whistle Blower Policy:**

The Company has put in place a Whistle Blower Policy to provide an open and transparent working environment and to promote responsible and secure Whistle Blowing System for Directors and Employees of the Company to raise concern. The Policy broadly cover instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct, alteration of documents, fraudulent financial reporting, misappropriation/misuse of Company's assets, manipulation of Company's data, pilferage of proprietary information, abuse of authority, etc. The Policy provides adequate safeguard against victimization of Director(s)/Employee(s) who raise the concern and have access to the Chairman of Audit Committee who is entrusted to oversee the Whistle Blower Mechanism. Further, no personnel have been denied access to the Audit Committee during the Financial Year under review.

The details of this Policy is explained in the Corporate Governance Report and also posted on the website of the Company at [www.asl.net.in](http://www.asl.net.in).

#### **27. Code of Conduct:**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all Employees in the course of day to day business operations of the Company.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated Employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with Stakeholders.

#### **28. Prevention of Insider Trading:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated Employees of the Company. The Code requires pre-clearance for dealing in the Company's Shares and prohibits the purchase or sale of Company Shares by the Directors and the designated Employees while in possession of Unpublished Price Sensitive Information in relation to the Company and during the period when the trading window is closed. The Board is responsible for implementation of the Code.

All Directors and the designated Employees have confirmed compliance with the Code.

*However, it was observed by Compliance Officer of the Company that during the year there has been violation of SEBI*

(*Prohibition of Insider Trading*) Regulations, 2015 and Companies' Code of Conduct by Mr. Dinesh Babel, Independent Director of the Company. Immediately, same was informed to the Board Members in the Board Meeting held on 10<sup>th</sup> August, 2018 and accordingly the Board had constituted the Insider Trading Compliances Committee for investigating the said matter and to submit their report to the Board of Directors and SEBI and the reply of SEBI in this matter is awaited.

**29. Prevention, Prohibition and Redressal of Sexual Harassment of Woman at the Workplace:**

The Company has a zero tolerance policy towards Sexual Harassment of Woman at workplace. The Company has adopted policy on Prevention, Prohibition and Redressal of Sexual Harassment of Woman at Workplace in accordance with the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and no complaints were received by the Internal Compliant Committee of the Company during the Year under review.

**30. Investors' Relation and Grievances:**

During the Year under review, the Company has not received any Complaint/Grievance from the Investors of the Company. The Company has a dedicated e-mail address [investor@asl.net.in](mailto:investor@asl.net.in) and [cs@asl.net.in](mailto:cs@asl.net.in) for communication with the Investors. Further, a section for Investors, with details of the Annual Reports, Financial Statements, Communications to Stock Exchanges and other necessary information is available on the website of the Company on Company is registered on the website of SEBI Complaint Redressal System (SCORES).

**31. Corporate Governance Report:**

Your Company is committed to maintaining highest standards of Corporate Governance and adhering to the Corporate Governance requirements as set out by the Securities Exchange Board of India (SEBI). As required by SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, a detailed Corporate Governance Report is given which forms a part of this Annual Report.

**32. Management Discussion and Analysis Report:**

In accordance with the Listing Regulations, the Management Discussion and Analysis Report is attached and forms part of this Annual Report.

**33. Particulars of Employees:**

There are no Employees drawing Remuneration of Rs. 8,50,000 (Rupees Eight Lakhs Fifty Thousand) per month or Rs. 1,02,00,000/- (Rupees One Crore Two Lakhs) and above per annum during the Year under review.

Details pertaining to Remuneration as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure III** of this Report.

**34. Extract of the Annual Return:**

The details forming part of the extract of the Annual Return in form MGT -9 is annexed as **Annexure IV** and forms part of this Report.

**35. Corporate Social Responsibility:**

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the Financial Year 2018-19 are set out in Annexure V of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company incorporated "Arihant Foundation" a registered trust for undertaking its CSR activities.

CSR Policy is available on the website of the Company at [www.asl.net.in](http://www.asl.net.in).

**36. Conservation of Energy, Technology Absorption and Foreign Exchange:**

The information required to be furnished pursuant to Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of Companies (Accounts) Rules, 2014 is enclosed as **Annexure VI** and forms part of this Report.

**37. Other Disclosures:**

- (i) There are no significant and material orders passed by the regulators or courts or tribunals except the case filed by an operational creditor Teenmurti Constructions Private Limited impacting the going concern status and company's operations in future, during the Financial Year 2018-19.

- (ii) There are no material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the Financial Year 2018-19 and the date of this report, other than those disclosed above.
- (iii) There are no details in respect of frauds reported by auditors under Section 143(12) of the Companies Act, 2013.
- (iv) The Managing Director has not received any Remuneration or Commission from any Subsidiaries.
- (v) The Company has complied with the Secretarial Standards I and II as issued by the Institute of Company Secretaries, India in terms of Section 118(10) of the Companies Act, 2013.
- (vi) The Company was not required to maintain cost records under Section 148(1) of the Companies Act, 2013.

**Acknowledgement:**

The Board expresses its gratitude and appreciates the assistance and co-operation received from the Creditors, Banks, Government Authorities, Customers and Shareholders during the Year under review.

**For and on behalf of the Board of Directors  
Arihant Superstructures Limited**

**Ashok Chhajer**  
**Chairman & Managing Director**  
**DIN: 0196509**

**Place: Navi Mumbai**  
**Date: August 12, 2019**

**Annexure I**

**FORM NO MR-3**  
**SECRETARIAL AUDIT REPORT**  
**as on the Financial Year ended 31<sup>st</sup> March, 2019**

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

To,  
The Members,  
**ARIHANT SUPERSTRUCTURES LIMITED,**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to Good Corporate Practices by **ARIHANT SUPERSTRUCTURES LIMITED** (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate conducts/Statutory compliances and expressing our opinion thereon. Our Report is to be read along with the attached Note in **Schedule A** which form an integral part of this Report.

Based on our 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 authorised representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the company has during the Audit period covering the Financial Year ended on **31<sup>st</sup> March, 2019** complied with the Statutory provisions listed hereunder and to the extent stated in this Report and also that the Company has the proper Board-Processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- I. We have examined the Books, Papers, Minute books, Forms and Returns filed, Reports issued by various fellow Professionals and other applicable Records and Registers maintained by the Company on a test check basis for the Financial Year ended on **31<sup>st</sup> March, 2019** according to the provisions of:
  1. The Companies Act, 2013 (the Act) and the Rules made there under;
  2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  4. Real Estate (Regulation and Development) Act, 2016
  5. 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
  6. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
    - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - ii. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
    - iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit period)
    - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit period)
    - vi. 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;
    - vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit period) and

viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit period).

7. Other laws applicable specifically to the Company namely:
  - i. Environmental Protection Act 1986.
  - ii. The Water (Prevention and Control of Pollution) Act 1974.
  - iii. The Air (Prevention and Control of Pollution) Act 1981.
  - iv. The Noise Pollution (Regulation and Control) Rules 2000.
  - v. Building and Other Construction Workers Act, 1996.
  - vi. Building and Other Construction Workers Welfare Cess Act, 1996 and
  - vii. Real estate (Regulation and Development) Act, 2016.

## II. We have examined the applicable provisions of

- (a) Secretarial Standards I and II as issued by the Institute of Companies Secretaries of India and notified by the Ministry of Corporate Affairs and applicable with effect from July 1, 2015.
- (b) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on the information provided and verification of the documents, the following major events are undertaken by the Company which are as follows:

- (a) There has been inter se transfer of Shares between the Promoter during the Financial Year for which due compliance has been undertaken. Mr. Ashok Chhajer has transferred 60,00,000 Equity Shares of Rs.10/- each to Mr. Bhavik Chhajer by means of a Gift Deed on 10th May, 2018. The Company has informed the same to the Stock Exchange and SEBI.
- (b) The Company incorporated "Arihant Foundation" a registered trust for CSR activities of Company.
- (c) *The Operational Creditor, i.e. Teenmurti Constructions Private Limited (Applicant) has filed a Company Petition No. 1769/2018 before Honb'le NCLT Mumbai. The Company is still awaiting to receive the notice of hearing from NCLT. The same has been admitted by NCLT.*

Based on the declarations given and the information provided, during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above, except that:

1. *Non – Compliance of the provisions of SEBI (Prohibition of Insider Trading) Regulations 2015, and Companies' Code of Conduct and Insider Trading Policy by Mr. Dinesh Babel, Independent Director of the Company. The Company had constituted Insider Trading Committee for inquiries and investigation on the above matter. The Committee had investigated the matter and its report was submitted to SEBI. Mr. Dinesh Babel was the Independent Director and Chairman of Audit Committee till 31st March, 2019.*
2. *The Company is yet to initiate process for transfer of Equity Shares and unpaid dividend amount under Section 124 of the Companies Act, 2013 and IEPF rules to Investor Education and Protection Fund for Financial Year 2018-19.*
3. The Company has filed various e-forms with the ROC within due date/with additional fees wherever applicable.

## We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the Year 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 generally 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. Majority decision is carried through while the dissenting Members' views, if any, are captured and recorded as part of the Minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure Compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that during the Year under Report, the Company has undertaken following event / action having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc. referred to above viz.

1. The Company has obtained approval through Postal Ballot

Sr. No	Date	Items
1.	25 <sup>th</sup> July, 2018	<ul style="list-style-type: none"> <li>1. To Raise funds upto an amount not exceeding Rs. 300 Crores including premium if any; through issue of Securities.</li> <li>2. To approve the Remuneration of Mr. Nimish Shah (DIN: 03036904), Whole-time Executive Director of the Company.</li> <li>3. To approve the Remuneration of Mr. Ashok Chhajer (DIN: 01965094), Managing Director of the Company with effect from 1st April, 2018 till the completion of his current tenure.</li> <li>4. To consider and approve the Appointment of Mr. Virendra Mital (DIN: 00376830) as an Independent Director of the Company.</li> <li>5. To approve the proposed Material Related Party Transactions.</li> <li>6. To approve the Material Related Party Transaction for providing Corporate Guarantee to the Subsidiary Company Arihant Vatika Realty Private Limited.</li> </ul>
2.	6 <sup>th</sup> February, 2019	<ul style="list-style-type: none"> <li>1. To consider and approve the re-appointment of Mr. Vinayak Nalavde (DIN: 02047436) as an Independent Director of the Company for the 2nd term of five (5) years commencing from 01st April, 2019 pursuant to provision of Section 149 (1) and as per Regulation 17(1A) SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.</li> <li>2. To consider and approve the matter of revision in remuneration of Mr. Ashok Chhajer (DIN: 01965094) Chairman and Managing Director of the Company w.e.f 01<sup>st</sup> April, 2019 for the remainder of his tenure.</li> </ul>

For D.A. Kamat & Co.  
Company Secretaries

D.A. Kamat  
FCS No. 3843  
CP No. 4965

FRN : P2002MH045900

Place: Mumbai  
Date: 12<sup>th</sup> August, 2019

**Note:** Our Report is to be read along with the attached Note in Annexure I and other Annexures to this Report, which form an integral part of this Report.

**Schedule A – Notes on the Secretarial Audit Report of Arihant Superstructures Limited dated 12<sup>th</sup> August, 2019.**

Our report of even date is to be read along with the following Notes:

- i. Maintenance of Secretarial Record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
- ii. We have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- iii. We have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
- iv. Where ever required, we have obtained the Management Representation about the Compliance of Laws, Rules and Regulations and happening of events etc.
- v. The Compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
- vi. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

## **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,  
**The Members of  
Arihant Superstructures Limited**

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Arihant Superstructures Limited having CIN L51900MH1983PLC029643 and having registered office at "Arihant Aura" 25th Floor, B-Wing, Plot No.13/1, TTC Industrial Area, Thane Belapur Road, Turbhe, Navi Mumbai Thane MH 400705 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Company
1	Mr. Ashokkumar Bhanwarlal Chhajer	01965094	15/01/2009
2	Mr. Nimish Shashikant Shah	03036904	13/04/2010
3	*Mr. Virendra Kumar Mital	00376830	23/04/2010
4	Mr. Vinayak Vaman Nalavde	02047436	11/02/2012
5	Mrs. Vijayalakshmi Rajaram Iyer	05242960	12/08/2017
6	Mr. Raj Bhardwaj Narain	01571764	12/08/2017
7	**Mr. Dinesh Chandra Babel	00376830	23/04/2010

\*Mr. Virendra Mital was disqualified w.e.f. 7<sup>th</sup> September, 2017 by virtue of non-filling of Annual Accounts for more than 3 years of Behraband North Extension Mine Private limited. However, the company has filled pending financials under the Condonation of Delay Scheme, 2018 and the DIN Status of Mr. Virendra Mital is "active". Further Mr. Virendra Mital resigned from Behraband North Extension Mine Private limited w.e.f 08<sup>th</sup> May, 2018.

\* \*Mr. Dinesh Chandra Babel had tendered his resignation letter dated 6<sup>th</sup> February, 2019 with effect from 31<sup>st</sup> March, 2019 as his current term is coming to end on 31<sup>st</sup> March, 2019. Further he also declares that there are no other material reasons for his resignation.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**D. A. Kamat**  
**Membership No.: 3843**  
**CP No.: 4965**  
**FRN : P2002MH045900**

**Place: Mumbai**  
**Date: 12/08/2019**

**Annexure II**

**Form No. AOC - 2**

**As on the Financial Year ended 31<sup>st</sup> March, 2019**

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 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 Arm's Length Transactions under third proviso thereto:**

**1. Details of Contracts or Arrangements or Transactions not at Arm's Length Basis:**

- (a) Name(s) of the Related Party and nature of relationship: NIL
- (b) Nature of Contracts/Arrangements/Transactions: NIL
- (c) Duration of the Contracts / Arrangements/Transactions: NIL
- (d) Salient terms of the Contracts or Arrangements or Transactions including the value, if any: NIL
- (e) Justification for entering into such Contracts or Arrangements or Transactions: NIL
- (f) Date(s) of approval by the Board: NIL
- (g) Amount paid as advances, if any: NIL
- (h) Date on which the Special Resolution was passed in General Meeting as required under first provision to Section 188 of the Companies Act, 2013: NIL

**2. Details of material Contracts or Arrangement or Transactions at Arm's Length Basis:**

Name of the Related Party and Nature of Relationship	Nature of Contracts/ Arrangements/ Transaction	Duration of the Contracts / Arrangements/ Transactions	Salient terms of the Contracts or Arrangements or Transactions including the value, if any (in Rs.)	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Mr. Ashok B. Chhajer	Rent Paid for premises	On-Going	Rs. 4.80 Lakhs p.a.	23 <sup>rd</sup> May, 2018 and noted & reviewed on quarterly basis.	NA
Arihant Paradise Realty Private Limited	Rent Paid	On-Going	Rs. 65.00 Lakhs p.a.	23 <sup>rd</sup> May, 2018 and noted & reviewed on quarterly basis.	NA
Arihant Technoinfra Private Limited	Purchases of Materials	On Going	Rs. 3.77 Lakhs p.a.	23 <sup>rd</sup> May, 2018 and noted & reviewed on quarterly basis.	NA
Arihant Enterprises	Services	On-Going	Rs. 400.00 Lakhs	23 <sup>rd</sup> May, 2018 and noted & reviewed on quarterly basis.	NA

**For and on behalf of the Board of Directors  
Arihant Superstructures Limited**

**Ashok Chhajer  
Chairman & Managing Director  
DIN: 0196509**

**Place: Navi Mumbai  
Date: August 12, 2019**

### Annexure III

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

- i) Ratio of the Remuneration of each Executive Director to the Median Remuneration of the Employees of the Company and Percentage increase in Remuneration of each Executive Director, Chief Financial Officer, Chief Executive Director and Company Secretary for the Financial Year 2018-19 as under:**

Sr . No.	Name of Director/KMP	Designation	Ratio of Remuneration to each Director and KMP to median remuneration of Employees (on Gross)	% increase in Remuneration in FY 2018-19
1	Mr. Ashok Chhajer	Chairman & Managing Director and Chief Executive Officer	21.83 : 1	-
2	Mr. Nimish Shah	Whole-time Executive Director	19.84:1	-
3	Mr. Pradeep Mehta	Chief Financial Officer	16.67:1	-
4	Mr. Naval Singh Shekhawat*	Company Secretary	NA	NA
5	Mr Govind Rao**	Company Secretary	NA	NA

\* Mr. Naval Singh Shekhawat had resigned on 15.11.2018

\*\* Mr Govind Rao had been appointed on 16.11.2018

Since the Remuneration of Whole-time Executive Director, Chief Financial Officer and Company Secretary is only for part of the Year, the Ratio of their Remuneration to Median Remuneration and % increase in Remuneration is not comparable and hence, not stated.

- ii) The Percentage increase in the Median Remuneration of Employees in the Financial Year: 5%**
- iii) The number of Permanent Employees on the rolls of Company: 75**
- iv) 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 point out if there are any exceptional circumstances for increase in the Managerial Remuneration:**

Average percentage increase in salaries of Employees other than Managerial Personnel in the last Financial Year 2018-19 was approx. 15.40%. Percentage increase in Managerial Remuneration was Nil.

- v) Affirmation that the Remuneration is as per the Remuneration Policy of the Company:**

The Company affirms Remuneration is as per the Remuneration Policy of the Company.

**For and on behalf of the Board of Directors  
Arihant Superstructures Limited**

**Ashok Chhajer**  
**Chairman & Managing Director**  
**DIN: 01965094**

**Place: Navi Mumbai**  
**Date: August 12, 2019**

**Annexure IV**

**Form No. MGT - 9**  
**EXTRACT OF ANNUAL RETURN**

**As on the Financial Year ended on 31<sup>st</sup> March, 2019**

[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	L51900MH1983PLC029643		
Registration Date	26/03/1983		
Name of the Company	Arihant Superstructures Limited		
Category/Sub-Category of the Company	Company Limited by Shares		
Address of the Registered office and Contact details	"Arihant Aura", 25 <sup>th</sup> Floor, B-Wing, Plot No. 13/1, TTC Industrial Area, Thane Belapur Road, Turbhe, Navi Mumbai – 400 705 Tel: 91 62493333, Fax: 91 22 62493334 Email: info@asl.net.in, investor@asl.net.in, cs@asl.net.in Website: www.asl.net.in		
Whether listed company	Yes		
Name, Address and Contact details of Registrar and Transfer Agent	Adroit Corporate Services Pvt. Ltd. 17-20, Jafferbhoy Ind. Estate. 1st Floor, Makwana Road, Marole Naka, Andheri (E), Mumbai - 400059 Tel: 91 22 4227040 Fax: 91 22 28503784 Email: support@adroitcorporate.com Website: www.adroitcorporate.com		

**II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY:**

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

Sr. No.	Name and Description of main Products/ Services	NIC Code of the Product/Service	% to the total turnover of the Company
1.	Development and construction of properties	410	100%

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

Sr. No.	Name and address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Arihant Aashiyana Pvt. Ltd. "Arihant Aura", 25 <sup>th</sup> Floor, B-Wing, Plot No. 13/1, TTC Industrial Area, Thane Belapur Road, Turbhe, Navi Mumbai – 400 705	U45400MH2010PTC210759	Subsidiary	60%	2(87)
2	Arihant Abode Ltd. "Arihant Aura", 25 <sup>th</sup> Floor, B-Wing, Plot No. 13/1, TTC Industrial Area, Thane Belapur Road, Turbhe, Navi Mumbai – 400 705	U70102MH2009PLC197090	Subsidiary	60%	2(87)
3	Arihant Gruhnirman Pvt. Ltd. "Arihant Aura", 25 <sup>th</sup> Floor, B-Wing, Plot No. 13/1, TTC Industrial Area, Thane Belapur Road, Turbhe, Navi Mumbai – 400 705	U45400MH2010PTC210844	Subsidiary	60%	2(87)

Sr. No.	Name and address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
4	Arihant Vatika Realty Pvt. Ltd. “Arihant Aura”, 25 <sup>th</sup> Floor, B-Wing, Plot No. 13/1, TTC Industrial Area, Thane Belapur Road, Turbhe, Navi Mumbai – 400 705	U70102MH2008PTC187732	Subsidiary	60%	2(87)

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

##### i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% Change during the Year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
(1) Indian										
a) Individual/HUF	12207552	0	12207552	29.66	18207552	0	18207552	44.24	14.58	
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00	
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00	
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00	
e) Banks /FI	0	0	0	0.00	0	0	0	0.00	0.00	
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00	
f-1) Directors	18309147	0	18309147	44.48	12309147	0	12309147	29.91	-14.58	
<b>Sub Total A(1)</b>										
(2) Foreign										
a) NRI - Individuals	0	0	0	0.00	0	0	0	0.00	0.00	
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00	
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00	
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00	
<b>Sub Total A(2)</b>										
<b>Total Shareholding of Promoter (A)</b>	<b>30516699</b>	<b>0</b>	<b>30516699</b>	<b>74.14</b>	<b>30516699</b>	<b>0</b>	<b>30516699</b>	<b>74.14</b>	<b>0.00</b>	
<b>B. Public Shareholding</b>										
(1) Institutions										
a) Mutual Funds	2032675	0	2032675	4.94	2042675	0	2042675	4.96	0.02	
b) Banks / FI	71058	0	71058	0.17	0	0	0	0.00	-0.17	
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00	
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00	
e) Foreign Portfolio Investors	0	0	0	0.00	0	0	0	0.00	0.00	
f) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00	
g) Insurance Companies	70775	0	70775	0.17	70775	0	70775	0.17	0.00	
h) FII's	0	0	0	0.00	0	0	0	0.00	0.00	
i) Foreign Venture Capital Funds										
j) Others (Specify)	385827	0	385827	0.94	310277	0	310277	0.75	-0.18	
<b>Sub-total (B) (1)</b>	<b>2560335</b>	<b>0</b>	<b>2560335</b>	<b>6.22</b>	<b>2423727</b>	<b>0</b>	<b>2423727</b>	<b>5.89</b>	<b>-0.33</b>	

Category of Shareholders	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non - Institutions</b>									
a) Bodies Corporate									
i) Indian	3221096	0	3221096	7.83	2951230	0	2951230	7.17	-0.66
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual Shareholders holding Nominal Share Capital upto ₹ 1 Lakh	1451093	52060	1503153	3.65	1449337	52060	1501397	3.65	0.00
ii) Individual Shareholders holding Nominal Share Capital in excess of ₹ 1 Lakh	2824131	0	2824131	6.86	3544810	0	3544810	8.61	1.75
c) Others (Specify)									
c-1) Investor Education And Protection Fund	250	0	250	0.00	250	0	250	0.00	0.00
c-2) Non Resident Indians (Individuals)	317634	0	317634	0.77	118943	0	118943	0.29	-0.48
c-3) Directors Relatives	89862	0	89862	0.22	90123	0	90123	0.22	0.00
c-4) Clearing Member	126481	0	126481	0.31	12333	0	12333	0.03	-0.28
c-5) Directors (Others)	350	0	350	0.00	0	0	0	0.00	0.00
c-6) Directors	0	0	0	0.00	479	0	479	0.00	0.00
<b>Sub-total (B)(2)</b>	<b>8030897</b>	<b>52060</b>	<b>8082957</b>	<b>19.64</b>	<b>8167505</b>	<b>52060</b>	<b>8219565</b>	<b>19.97</b>	<b>0.33</b>
<b>Total Public Shareholding(B)=(B)(1)+(B)(2)</b>	<b>10591232</b>	<b>52060</b>	<b>10643292</b>	<b>25.86</b>	<b>10591232</b>	<b>52060</b>	<b>10643292</b>	<b>25.86</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs.</b>									
Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
Public -	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>41107931</b>	<b>52060</b>	<b>41159991</b>	<b>100.00</b>	<b>41107931</b>	<b>52060</b>	<b>41159991</b>	<b>100.00</b>	<b>0.00</b>

**ii. Shareholding of Promoters (including Promoter Group):**

Sr. No.	Shareholder's Name	No. of Shares held at the beginning of the Year			No. of Shares held at the end of the Year			% Change during the Year
		No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total Shares	
1	Bhavik Ashokkumar Chhajer	0	0.00	0.00	6000000	14.58	0.00	14.58
2	Ashokkumar B Chhajer	18309147	44.48	0.00	12309147	29.91	0.00	-14.58

Sr. No.	Shareholder's Name	No. of Shares held at the beginning of the Year			No. of Shares held at the end of the Year			% Change during the Year
		No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total Shares	
3	Meena Vijay Ranka	148	0.00	0.00	148	0.00	0.00	0.00
4	Sangita A Chhajer	6000000	14.58	0.00	6000000	14.58	0.00	0.00
5	Lalitkumar Parasmal Bothra	207424	0.50	0.00	207404	0.50	0.00	0.00
	Parth Ashokkumar Chhajer	6000000	14.58	0.00	6000000	14.58	0.00	0.00
	<b>TOTAL</b>	<b>30516699</b>	<b>74.14</b>	<b>0.00</b>	<b>30516699</b>	<b>74.14</b>	<b>0.00</b>	<b>0.00</b>

**iii. Change in Promoters' (including Promoter Group) Shareholding (please specify, if there is no change):**

Sr. No.		Name of Promoter's	As on Date	No. of Shares held at the beginning of the Year		Cumulative Shareholding during the Year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	<b>At the beginning of the Year</b>	Ashok Kumar B Chhajer	01/04/2018	18309147	44.48	18309147	44.48
	Date wise Increase / Decrease in Promoters Shareholding during the Year		11/05/2018	-6000000	14.58	12309147	29.91
			31/03/2019	0	0.00	12309147	29.91
2	<b>At the beginning of the Year</b>	Meena Vijay Ranka	01/04/2018	148	0.00	148	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the Year				NIL		
	<b>At the end of the Year</b>		31/03/2019	0	0.00	148	0.00
3	<b>At the beginning of the Year</b>	Sangeeta A Chhajer	01/04/2018	6000000	14.8	6000000	14.8
	Date wise Increase / Decrease in Promoters Shareholding during the Year				NIL		
	<b>At the end of the Year</b>		31/03/2019	6000000	14.8	6000000	14.8
4	<b>At the beginning of the Year</b>	Lalitkumar Parasmal Bothra	01/04/2018	0	0.00	207404	0.50
	Date wise Increase / Decrease in Promoters Share holding during the Year				NIL		
	<b>At the end of the Year</b>		31/03/2019	207404	0.50	207404	0.50
5	<b>At the beginning of the Year</b>	Parth Ashokkumar Chhajer	01/04/2018	6000000	14.58	6000000	14.58
	Date wise Increase / Decrease in Promoters Share holding during the Year				NIL		
	<b>At the end of the Year</b>		31/03/2019	0	0.00	6000000	14.58
6	<b>At the beginning of the Year</b>	Bhavik Ashokkumar Chhajer	01/04/2018	0.00	0	0.00	0.00
	Date wise Increase / Decrease in Promoters Share holding during the Year		11/05/2018	6000000	14.58	6000000	14.58
	<b>At the end of the Year</b>		31/03/2019	0	0.00	6000000	14.58

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

Sl No.	For Each of the Top 10 Shareholders	Name of Shareholder's	As On Date	No.of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>At the beginning of the year</b>  Date wise Increase / Decrease in Share holding during the year  <b>At the End of the year</b>	<b>L&amp;T MUTUAL FUND TRUSTEE LIMITED-L&amp;T EMER</b>	01/04/2018	2032675	4.94	2032675	4.94
			13/04/2018	10000	0.02	2042675	4.96
			30/03/2019	0	0.00	2042675	4.96
2	<b>At the beginning of the year</b>  Date wise Increase / Decrease in Share holding during the year  <b>At the End of the year</b>	<b>PRABHUDAS LILLADHER FINANCIAL SERVICES P</b>	01/04/2018	1035092	2.51	1035092	2.51
			13/04/2018	-5100	0.01	1029992	2.50
			20/04/2018	1354	0.00	1031346	2.51
			25/05/2018	-17146	0.04	1014200	2.46
			08/06/2018	16946	0.04	1031146	2.51
			06/07/2018	42854	0.10	1074000	2.61
			27/07/2018	-60000	0.15	1014000	2.46
			12/10/2018	-626000	1.52	388000	0.94
			19/10/2018	-388000	0.94	0	0.00
			02/11/2018	20646	0.05	20646	0.05
			23/11/2018	-20646	0.05	0	0.00
			30/03/2019	0	0.00	0	0.00
3	<b>At the beginning of the year</b>  Date wise Increase / Decrease in Share holding during the year	<b>PRABHUDAS LILLADHER PVT LTD- CLIENT ACCO</b>	01/04/2018	187017	0.45	187017	0.45
			06/04/2018	-50	0.00	186967	0.45
			13/04/2018	317	0.00	187284	0.46
			20/04/2018	-300	0.00	186984	0.45
			27/04/2018	-30000	0.07	156984	0.38
			04/05/2018	728	0.00	157712	0.38
			11/05/2018	-828	0.00	156884	0.38
			18/05/2018	-80	0.00	156804	0.38
			25/05/2018	-137	0.00	156667	0.38
			08/06/2018	1714	0.00	158381	0.38
			15/06/2018	-1981	0.00	156400	0.38
			22/06/2018	200	0.00	156600	0.38
			29/06/2018	-300	0.00	156300	0.38
			06/07/2018	-100	0.00	156200	0.38
			13/07/2018	44	0.00	156244	0.38
			20/07/2018	-44	0.00	156200	0.38
			27/07/2018	60000	0.15	216200	0.53
			10/08/2018	100	0.00	216300	0.53
			17/08/2018	-100	0.00	216200	0.53
			21/09/2018	3	0.00	216203	0.53
			28/09/2018	-3	0.00	216200	0.53
			05/10/2018	2	0.00	216202	0.53
			12/10/2018	620000	1.51	836202	2.03
			19/10/2018	1	0.00	836203	2.03
			26/10/2018	-70000	0.17	766203	1.86

Sl No.	For Each of the Top 10 Shareholders	Name of Shareholder's	As On Date	No.of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
			02/11/2018	-3	0.00	766200	1.86
			16/11/2018	3	0.00	766203	1.86
			23/11/2018	-609498	1.48	156705	0.38
			30/11/2018	495	0.00	157200	0.38
			07/12/2018	-325	0.00	156875	0.38
			14/12/2018	-600	0.00	156275	0.38
			21/12/2018	-75	0.00	156200	0.38
			11/01/2019	500	0.00	156700	0.38
			18/01/2019	-500	0.00	156200	0.38
			15/03/2019	354	0.00	156554	0.38
			29/03/2019	-354	0.00	156200	0.38
			30/03/2019	0	0.00	156200	0.38
<b>At the End of the year</b>							
4	<b>At the beginning of the year</b>	<b>COMFORT SECURITIES LTD - COLLATERAL ACC</b>	01/04/2018	473906	1.15	473906	1.15
	Date wise Increase / Decrease in Share holding during the year		06/04/2018	12690	0.03	486596	1.18
			13/04/2018	15085	0.04	501681	1.22
			20/04/2018	800	0.00	502481	1.22
			04/05/2018	15575	0.04	518056	1.26
			22/06/2018	10573	0.03	528629	1.28
			29/06/2018	1354	0.00	529983	1.29
			06/07/2018	10612	0.03	540595	1.31
			13/07/2018	9500	0.02	550095	1.34
			20/07/2018	5000	0.01	555095	1.35
			03/08/2018	-1000	0.00	554095	1.35
			24/08/2018	114180	0.28	668275	1.62
			31/08/2018	4350	0.01	672625	1.63
			07/09/2018	9015	0.02	681640	1.66
			14/09/2018	3675	0.01	685315	1.67
			21/09/2018	4815	0.01	690130	1.68
			28/09/2018	-7257	0.02	682873	1.66
			05/10/2018	-9874	0.02	672999	1.64
			12/10/2018	575	0.00	673574	1.64
			02/11/2018	1929	0.00	675503	1.64
			09/11/2018	-38949	0.09	636554	1.55
			16/11/2018	10277	0.02	646831	1.57
			23/11/2018	1523	0.00	648354	1.58
			30/11/2018	7450	0.02	655804	1.59
			07/12/2018	-666	0.00	655138	1.59
			21/12/2018	-31722	0.08	623416	1.51
			28/12/2018	15500	0.04	638916	1.55
			31/12/2018	9600	0.02	648516	1.58
			04/01/2019	59	0.00	648575	1.58
			11/01/2019	-1275	0.00	647300	1.57

Sl No.	For Each of the Top 10 Shareholders	Name of Shareholder's	As On Date	No.of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
			18/01/2019	-15120	0.04	632180	1.54
			25/01/2019	-3066	0.01	629114	1.53
			01/02/2019	405	0.00	629519	1.53
			08/02/2019	-712	0.00	628807	1.53
			15/02/2019	22	0.00	628829	1.53
			22/02/2019	8053	0.02	636882	1.55
			01/03/2019	8430	0.02	645312	1.57
			08/03/2019	-5711	0.01	639601	1.55
			15/03/2019	1361	0.00	640962	1.56
			22/03/2019	22001	0.05	662963	1.61
			29/03/2019	38175	0.09	701138	1.70
			30/03/2019	0	0.00	701138	1.70
5	At the End of the year  At the beginning of the year  Date wise Increase / Decrease in Share holding during the year	IL AND FS SECURITIES SERVICES LIMITED	01/04/2018	109882	0.27	109882	0.27
			06/04/2018	-607	0.00	109275	0.27
			13/04/2018	5000	0.01	114275	0.28
			20/04/2018	-4600	0.01	109675	0.27
			27/04/2018	47245	0.11	156920	0.38
			04/05/2018	-24752	0.06	132168	0.32
			11/05/2018	46989	0.11	179157	0.44
			18/05/2018	1557	0.00	180714	0.44
			25/05/2018	516	0.00	181230	0.44
			01/06/2018	-15559	0.04	165671	0.40
			08/06/2018	-12237	0.03	153434	0.37
			15/06/2018	21052	0.05	174486	0.42
			22/06/2018	277	0.00	174763	0.42
			29/06/2018	-19064	0.05	155699	0.38
			06/07/2018	37172	0.09	192871	0.47
			13/07/2018	-1375	0.00	191496	0.47
			20/07/2018	-204	0.00	191292	0.46
			27/07/2018	-14670	0.04	176622	0.43
			03/08/2018	-43524	0.11	133098	0.32
			10/08/2018	9780	0.02	142878	0.35
			17/08/2018	-4058	0.01	138820	0.34
			24/08/2018	-5665	0.01	133155	0.32
			31/08/2018	-27950	0.07	105205	0.26
			07/09/2018	-200	0.00	105005	0.26
			14/09/2018	-895	0.00	104110	0.25
			21/09/2018	-486	0.00	103624	0.25
			28/09/2018	-700	0.00	102924	0.25
			29/09/2018	10544	0.03	113468	0.28
			05/10/2018	-34164	0.08	79304	0.19
			12/10/2018	-6950	0.02	72354	0.18

Sl No.	For Each of the Top 10 Shareholders	Name of Shareholder's	As On Date	No.of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
			19/10/2018	-14	0.00	72340	0.18
			26/10/2018	11858	0.03	84198	0.20
			02/11/2018	-4500	0.01	79698	0.19
			09/11/2018	-1144	0.00	78554	0.19
			16/11/2018	-1020	0.00	77534	0.19
			23/11/2018	609020	1.48	686554	1.67
			30/11/2018	-8000	0.02	678554	1.65
			21/12/2018	20600	0.05	699154	1.70
			28/12/2018	-7900	0.02	691254	1.68
			04/01/2019	7800	0.02	699054	1.70
			11/01/2019	-12133	0.03	686921	1.67
			15/02/2019	-33000	0.08	653921	1.59
			22/03/2019	-14310	0.03	639611	1.55
			29/03/2019	-9461	0.02	630150	1.53
			30/03/2019	0	0.00	630150	1.53
6	<b>At the End of the year</b>	<b>EARNEST SHIPPING AND SHIP BUILDERS LIMIT</b>					
	<b>At the beginning of the year</b>		01/04/2018	400000	0.97	400000	0.97
	Date wise Increase / Decrease in Share holding during the year		10/08/2018	40000	0.10	440000	1.07
			17/08/2018	30000	0.07	470000	1.14
			24/08/2018	20152	0.05	490152	1.19
			31/08/2018	20000	0.05	510152	1.24
			14/09/2018	15000	0.04	525152	1.28
			28/12/2018	10000	0.02	535152	1.30
	<b>At the End of the year</b>		30/03/2019	0	0.00	535152	1.30
7	<b>At the beginning of the year</b>	<b>SANGEETA DOSHI</b>	01/04/2018	388145	0.94	388145	0.94
	Date wise Increase / Decrease in Share holding during the year			<b>NIL</b>	<b>NIL</b>		
	<b>At the End of the year</b>		30/03/2019	0	0.00	388145	0.94
8	<b>At the beginning of the year</b>	<b>AMISHA NIRAJ VORA</b>	01/04/2018	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year		19/10/2018	388000	0.94	388000	0.94
	<b>At the End of the year</b>		30/03/2019	0	0.00	388000	0.94
9	<b>At the beginning of the year</b>	<b>MORGAN STANLEY (FRANCE) S.A.</b>	01/04/2018	365827	0.89	365827	0.89
	Date wise Increase / Decrease in Share holding during the year		06/04/2018	-6982	0.02	358845	0.87
			13/04/2018	-10730	0.03	348115	0.85
			20/04/2018	-2121	0.01	345994	0.84
			27/04/2018	-7722	0.02	338272	0.82
			04/05/2018	-6521	0.02	331751	0.81
			11/05/2018	-13472	0.03	318279	0.77
			18/05/2018	-4481	0.01	313798	0.76
			25/05/2018	-4122	0.01	309676	0.75
			01/06/2018	-6478	0.02	303198	0.74
			08/06/2018	-5766	0.01	297432	0.72
			15/06/2018	-10752	0.03	286680	0.70

Sl No.	For Each of the Top 10 Shareholders	Name of Shareholder's	As On Date	No.of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
			22/06/2018	-9098	0.02	277582	0.67
			29/06/2018	-20082	0.05	257500	0.63
			06/07/2018	-17273	0.04	240227	0.58
			13/07/2018	-7811	0.02	232416	0.56
			20/07/2018	-13300	0.03	219116	0.53
			27/07/2018	-4986	0.01	214130	0.52
			03/08/2018	-5168	0.01	208962	0.51
			10/08/2018	-11556	0.03	197406	0.48
			17/08/2018	-3194	0.01	194212	0.47
			24/08/2018	-3462	0.01	190750	0.46
			31/08/2018	-3643	0.01	187107	0.45
			07/09/2018	-2393	0.01	184714	0.45
			14/09/2018	-2519	0.01	182195	0.44
			21/09/2018	-1915	0.00	180280	0.44
			28/09/2018	-1709	0.00	178571	0.43
			05/10/2018	-2328	0.01	176243	0.43
			12/10/2018	-1508	0.00	174735	0.42
			19/10/2018	-791	0.00	173944	0.42
			26/10/2018	-1806	0.00	172138	0.42
			02/11/2018	-2334	0.01	169804	0.41
			09/11/2018	-1372	0.00	168432	0.41
			16/11/2018	-2069	0.01	166363	0.40
			23/11/2018	-1582	0.00	164781	0.40
			30/11/2018	-2770	0.01	162011	0.39
			07/12/2018	-2274	0.01	159737	0.39
			14/12/2018	-2184	0.01	157553	0.38
			21/12/2018	-3610	0.01	153943	0.37
			28/12/2018	-2225	0.01	151718	0.37
			31/12/2018	-296	0.00	151422	0.37
			04/01/2019	-1238	0.00	150184	0.36
			11/01/2019	-2572	0.01	147612	0.36
			18/01/2019	-2334	0.01	145278	0.35
			25/01/2019	-1960	0.00	143318	0.35
			01/02/2019	-1325	0.00	141993	0.34
			08/02/2019	-1436	0.00	140557	0.34
			15/02/2019	-1303	0.00	139254	0.34
			22/02/2019	-1629	0.00	137625	0.33
			01/03/2019	-5594	0.01	132031	0.32
			08/03/2019	-3783	0.01	128248	0.31
			15/03/2019	-1458	0.00	126790	0.31
			22/03/2019	-584	0.00	126206	0.31
			29/03/2019	-968	0.00	125238	0.30
	<b>At the End of the year</b>		30/03/2019	0	0.00	125238	0.30

Sl No.	For Each of the Top 10 Shareholders	Name of Shareholder's	As On Date	No.of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
10	<b>At the beginning of the year</b>	<b>MADHUMATI PUNAMCHAND MALU</b>	01/04/2018	277096	0.67	277096	0.67
	Date wise Increase / Decrease in Share holding during the year			<b>NIL</b>	<b>NIL</b>		
	<b>At the End of the year</b>		30/03/2019	0	0.00	277096	0.67
11	<b>At the beginning of the year</b>	<b>NISTHA FOOD PRODUCTS PRIVATE LIMITED</b>	01/04/2018	50000	0.12	50000	0.12
	Date wise Increase / Decrease in Share holding during the year		15/06/2018	25000	0.06	75000	0.18
			12/10/2018	100000	0.24	175000	0.43
	<b>At the End of the year</b>		30/03/2019	0	0.00	175000	0.43
12	<b>At the beginning of the year</b>	<b>ASPIRE EMERGING FUND</b>	01/04/2018	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year		11/05/2018	165039	0.40	165039	0.40
			30/03/2019	0	0.00	165039	0.40
	<b>At the End of the year</b>						
13	<b>At the beginning of the year</b>	<b>PRADIP NAVNITLAL MUCHHALA</b>	01/04/2018	86707	0.21	86707	0.21
	Date wise Increase / Decrease in Share holding during the year		06/04/2018	15438	0.04	102145	0.25
			20/04/2018	1611	0.00	103756	0.25
			27/04/2018	9533	0.02	113289	0.28
			11/05/2018	21800	0.05	135089	0.33
			01/06/2018	388	0.00	135477	0.33
			08/06/2018	12128	0.03	147605	0.36
			15/06/2018	12791	0.03	160396	0.39
			30/03/2019	0	0.00	160396	0.39
	<b>At the End of the year</b>						
14	<b>At the beginning of the year</b>	<b>RENU ANANDRAJ JAIN</b>	01/04/2018	150919	0.37	150919	0.37
	Date wise Increase / Decrease in Share holding during the year			<b>NIL</b>	<b>NIL</b>		
			30/03/2019	0	0.00	150919	0.37
	<b>At the End of the year</b>						
15	<b>At the beginning of the year</b>	<b>JAYINE TRADECOM PRIVATE LIMITED</b>	01/04/2018	143048	0.35	143048	0.35
	Date wise Increase / Decrease in Share holding during the year		13/04/2018	-143048	0.35	0	0.00
			30/03/2019	0	0.00	0	0.00
	<b>At the End of the year</b>						

v. Shareholding of Directors and Key Managerial Personal:

Sl. No.		Name of Shareholder's	As On Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	<b>At the beginning of the year</b>	<b>DINESH CHANDRA BABEL</b>	01/04/2018	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year		13/04/2018	69	0.00	69	0.00
			20/04/2018	500	0.00	569	0.00
			11/05/2018	-500	0.00	69	0.00
	<b>At the End of the year</b>		30/03/2019	0	0.00	69	0.00

Sl. No.		Name of Shareholder's	As On Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
2	<b>At the beginning of the year</b>	<b>VIRENDRA KUMAR MITAL</b>	01/04/2018	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year		01/06/2018	410	0.00	410	0.00
	<b>At the End of the year</b>		30/03/2019	0	0.00	410	0.00
3	<b>At the beginning of the year</b>	<b>PRADEEP MEHTA</b>	01/04/2018	350	0.00	350	0.00
	Date wise Increase / Decrease in Share holding during the year			<b>NIL</b>	<b>NIL</b>		
	<b>At the End of the year</b>		30/03/2019	0	0.00	350	0.00

#### V. INDEBTEDNESS:

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

(in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year</b>	<b>456,8.10</b>	<b>3412.22</b>	-	<b>7980.32</b>
i) Principal Amount			-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>456,8.10</b>	<b>3412.22</b>	-	<b>7980.32</b>
<b>Change in Indebtedness during the Financial Year</b>	-	-	-	-
- Addition		<b>3083.01</b>		
- Reduction	<b>2750.58</b>			
<b>Net Change</b>	<b>(2750.58)</b>	<b>3083.01</b>		<b>332.43</b>
<b>Indebtedness at the end of the Financial Year</b>	<b>1817.52</b>	<b>6495.23</b>	-	<b>8312.75</b>
i) Principal Amount				
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due				

## VI. REMUNERATION OF DIRECTOR AND KEY MANAGERIAL PERSONNEL:

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

(in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total
		Ashok Chhajer	*Nimish Shah	
		MD	WTD	
1	Gross salary	56.32	40.43	96.75
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	56.32	40.43	96.75
	(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	-	-	-
	- as % of profit	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	56.32	40.43	96.75
	Ceiling as per the Act (@10% of the profit calculated under Section 198 of Companies Act, 2013)			

\* Mr. Nimish Shah's Remuneration for the tenure of 01<sup>st</sup> September, 2018 to 31<sup>st</sup> March, 2019 had been paid from the subsidiary of the Company "Arihant Aashiyana Private Limited".

### B. REMUNERATION OF OTHER DIRECTORS:

(in Lakhs)

Sr. No.	Particulars of Remuneration	Dinesh Chandra Babel	Vinayak Nalavde	Virendra Mital	R.N. Bhardwaj	Vijaylakshmi Iyer	Total
1.	Fee for attending Board/ Committee Meetings	4.90	5.10	4.70	4.70	2.30	21.70
	Commission	-	-	-	--	-	-
	Others, please specify	-	-	--	-	-	-
2.	<b>Total (1)</b>						
	Other Non-Executive Directors	-	-	-	-	-	-
	Fee for attending Board/ Committee Meetings	-	-	-	-	-	-
3.	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-	-
	<b>Total (B)=(1+2)</b>						
	Total Managerial Remuneration	4.90	5.10	4.70	4.70	2.30	21.70

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

(in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		*Mr. Pradeep Mehta (CFO)	**Mr. Naval Shekhawat (Ex-Company Secretary)	***Mr. Govind Rao (Company Secretary)	Total
1	Gross salary	33.16	6.82	2.70	42.68
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	33.16	6.82	2.70	42.68
	(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	-	-		-
	- as % of profit	-	-		-
	- others, specify	-	-		-
5	Others, please specify	-	-		-
	<b>Total</b>	33.16	6.82	2.70	42.68

\* Mr. Pradeep Mehta's Remuneration for the tenure of 01<sup>st</sup> September, 2018 to 31<sup>st</sup> March, 2019 had been paid from the subsidiary of the Company "Arihant Vatika Realty Private Limited".

\*\* Mr. Naval Shekhawat had resigned w.e.f. 15<sup>th</sup> November, 2018.

\*\*\*Mr. Govind Rao had been appointed from 16<sup>th</sup> November, 2018.

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:** Nil

For and on behalf of the Board of Directors  
Arihant Superstructures Limited

Ashok Chhajer  
Chairman & Managing Director  
DIN: 01965094

Place: Navi Mumbai  
Date: August 12, 2019

## **CORPORATE SOCIAL RESPONSIBILITY REPORT**

**as on the Financial Year ended on 31<sup>st</sup> March, 2019**

[Pursuant to Section 135 of the Companies Act, 2013 and Rule 8(1) of the Companies  
(Corporate Social Responsibility) Rules, 2014]

1. **A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

**Philosophy:**

An Organisation is successful in its true sense if it ensures the progress of the society along the milestone achieved in the corporate world.

Arihant Superstructures Limited believes that as a Corporate it is our duty to give back to the society. Our focus areas of Corporate Social Responsibility (CSR) would be around Education & Skill development, Environment, Health, Heritage protection, Rural development and support to citizens during National calamities.

**Objectives:**

To engage in affirmative action towards Health, Education and surrounding Environment which would lead to increase in the Country's Human Development Index (HDI) and Sustainable Development for the under privileged or the common man of society.

We would like to impact and contribute to the Environmental, Economic and Social Development of the communities in which we operate and society at large by series of CSR activities.

**Website Link:** <https://www.asl.net.in/csr.html>.

**Guiding Principles:**

In accordance with the requirements under the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014, Arihant Superstructures Ltd CSR activities will focus on:

**Education and Skill Development:**

- To promote education, including special education and employment-enhancing vocational skills especially among children, Woman, elderly and the differently abled, and livelihood enhancement projects in CSR.
- To support acquiring skill building, basic education and vocational training among schools, colleges & institutes by kind or monetary contribution to enhance employability and generate livelihoods for persons from disadvantaged sections and society at large.

**Health:**

- To support and enhance the health awareness and actions leading to health improvement in the society Eg: eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation, and making available safe drinking water.

**Environment:**

- To engage in preservation and protection of ecological system by way of ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining the quality of soil, air and water.

**National Heritage, Art and Culture:**

- Protecting national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promoting and developing traditional arts and handicrafts.

### **Response to Natural Calamities:**

- To provide help to the affected citizens and their families who are devastated by the natural calamities/disasters like Earthquake, Flood, Tsunami, Famine or any other nature induced calamities to the human life and its settlement area and contributions towards Prime Minister's / Chief Minister's Relief Funds.

### **Rural Developments:**

- To provide/ repair/ restore or construct rural / village infrastructure and social amenities like community centres/ halls and schools, dams and bridges, healthcare centres and hospitals, roads and rural electrification, homes for the homeless, Irrigation and water storage structures, renovation of ponds, construction of box culverts/ drains, toilets etc.

### **2. Composition of \*CSR Committee as on 31<sup>st</sup> March, 2019:**

<b>Members</b>	<b>Designation</b>
Mr. Virendra Mital	Chairman
Mr. Vinayak Nalavde	Member
Mr. Ashok Chhajer	Member

\* Mr. Virendra Mital has been appointed as the Chairman of the CSR Committee w.e.f. 06<sup>th</sup> February, 2019.

### **3. Average of Net Profit of the Company for last three Financial Years:**

<b>Financial Year</b>	<b>Net Profit (in Rs.)</b>
2015-16	251,435,312.17
2016-17	402,790,344.41
2017-18	15,81,79,213.00
<b>Total</b>	<b>812,404,870.00</b>
<b>Average of the Net Profit of last 3 Years</b>	<b>270,801,624.00</b>

### **4. Prescribed CSR Expenditure (2% of the average Net Profit for last three Financial Years):**

The Prescribed CSR liability for Financial Year 18-19 was Rs. 54,16,033.00/- (Rupees Fifty Four Lakhs Sixteen thousand and thirty three only).

Further unspent CSR liability for financial year 2017-18 of Rs. 46,73,984/- (Rupees Forty Six Lakhs Seventy Three Thousand and Nine hundred Eighty Four only) was carried forward to Financial Year 2018-19. Accordingly, total prescribed CSR budget for Financial Year 2018-19 was Rs. 1,00,90,016/- (Rupees One Crore Ninety Thousand and Sixteen Rupees only).

### **5. Details of actual CSR spent during the Financial Year 2018-19:**

- a) The total amount spent on the CSR activities during the Financial Year: Rs. 12,51,000 (Rupees Twelve Lakhs Fifty One Thousand only).
- b) Details of unspent Amount, if Any: Rs. 88,39,016 (Rupees Eighty Eight Thousand Thirty Nine Lakhs Sixteen Only).

c) Manner in which the amount was spent:

Sr. No	CSR Project or activity identified	Sector in which the Project is covered (As per Schedule VII of Companies Act, 2013)	Project 1) Local area or other 2) Specify State and District where project was undertaken	Amount Outlay (Budget) Project wise (in Rs.)	Amount spent on Project Subheads: 1)Direct expenditure 2) Overheads (in Rs.)	Cumulative expenditure up to the reporting period (in Rs.)	Amount spent Directly or through Implementing Agency
1.	Contribution for rehabilitation of program for children with mental retardation.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Navi Mumbai, Maharashtra	51,000/-	51,000/-	51,000/-	Implementing Agency- Divyang Welfare Association
2	Contribution for arrangements of rural sports in Panvel.	Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.	Navi Mumbai, Maharashtra	8,00,000/-	8,00,000/-	8,00,000/-	Implementing Agency- Shri Maruti Mandir Trust
3	Contribution in rural development.	Rural development projects	Navi Mumbai, Maharashtra	2,00,000/-	2,00,000/-	2,00,000/-	Implementing Agency- Shri Maruti Mandir Trust
4	Contribution in education	Providing Contribution for promoting education amongst school children.	Jodhpur, Rajasthan	2,00,000/-	2,00,000/-	2,00,000/-	Implementing Agency- Sudarshan Sewa Sansthan
<b>Total</b>				<b>12,51,000/-</b>	<b>12,51,000/-</b>	<b>12,51,000/-</b>	

6. **In case the Company has failed to spend 2% of the average net profit of the last 3 financial years or any part thereof, the Company shall provide the reasons for not spending the amount:** The Committee had decided to withhold CSR expenditure till registration of CSR trust- Arihant Foundation. Since the trust registered only on 15th December, 2018, the CSR spend has been carried forward to Financial Year 2019-20 and will be spent through Arihant Foundation.
7. **Responsibility statement of the CSR Committee:** The CSR Committee hereby confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and CSR policy of the Company.

**For and on behalf of the Board of Directors**  
**Arihant Superstructures Limited**

Place: Navi Mumbai  
Date: August 12, 2019

**Ashok Chhajer**  
**Chairman & Managing Director**  
**DIN: 01965094**

**Virendra Mital**  
**Chairman of CSR Committee**  
**DIN: 00376830**

**Annexure VI**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE REPORT:**

**as on the Financial Year ended on 31<sup>st</sup> March, 2019**

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules, 2014]

**(A) CONSERVATION OF ENERGY:**

**I. Measures adopted for conservation of conventional energy:**

- a. Use of CFLs, metal halide and LED light fixtures in all common areas of residential projects.
- b. Use of occupancy sensors in commercial project & common areas of large scale residential projects.
- c. Use of best quality wires, cables, switches and low self power loss MCCB's and RCCB's.
- d. Following standard specifications like colour codes, independent neutral and earthing for each circuit to curb energy leakage.
- e. Selection of high efficiency transformers (BEE rated), DG sets and other equipments.
- f. Integration of auto-correction power factor capacitors and harmonic filters in all HT/LT feeder pillars.
- g. Use of energy efficient lifts with group control in residential projects.
- h. Use of high performance glasses for double glazing facades of commercial buildings to maintain optimum & ambient indoor environment of occupied spaces which helps in reducing air conditioning load.
- i. Use of highly energy efficient air conditioning screw chillers& compressors with VFD's for commercial building projects.
- j. Use of low water flow CP fixtures for common areas of buildings.
- k. Use of busduct system for high rise tower, thus achieving saving in power due to low loss factor and better insulation properties and thus increasing the safety of building and occupants by considerably reducing chances of fire.

**II. Measures adopted for utilizing renewable sources of energy:**

Use of solar hot water system consisting of Flat plate solar panels & insulated water storage tanks & insulated separate piping for all flats in all our projects thereby reducing almost 20% demand of conventional energy. This system is also successfully installed & in operation in 4 projects i.e Arihant Arshiya Phase 1, Arihant Anmol Phase 1 & 2, Arihant Aarohi and Arihant Amisha Phase 1.

**III. Water Preservation:**

**a. Rainwater harvesting:**

Rain water harvesting is one of the most viable options to meet increasing water requirements & also helps in restoring depleted ground water levels of surrounding areas. We have been executing ground water recharge pits & harvesting rainwater through collection tanks for roof-based runoffs in all our projects. This helps in reduction of precious potable drinking water demand of the project by using rain harvested water (after primary sedimentation & filtration) for non potable uses such as washing & cleaning needs of residents . Ground recharging system is adopted and installed in all our projects.

**b. Sewage treatment plant:**

The sewage treatment plants (STP) of total 1150 KLD capacities based on Moving Bio bed Reactor technology has been successfully commissioned in 3 of our projects in FY 2018-2019 and are also committed to install another 800 KLD capacity for next Financial year by inclusion of STP's in the sewerage design of all our ongoing & future projects. The generated waste water is treated up to the tertiary level conforming to applicable IS standards and is used for flushing of toilets and landscaping. This helps in reduction of fresh water requirement of projects

by almost 40%. We also ensure that operation & maintenance of STP's are done by efficient STP vendors for atleast initial 3 years after installation so that it becomes an integral part of daily society maintenance affairs.

**Few environment friendly measures adopted for construction phase of all projects:**

- a. Use of Aerated Autoclaved blocks & fly ash bricks for all our projects including affordable housing projects of upto 4 floors buildings.
- b. Use of available rain harvested water for construction purposes.
- c. Use of energy efficient CFL & LED lamps & highly efficient motors during construction phase.
- d. Following standard specifications like colour codes, independent neutral and earthing for each electrical circuit's to curb energy leakage.
- e. For FY 2018-19, to install portable & modular STP's for treating grey water generated from Labour camps of our large scale projects such as Arihant Aspire & use the treated water for construction purposes thereby committing ourselves to reduce impact on fresh water sources.

**(B) TECHNOLOGY ABSORPTION:**

**The efforts made towards technology absorption:**

- I. Membrane based waterproofing systems:** Latest Membrane based waterproofing system is planned to be use in large residential projects namely Arihant Aalishan and Arihant Aspire which shall result in saving in construction time in comparision to conventional Brick bat coba and Box type waterproofing system for basements. By using this waterproofing system, also shall help in reducing environmental sustainability as there shall be no use of Red clay bricks and less amount of cement consumption.

**The benefits derived:**

- a) Speed in construction of work.
- b) Saving in cost.
- c) More environment friendly in comparison to conventional Brick bat coba system & Box type waterproofing system.

- II. High speed elevators with Destination dispatch system:** As one accesses the elevators through the lobby, he or she passes through security, which can be cleared by an identification card, which includes the information for one's desired floor. All passengers need to do is walk to the designated elevator and wait for its arrival.

**The benefits derived:**

Elevators with DOAS technology not only helps improve traffic flow and reduce power consumption, it also enhances building security.

**III. In case of imported technology (imported during the last three Years reckoned from the beginning of the Financial Year):**

No Technology was imported during the Year under review.

**(C) Foreign Exchange inflow and outgo during the Financial Year 2018-19:**

Foreign Exchange outgo during the Financial Year 2018-19 was Rs. 1,92,407.00/-.

Foreign Exchange inflow during the Financial Year 2018-19 was Rs. 1,23,051.00/-.

**For and on behalf of the Board of Directors  
Arihant Superstructures Limited**

**Ashok Chhajer**  
**Chairman & Managing Director**  
**DIN: 01965094**

**Annexure VII**

**CORPORATE GOVERNANCE REPORT**

**1. Company's Philosophy on Corporate Governance:**

The Company believes that sound Corporate Governance is a key element for enhancing and retaining the trust of Investors and various other Stakeholders. As a responsible corporate citizen your Company has evolved best practices which are structured to institutionalize policies and procedures that enhance the efficacy of the Board and inculcate a culture of Accountability, Transparency and Integrity across the Arihant Group as a whole.

**2. Board of Directors: Composition:**

The Board as on 31<sup>st</sup> March, 2019 comprised of Six Directors out of which four Directors are Non-Executive Independent Directors including a Woman Independent Director, one Chairman & Managing Director and one Whole-time Executive Director. The Managing Director and Whole-time Executive Director are responsible for the day-to-day Management of the Company subject to the supervision, direction and control of the Board of Directors. The Chairman of the Company is an Executive Director.

The Non-Executive Directors are eminent and experienced persons in their respective fields of industry, Banking and Finance.

Directorship held by Directors of Arihant Superstructures Limited:

Name of the Director	Category	Number of Board Meetings during the FY2018-19			Whether attended last AGM held on September 30, 2018	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies#	
		Held	Eligible to Attend	Attended		Chairman	Member	Chairman	Member
Mr. Ashok Chhajer (CMD) DIN: 01965094	Non-Independent Executive	4	4	4	Yes	1	-	-	-
Mr. Nimish Shah(WTD) DIN:03036904	Non-Independent Executive	4	4	4	Yes	-	-	-	-
Mr. Vinayak Nalavde DIN: 02047436	Independent, Non-Executive	4	4	4	Yes	-	1	-	-
*Mr. Virendra Mital DIN: 00376830	Independent, Non-Executive	4	4	4	Yes	-	-	-	-
**Mrs.Vijayalakshmi R. Iyer DIN: 05242960	Independent, Non-Executive	3	3	2	No	-	7	2	3
Mr. Raj Narain Bhardwaj DIN: 01571764	Independent, Non-Executive	4	4	4	Yes	-	9	3	8
***Mr. Dinesh Babel DIN:03042254	Independent, Non-Executive	5	5	5	Yes	-	-	-	-

Details of Directorships held in other listed entities by the Directors of the Company as at the end of FY2019 and the Category of their Directorship are set out in the following table:

S.No.	Name of the Listed Entity	Name of the Listed Company	Category
1.	Mrs.Vijayalakshmi R. Iyer (DIN: 0242960)	1. Religare Enterprises Limited 2. Indiabulls Ventures Limited 3. Magma Fincorp Limited. 4. Aditya Birla Capital Limited. 5. ICICI Securities Limited	1. Non-Executive, Independent Director 2. Non-Executive Independent Director 3. Non-Executive Independent Director 4. Non-Executive Independent Director 5. Non-Executive Independent Director
2.	Mr. Raj Narain Bhardwaj (DIN: 01571764)	1. Jaiprakash Power Ventures Limited 2. Reliance Communications Limited 3. Jaiprakash Associates Limited 4. SBI Life Insurance Company Ltd	1. Non-Executive, Independent Director 2. Non-Executive Independent Director 3. Non-Executive Independent Director 4. Non-Executive Independent Director

#In accordance to Regulation 18 and 20 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, Chairmanship/Membership of only Audit Committee and Stakeholders Relationship Committee in all public Companies (excluding Arihant Superstructures Limited) have been considered.

\*Mr. Virendra Mital (DIN: 00376830) had been disqualified under Section 164 (2) of the Companies Act, 2013, by the Registrar of Companies, Maharashtra, Mumbai, on account of being a Director on Behraband North Extension Mine Private Limited. Accordingly, in terms of the provisions of Section 167 (1) (a) of the Companies Act, 2013, Mr. Virendra Mital (DIN: 00376830) had vacated his Office as an Independent Director from Arihant Superstructures Limited because of the said disqualification w.e.f. 7<sup>th</sup> September, 2017.

Further Mr. Virendra Mital has confirmed to the management, that the Hon'ble NCLT, Mumbai has restored the Company. The Company has also completed all the subsequent filings as required, under the MCA Condonation of Delay Scheme, 2018. Further, the Hon'ble ROC has also activated the DIN of Mr. Virendra Mital.

Accordingly on the recommendation of Nomination & Remuneration Committee & Board of Directors of the Company Mr. Virendra Mital was appointed as Additional Independent Director of the Company in the Board Meeting held on 23<sup>rd</sup> May, 2018 and the shareholders of the Company approved the appointment of Mr. Virendra Mital vide the Postal Ballot Results dated 25<sup>th</sup> July, 2018.

\*\* Mrs. Vijayalakshmi R. Iyer had tendered her resignation letter dated 4<sup>th</sup> June 2018 due to her pre-occupation and commitments outside the country. Later, Mrs. V. R. Iyer informed the Chairman, that due to a change in her personal Commitments, she was willing to be re-appointed. Accordingly, she was re-appointed as an Independent Woman Director on the Board for a second term with effect from 10<sup>th</sup> August, 2018 and the same has been approved by shareholders in the 35th AGM held on 28th September, 2018.

\*\*\* Mr. Dineshchandra Babel's (DIN: 03042254) term as Independent Director was coming to end on 31st March, 2019 and considering his unwillingness to be re-appointed, he tendered his resignation w.e.f. 31st march, 2019 at the Board Meeting held on 06th February, 2019.

### 3. Board Procedures and Related Disclosures:

The Board of Directors meet at least once in each Quarter to, inter alia, review Annual operating and Capital expenditure plans and budgets, Financial Statements of business segments, Compliance report(s) of all laws applicable to the Company, major legal issues, Minutes of the Board Meetings of Subsidiary Companies, Significant transactions and arrangements entered into by the unlisted Subsidiary Companies, presentations on Risk Management, transactions involving sale of Material nature of investments, Subsidiaries and Assets, details of joint ventures or collaborations, short-term borrowings, any other proposal from the Management regarding Mergers, Acquisitions and Restructuring of investments, etc.

The Senior Management of the Company make timely disclosures to the Board of Directors relating to all Material, Financial and Commercial transactions, where they have personal interest in any transaction or matter that may have a potential conflict with the interest of the Company.

The calendar of Meetings of the Board of Directors is decided in advance in consultation with the Board Members and the schedule for Meetings of the Board of Directors is published in the Annual Report.

- i. Four Board Meetings were held during the Financial Year 2018-19 and the gap between two Meetings did not exceed one hundred and twenty days. The dates on which the said Meetings were held are as follows:

23<sup>rd</sup> May, 2018, 10<sup>th</sup> August, 2018, 02<sup>nd</sup> November, 2018 and 06<sup>th</sup> February, 2019.

The necessary quorum was present for all the Meetings.

- ii. During the Financial Year 2018-19, information as mentioned in Schedule II Part A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, has been placed before the Board for its consideration.

The Company through periodical presentation to Board of Directors and various Committees of Directors provides an opportunity to Independent Directors to facilitate their active participation and familiarize themselves with the Company's business. The details of the familiarization programmes are also available on the website of the Company at [www.asl.net.in](http://www.asl.net.in).

The Company has an informal plan for orderly succession for appointment of the Board of Directors, Key Managerial Personnels and Senior Managements. All appointments to the Board of Directors and Senior Management areas per the Nomination and Remuneration Policy approved by the Board of Directors as available on the website of the Company at [www.asl.net.in](http://www.asl.net.in).

- iii. The Company has in place a system of preparation of the Legal Compliance Report on quarterly basis of all applicable laws to the Company, and also a system to ratify any instance of Non-Compliance. The Board also reviews the Compliance Report periodically.

The terms and conditions of appointment of Independent Directors are also available on Company's website: [www.asl.net.in](http://www.asl.net.in).

The Independent Directors have provided their declaration of Independence as per Section 149 (7) of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Details of Equity Shares of the Company held by the Directors as on March 31, 2019 are given below:

Name	Category of Director	Number of Equity Shares
Mr. Ashok Chhajer	Non Independent, Executive	1,23,09,147

Meeting of Independent Directors and Attendance Record:

Independent Directors meet at least once in a year to deal with matters listed out in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV to the Companies Act, 2013 which inter-alia includes, review the performance of Non-Independent Directors, Chairman and the Board as a whole and to assess the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary to perform the duties by the Board of Directors.

One Meeting of Independent Directors was held on 26<sup>th</sup> March, 2019.

Attendance Record of Meetings of Independent Directors:

Name of Director	Number of Meeting held	Eligible to Attend	Number of Meeting attended
Mr. Dinesh Babel	1	1	1
Mr. Virendra Mital	1	1	1
Mr. Vinayak Nalavde	1	1	1
Mrs. Vijayalakshmi R. Iyer	1	1	0
Mr. Raj Narain Bhardwaj	1	1	1

#### **Board Evaluation:**

The Companies Act, 2013 read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that the Board needs to undertake a formal Annual Evaluation of its own performance and that of its Committees and individual Directors. The Schedule IV of the Companies Act, 2013 read with the Rules issued there understates that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

Keeping in line with the SEBI Guidance Note issued in this respect and the acceptable parameters, the assessment sheets were finalized to evaluate the performance of the Board, Committees of the Board and individual performance of each Director including the Chairman.

The evaluation process was facilitated by the Chairman of the Nomination and Remuneration Committee. These assessment sheets for evaluation of performance of the Directors were prepared based on various aspects which, amongst other parameters, included the level of participation of the Directors, understanding of the roles and responsibilities of Directors, etc. The parameters for performance evaluation of Board includes composition of the Board, process of appointment to the Board of Directors, understanding the different roles and responsibilities of the Board, timeliness for circulating the board papers, content and the quality of information provided to the Board, attention to the Company's long term strategic issues, evaluating Strategic Risks, overseeing and guiding major plans of action, Acquisitions, Disinvestment, etc.

Some of the performance indicators for the Committees include understanding of the terms of reference, effectiveness of the discussions at the Committee Meetings, information provided to the Committee to discharge its duties and performance of the Committee vis-à-vis its responsibilities.

The Nomination and Remuneration Committee evaluates the performance of the Managing Director and Whole-time Executive Director against their performance criteria set for the same. The performance of the Independent Directors was also evaluated taking into account the time devoted and attention given to professional obligations for independent decision making and acting in the best interest of the Company, strategic guidance to the Company and help determine important policies, external expertise provided and independent judgment that contributes objectively in the Board's deliberation, particularly on issues of strategy, performance and conflict management.

The outcome of the evaluation exercise was discussed and deliberated at the respective Meetings of the Board of Directors and Committees of the Board.

#### 4. Director's Remuneration:

Details of Remuneration for the Financial Year ended 31<sup>st</sup> March, 2019 are as follows:

Name of Director	Salary and Allowance (₹in Lakhs)
Mr. Ashok Chhajer Chairman & Managing Director	56.32
Mr. Nimish Shah Whole-time Executive Director	40.43

There are no separate Stock Options or performance linked incentives payable to the Executive Directors/Managing Director. The complete break-up of the Remuneration paid to the Directors is also enclosed in MGT-9 (Extract of Annual Return) as attached to the Director Report.

Remuneration paid to Independent, Non-Executive Directors:

Name of Director	Sitting Fees (₹in Lakhs)
Mr. Dinesh Babel	4.90
Mr. Virendra Mital	4.70
Mr. Vinayak Nalavde	5.10
Mrs. Vijaylakshmi R. Iyer	2.30
Mr. Raj Narain Bhardwaj	4.70

There are no Stock Options or Commissions payable to Non-Executive/ Independent Directors of the Company.

#### 5. Committees of the Board:

##### A. Audit Committee:

The Board of Directors has constituted an Audit Committee of Directors in line with the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act 2013 and empowered the Committee to deal with all such matters which it may consider appropriate to perform as Audit Committee including items specified in Section 177 (4) of the Companies Act, 2013 (as may be modified/amended from time to time), items specified in Part C of Schedule II in SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 under the head role of Audit Committee (as may be modified/amended from time to time) and such matters as may be assigned from time to time by the Board of Directors.

The Chairman of the Audit Committee is an Independent Director of the Company.

Terms of reference:

- Over seeing Financial Reporting process and disclosure of Financial information, to ensure that the Financial Statements are correct, sufficient and credible;

- ii. Recommending appointment and removal of the Statutory Auditors, fixation of Audit fee and approval for payment of any other services;
- iii. Reviewing with the Management, the periodical Financial Statements including of Subsidiaries/Associates, in particular the investments made by the unlisted Subsidiaries of the Company, before submission to the Board for approval;
- iv. Reviewing with the Management and the Statutory and Internal Auditors, the adequacy of Internal Control Systems and recommending improvements to the Management;
- v. Reviewing the adequacy of Internal Audit function, approving Internal Audit plans and efficacy of the functions including the structure of the Internal Audit department, staffing, reporting structure, coverage and frequency of Internal Audit;
- vi. Discussion with Internal Auditor on any significant findings and follow-up thereon;
- vii. Reviewing the findings of any internal investigations by Internal Auditors into matters where there is suspected fraud or irregularity or failure of Internal Control Systems of a material nature and reporting the matter to the Board;
- viii. Discussion with Statutory Auditors before the Audit commences, about the nature and scope of Audit, as well as post-audit discussions to ascertain any area of concern;
- ix. Reviewing the Management Discussion and Analysis of financial condition and results of operations, statement of significant Related Party Transactions, Management letters/letter of Internal Control Weakness issued by Statutory Auditors, Internal Audit Reports etc;
- x. Reviewing the Company's Financial and Risk Management System;
- xi. Scrutiny of Inter-corporate Loans and Investments;
- xii. Reviewing any subsequent modification of transactions with the Related Parties;
- xiii. Reviewing the reasons for substantial defaults in the payments to the Depositors, Debentures holders, Shareholders (in case of non-payment of declared Dividends) and Creditors if any;
- xiv. Besides the Committee Members, Whole-time Executive Director, Chief Financial Officer and partners/other representatives of the firms of Statutory Auditors and Internal Auditors were also present at the Meetings to answer the queries raised by the Committee Members;
- xv. Establish a Vigil Mechanism for Directors and Employees to report genuine concerns in such manner as may be prescribed;
- xvi. The Chairman of Audit Committee was present at 35<sup>th</sup> Annual General Meeting of the Company held on 28<sup>th</sup> September, 2018;
- xvii. To perform such other function(s) as may be delegated by the Board from time to time;
- xviii. The Company Secretary acts as the Secretary of the Committee.

Five Audit Committee Meetings were held during the Financial Year 2018-19. These were held on 23<sup>rd</sup> May, 2018, 10<sup>th</sup> August, 2018, 14<sup>th</sup> September, 2018, 2<sup>nd</sup> November, 2018 and 6<sup>th</sup> February, 2019.

The Composition of the Audit Committee and the details of Meetings attended by its Members are given below:

<b>Name</b>	<b>Category</b>	<b>Number of Meetings during the Financial Year 2018-19</b>		
		<b>Held</b>	<b>Eligible to Attend</b>	<b>Attended</b>
*Mr. Dinesh Babel (Chairman)	Independent, Non-Executive	5	5	5
Mr. Virendra Mital	Independent, Non-Executive	4	4	4
Mr. Vinayak Nalavde	Independent, Non-Executive	5	5	4
Mr. Nimish Shah	Non-Independent, Executive	5	5	5

Mr. Dinesh Babel had resigned from the Company w.e.f. 31<sup>st</sup> march, 2019. Accordingly Mr. Vinayak Nalavde was appointed as the chairman of the Audit Committee of the Company w.e.f. 01<sup>st</sup> April, 2019.

## B. Nomination and Remuneration Committee:

The Board of Directors has constituted a Nomination and Remuneration Committee of Directors in line with the provisions of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with Section 178 of the Companies Act 2013. The role of the Committee is to perform all such matters as prescribed under the Companies Act, 2013 and Schedule II-Part D about Role of Nomination and Remuneration Committee of Directors under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which inter alia includes –recommendation to Board of Directors, the Remuneration Policy for the Company, formulation of criteria for performance evaluation of Directors, Board and Committee, appointment of Director, appointment and Remuneration of Whole-time Director, Key Managerial Personnels and Senior Management of the Company. The Committee will also deal with matters as may be assigned from time to time by the Board of Directors.

The Chairman of the Nomination and Remuneration Committee is an Independent Director.

Terms of reference:

- i. Determining Remuneration Policy of the Company;
- ii. Recommend to the Board the setup and composition of the Board and its Committees;
- iii. Recommend to the Board the appointment or reappointment of Directors;
- iv. Recommending Remuneration including periodic revision, performance bonus, incentives, commission, stock options, other services, perquisites and benefits payable to the Managing, Whole-time and other Director (s) Key Managerial Personnels and Senior Management of the Company including their relatives;
- v. Framing policies and fixation of compensation including salaries, incentives, bonuses, promotions, benefits, stock options and performance targets for executives of the Company;
- vi. Oversee familiarization programmes for Directors;
- vii. The Company does not have any Employee Stock Option Scheme;
- viii. The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee;
- ix. Performing such other duties and responsibilities as may be consistent with the provisions of the Committee charter;
- x. The Company Secretary acts as the Secretary of the Committee.

Four Nomination and Remuneration Committee Meetings were held during the Financial Year 2017-18. These were held on 23<sup>rd</sup> May, 2018, 10<sup>th</sup> August, 2018, 2<sup>nd</sup> November, 2018 and 6<sup>th</sup> February, 2019.

- xii Quorum: Every meeting of NRC being one-third of its total strength or two members, whichever is greater, including at least one independent director in attendance.
- xiii Frequency of Meeting: Nomination and Remuneration Committee to meet at least once a year.

The Composition of the Nomination and Remuneration Committee and the details of Meetings attended by its Members are given below:

<b>Name</b>	<b>Category</b>	<b>Number of Meetings during the Financial Year 2018-19</b>		
		<b>Held</b>	<b>Eligible to Attend</b>	<b>Attended</b>
Mrs. Vijaylakshmi R. Iyer (Chairperson)	Independent, Non-Executive	2	2	2
Mr. Dinesh Babel	Independent, Non-Executive	1	1	1
Mr. Raj Narain Bhardwaj	Independent, Non-Executive	4	4	4
Mr. Virendra Mital	Independent, Non-Executive	4	3	3

### C. Stakeholders' Relationship Committee:

The Board of Directors has constituted a Stakeholders' Relationship/Grievance Committee of Directors in line with the provisions of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with Section 178 of the Companies Act, 2013. The role of the Committee is to consider and resolve the Grievances of Security holders and perform such roles as may require under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Continuous efforts are made to ensure that Grievances are expeditiously redressed to the satisfaction of Investors. A status report of Shareholders complaints and redressal thereof is prepared and placed before Stakeholders' Relationship/Grievance Committee of Directors.

Terms of reference:

- i. The Committee looks into the Redressal of Shareholders'/Investors' Complaints/ Grievances pertaining to transfer or credit of Shares, non-receipt of Annual Reports, Dividend payments and other miscellaneous Complaints/ Grievances;
- ii. The Committee reviews performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of Investor services;
- iii. The Company Secretary acts as the Secretary of the Committee;
- iv. To specifically look into the various aspects of interest of shareholders, debenture holders and other security holders.
- v. Composition: Stakeholders Relationship Committee's composition to comprise of at least three directors, with at least one being an independent director.
- vi. Details of Investor Complaints received and redressed during the Financial 2018-19 are as follows:

Complaint at the beginning of the Year	Received during the Year	Disposed of during the Year	Unresolved as on 31 <sup>st</sup> March, 2019
Nil	Nil	Nil	Nil

- i. Name, designation and address of Compliance Officer:

Mr. Govind Rao

Company Secretary & Compliance Officer,

Arihant Superstructures Limited

Arihant Aura, 25<sup>th</sup> Floor, B-Wing, PlotNo.13/1,  
TTC Industrial Area, Thane Belapur Road,  
Turbhe, Navi Mumbai - 400705

Tel.: 022 - 62493333 Fax: 022 – 62493334

Four Stakeholder's and Relationship Committee Meetings were held during the Financial Year 2018-19. These were held on 23<sup>rd</sup> May, 2018, 10<sup>th</sup> August, 2018, 2<sup>nd</sup> November, 2018 and 6<sup>th</sup> February, 2019.

The Composition of the Stakeholders' Relationship Committee and the details of Meetings attended by its Members are given below:

Name	Category	Number of Meetings during the Financial Year 2018-19		
		Held	Eligible to Attend	Attended
Mr. Vinayak Nalavde (Chairman)	Independent, Non-Executive	4	4	4
Mr. Raj Narain Bhardwaj	Independent, Non-Executive	4	4	4
Mrs. Vijaylakshmi R. Iyer	Independent, Non-Executive	4	3	3

The Company is registered on the SCORES Platform as provided by SEBI.

#### D. Corporate Social Responsibility Committee:

The Board of Directors has constituted Corporate Social Responsibility Committee of Directors in line with the provisions of Section 135 of the Companies Act, 2013. The Role of the Committee is to formulate and recommend to the Board, a Corporate Social Responsibility Policy, recommend the amount of expenditure to be incurred on CSR Projects and Programmes and monitor them.

The extract of the CSR Policy along with the projects undertaken by the Company during the Financial Year 2018-19 is attached to the Directors Report of this Annual Report.

Terms of reference:

- i. Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in areas or subject, specified in Schedule VII of the Act;
- ii. Recommend the amount of expenditure to be incurred on the activities referred to above;
- iii. Monitor the CSR Policy of the Company from time to time;
- iv. The Company Secretary acts as the Secretary of the Committee.

Two Meetings of Corporate Social Responsibility Committee were held during the Financial Year 2018-19. These were held on 10<sup>th</sup> August, 2018 and 6<sup>th</sup> February, 2019.

The Composition of the CSR Committee and details of the Meeting attended by its Members are given below:

<b>Name</b>	<b>Category</b>	<b>Number of Meetings during the Financial Year 2018-19</b>		
		<b>Held</b>	<b>Eligible to Attend</b>	<b>Attended</b>
Mr. Dinesh Babel (Chairman)	Independent, Non-Executive	2	2	2
Mr. Vinayak Nalavde	Independent, Non-Executive	2	2	2
Mr. Ashok Chhajer	Non-Independent, Executive	2	2	2

#### 6. Other Non-Mandatory Committees:

##### i. Executive Committee:

The Executive Committee is responsible for undertaking regular, routine administrative decisions as may be required from time to time. The Executive Committee is ensuring that the decisions made by the Board of Directors are executed and reported back to the Board on a regular and systematic basis. The Executive Committee is required to work within the mandate and limits set by the Board of Directors from time to time.

Four Executive Committee Meetings were held during the Financial Year 2018-19. That was held on 10<sup>th</sup> April, 2018, 30<sup>th</sup> July, 2018, 3<sup>rd</sup> September, 2018 & 14<sup>th</sup> March, 2019.

The Composition of the Executive Committee and details of the Meeting attended by its Members are given below:

<b>Name</b>	<b>Category</b>	<b>Number of Meetings during the Financial Year 2017-18</b>		
		<b>Held</b>	<b>Eligible to Attend</b>	<b>Attended</b>
Mr. Ashok Chhajer	Non-Independent, Executive	4	4	4
Mr. Nimish Shah	Non-Independent, Executive	4	4	4
Mrs. Sangeeta Chhajer	Member	4	4	4

##### ii. Disinvestment Committee:

The Disinvestment Committee was constituted for the purpose of ensuring that any Disinvestment made by the Company in any of its Material / Non-material Subsidiaries, Associate Companies or LLPs or any other entities where the Company has a substantial stake is undertaken in a fair and transparent manner. The Disinvestment Committee works in tandem with the Audit Committee to ensure that any Disinvestments undertaken by the Company follow the laid-out standard operating procedures by the Board of Directors and on an Arms' Length Basis. The Composition of the Disinvestment Committee includes both Independent and Non-Independent Directors of the Company.

During the Financial Year 2018-19 no Meeting of the Disinvestment Committee was held.

The Composition of Disinvestment Committee of the Company as on 31<sup>st</sup> March, 2019:

Name	Category
Mr. Dinesh Babel (Chairman)	Independent Non-Executive
Mr. Vinayak Nalavde	Independent, Non-Executive
Mr. Nimish Shah	Non-Independent, Executive

**iii Insider Trading Compliance Committee:**

The Insider Trading Compliance Committee constituted on 10th August, 2018 to look into the matter of non-compliance of the Insider Trading Regulations & code of conduct. The Committee met on 14th September, 2018 for matters related to the non-compliance of the regulations by Mr. Dinesh Babel. It has submitted its report to the Board of Directors & SEBI for the same. Committee has recommended a penalty of Rs. 1,50,000/- on Mr. Dinesh Babel.

The Composition of Insider Trading Compliance Committee of the Company as on 31st March, 2019:

Name	Category
Mr. Virendra Mital (Chairman)	Independent Non-Executive
Mr. Vinayak Nalavde	Independent, Non-Executive
Mr. Nimish Shah	Non-Independent, Executive

**7. General Body Meeting: Annual General Meeting:**

**a) Information about last three Annual General Meetings:**

Year	AGM	Date	Time	Location
2016	33 <sup>rd</sup> AGM	20.09.2016	11: 00A.M.	Hotel,The Regenza byTunga, Plot No 37, Sector 30A,Vashi, Navi Mumbai - 400703
2017	34 <sup>th</sup> AGM	30.09.2017	12:00 Noon	Hotel,The Regenza byTunga, Plot No 37, Sector 30A,Vashi, Navi Mumbai - 400703
2018	35th AGM	28.09.2018	10:30 A.M.	“Arihant Aura” B-Wing plot No. 13/1, TTC Industrial Area, Thane Belapur Road, turbhe, Navi Mumbai-400705

**b) Information about Special Resolutions passed in previous three Annual General Meetings:**

Year	AGM	Date	Particulars of Resolution Passed
2016	33 <sup>rd</sup>	20.09.2016	To fix the Remuneration of Mr. Nimish Shah (DIN: 03036904), Whole-time Executive Director of the Company.
2016	33 <sup>rd</sup>	20.09.2016	To take the Approval of Shareholders for Material Related Party Transactions.
2016	33 <sup>rd</sup>	20.09.2016	To approve the Remuneration paid/payable to Mr. Dinkar Samant (DIN: 00023459), Whole-time Executive Director of the Company from 1 <sup>st</sup> April, 2016 till 20 <sup>th</sup> September, 2016.
2016	33 <sup>rd</sup>	20.09.2016	To approve the Remuneration paid to Mr. Rajesh Agarwal (DIN: 07327161), Additional Whole-time Executive Director of the Company from 01 <sup>st</sup> November, 2015 till 24 <sup>th</sup> July, 2016.
2017	34 <sup>th</sup>	30.09.2017	No Special Resolution was passed.
2018	35th	28.09.2018	Reappointment of Mrs. Vijayalakshmi R. Iyer (DIN: 05242960) as an Independent Women Director of the Company.
2018	35 <sup>th</sup>	28.09.2018	Re-appointment of Mr. Ashok Chhajer (DIN: 01965094) as the Chairman & Managing Director of the Company.

**c) Extra Ordinary General Meeting:**

No Extraordinary General Meeting of the Members was held during the Financial Year 2018-19.

d) Postal Ballot:

**Information about Special Resolutions passed in Postal Ballot conducted during the Financial Year 2018-19:**

<b>Postal Ballot Result Date</b>	<b>Particulars of Resolution Passed</b>
23.05.2018	To raise funds upto an amount not exceeding Rs. 300 Crores including premium if any; through issue of Securities. To approve the Remuneration of Mr. Nimish Shah (DIN: 03036904), Whole-time Executive Director of the Company. To approve the Remuneration of Mr. Ashok Chhajer (DIN: 01965094) Managing Director of the Company. To consider and approve the appointment of Mr. Virendra Mital (DIN: 00376830) as an Independent Director of the Company. To approve the proposed Material Related Party Transactions. To approve the Material Related Party Transaction for providing Corporate Guarantee to the Subsidiary Company, Arihant Vatika Realty Private Limited.
06.02.2019	To consider and approve the re-appointment of Mr. Vinayak Nalavde (DIN: 02047436) as an Independent Director of the Company for the 2nd term of five (5) years commencing from 01st April, 2019 pursuant to provision of Section 149 (1) and as per Regulation 17(1A) SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. To consider and approve the matter of revision in remuneration of Mr. Ashok Chhajer (DIN: 01965094) Chairman and Managing Director of the Company.

CS Rachana Shanbhag, RHS & Associates, Company Secretaries in Practice, Mumbai was appointed as the Scrutinizer for the purpose of the said Postal Ballot. The Company provided e-voting facility to all members for Postal Ballot. The Company sends notice through electronic & physical mode along with the Postal Ballot form for Members assent/dissent. The Results of above mentioned Postal Ballot is disclosed to the BSE & NSE and the same is also available on the website of the Company [www.asl.net.in](http://www.asl.net.in).

**8. Disclosures:**

i. Related Party Transaction:

None of the transactions with any of the Related Parties were in conflict with the interest of the Company. Details of transactions with Related Parties are disclosed in notes to the Accounts in this Annual Report. All Related Party transactions are negotiated at Arms' Length Basis and are only intended to further the interest of the Company. The Company has a Related Party Transaction Policy to determine the basis and means of entering into Related Party Transactions (in ordinary course of business or otherwise). The Audit Committee approves all the Related Party Transactions undertaken by the Company. Any recurring and routine Related Party Transactions are granted Omnibus Approval for every Financial Year, by the Audit Committee. However, all transactions covered under Omnibus Approval are also placed and approved subsequently by the Audit Committee. Any Material Related Party Transactions, i.e. Related Party Transactions exceeding 10% of the Consolidated Annual Turnover of the Company, are undertaken only pursuant to the approval of the Shareholders in a General Meeting/through Postal Ballot.

ii. Compliances:

The Company has complied with all the mandatory requirements specified in SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The Company has also complied with mandatory and Non-Mandatory applicable rules and regulations prescribed by Stock Exchanges, SEBI or any other Statutory Authority relating to the Capital Markets. All returns/reports were filed with Stock Exchanges/other Authorities. The Company further strives and has obtained unmodified Audit opinion on Financial Statement for the Financial Year 2018-19. Further the Internal Auditor has access and report to the Audit Committee.

iii. Reconciliation of Share Capital Audit:

M/s D. A. Kamat & Co. Practicing Company Secretaries carried out a Share Capital Audit to reconcile the total admitted Equity Share Capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed Equity Share Capital. The Audit report confirms that the total issued/paid-up capital is in agreement with the total number of Shares in Physical form and the total number of Dematerialized Shares held with NSDL and CDSL.

iv. Code of Conduct:

The Members of the Board, Key Managerial Personnels and Senior Management have affirmed the Compliance with Code applicable to them during the Financial Year 2018-19. The Annual Report of the Company contains a Certificate by the Managing Director in terms of SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015 on the compliance declarations received from Independent Directors, Non-executive Directors, Key Managerial Personnels and Senior Management.

All Directors and the designated Employees have confirmed compliance with the Code.

*However, it was observed by Compliance Officer of the Company that during the year there has been violation of SEBI (Prohibition of Insider Trading) Regulations, 2015 and Companies' Code of Conduct by Mr. Dinesh Babel, Independent Director of the Company. Immediately, same was informed to the Board members in the Board meeting held on 10th August, 2018 and accordingly the Board had constituted the Insider Trading Compliances Committee for investigating the said matter and to submit their report to the Board of Directors and SEBI.*

**9. Vigil Mechanism and Whistle Blower Policy:**

The Company has put in place a Whistle Blower Policy to provide an open and transparent working environment and to promote responsible and secure Whistle Blowing System for Directors and Employees of the Company to raise concern. The Policy broadly cover instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct, alteration of documents, fraudulent financial reporting, misappropriation/misuse of Company's assets, manipulation of Company's data, pilferage of proprietary information, abuse of authority, etc. The Policy provides adequate safeguard against victimization of Director(s)/Employee(s) who raise the concern and have access to the Chairman of Audit Committee who is entrusted to oversee the Whistle Blower Mechanism. The Policy is available on the website of the Company at [www.asl.net.in](http://www.asl.net.in). Further, no Personnel have been denied access to the Audit Committee during the Financial Year under review.

**10. Subsidiaries Companies:**

The Subsidiaries of the Company are as follows:

- i. Arihant Abode Limited.
- ii. Arihant Vatika Realty Private Limited.
- iii. Arihant Gruhnirman Private Limited.
- iv. Arihant Aashiyana Private Limited.

The Audit Committee reviews the Consolidated Financial Statements of the Company, Financial Statements of the unlisted Subsidiary Companies and the investments made by its unlisted Subsidiary Companies. The Minutes of the Board Meetings along with a report on significant developments and transactions of the unlisted Subsidiary Companies are periodically placed before the Board of Directors of the Company.

Arihant Aashiyana Private Limited & Arihant Vatika Realty Private Limited are the material unlisted Subsidiaries of the Company. Further the Company has appointed one Independent Director in each of these subsidiaries.

The Company has a policy for determining 'Material Subsidiaries' which is disclosed on its website [www.asl.net.in](http://www.asl.net.in).

**11. Means of Communication:**

The Company regularly intimates in formation like Quarterly/Half yearly/Annually Financial Results, updates and outcomes of Board and General Meetings, Investor and Earnings Presentation (Invitations and Outcomes) and media releases on significant developments in the Company to the Stock Exchanges. The Financial Results are normally published in Free Press Journal (English) and Navshakti (Marathi) Newspapers. All updates are also uploaded on the website of the Company on [www.asl.net.in](http://www.asl.net.in).

Website and Exclusive Designated E-mail id:

The Company's website [www.asl.net.in](http://www.asl.net.in) has a separate dedicated section namely "**Investors**" where all the information relating to Shareholders are available (including the Annual Report) and to enable Investors to register their queries and/or Grievances, the Company has dedicated an exclusive e-mail [investor@asl.net.in](mailto:investor@asl.net.in). All investors are requested to avail this facility.

Further the Policies of Companies required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are available at <http://www.asl.net.in/corporate-governance-report.html>.

## 12. Skills/Expertise/Competence of The Board Of Directors:

- A. The Directors of your Company are from diverse fields and have expertise and long standing experience and expert knowledge in their respective fields which are relevant and of considerable value for the Company's business growth. The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and sector(s) for it to function effectively:
  - i. Knowledge of the industry in which the Company operates;
  - ii. Knowledge on Company's businesses & major risks;
  - iii. Behavioural skills - attributes & competencies to use their knowledge and skills to contribute effectively to the growth of the Company;
  - iv. Understanding of socio-political, economic and legal & Regulatory environment;
  - v. Corporate Social Responsibility;
  - vi. Business Strategy, Sales & Marketing;
  - vii. Corporate Governance, Administration; and
  - viii. Financial Control, Risk Management.
- B. The Independent Directors of your Company fulfill the conditions as specified in SEBI Listing Regulations and the Companies Act, 2013 and are independent of the management.

## 13. Auditor's remuneration:

Total fees paid by the Company and its subsidiaries for all the services, during FY 2018-19, on a consolidated basis, to the Statutory Auditors of the Company and all entities in the network firm / network entity of which the Statutory Auditors is a part is given herein below:

Particulars	Amount (In Lakhs)
1) For Audit	9.40
2) For Limited Review	7.27
<b>Total</b>	<b>15.67</b>

## 14. General Shareholder's Information:

### a) Annual General Meeting:

Day: Thursday

Date: 26<sup>th</sup> September, 2019

Time: 10:30A.M.

Venue: The Regenza by Tunga, plot No. 37, Sector 37, Sector 30A, Vashi, Navi Mumbai-400703.

### b) Financial Calendar:

The Financial Calendar of the Company is from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020.

Board Meetings for Quarterly Results:

(Tentative and subject to change)

Quarter ended	Latest by
30 <sup>th</sup> June,2019	14 <sup>th</sup> August,2019
30 <sup>th</sup> September,2019	13 <sup>th</sup> November, 2019
31 <sup>st</sup> December,2019	14 <sup>th</sup> February, 2020
31 <sup>st</sup> March,2020	30 <sup>th</sup> May,2020

**c) Book Closure Dates:**

From 20<sup>th</sup> September, 2019 to 26<sup>th</sup> September, 2019 (both days inclusive).

**d) Dividend Payment Date:**

Dividend will be paid within 30 days of the approval of the same in the Annual General Meeting.

**e) Liquidity of Shares:**

The Equity Shares of the Company are listed on the BSE Limited and on National Stock Exchange of India Limited. The Shares of the Company are currently traded under the B Group Category. The Company has paid the listing fees to both the Stock Exchanges for the Financial Year 2018-19 and 2019-20.

**f) Listing of Equity Shares on Stock Exchanges:**

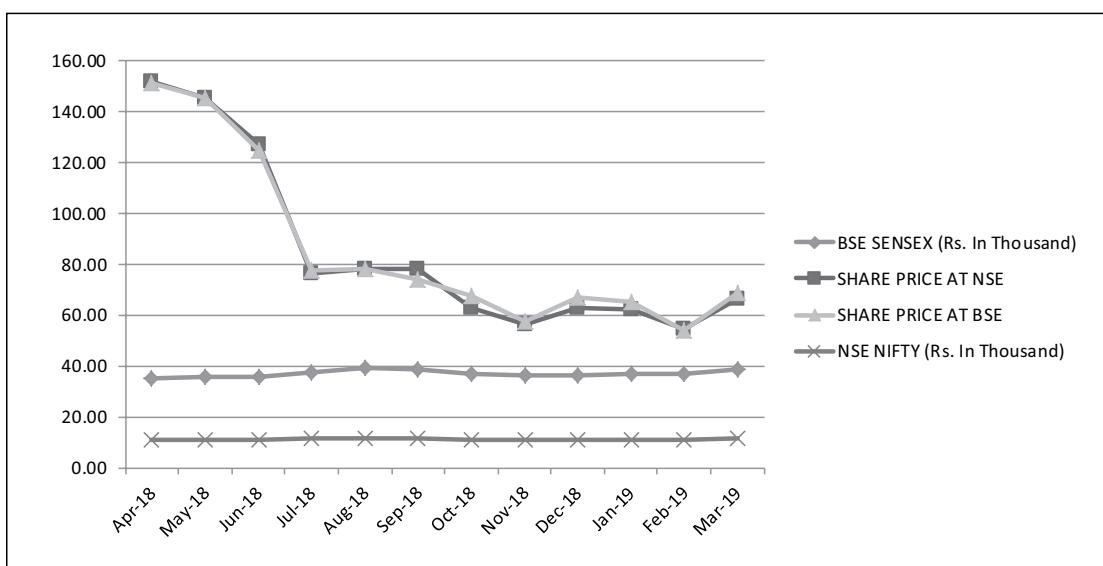
Name and Address of Stock Exchanges	BSE Limited Phiroze Jeejee bhoy Towers, Dalal Street, Mumbai - 400 001	National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051
ISIN	INE643K01018	INE643K01018
Scrip Code/Symbol	506194	ARIHANTSUP
Class/Series	Equity	EQ

**g) Stock Price Data:**

**Share Price (in Rs.)**

Month	BSE Limited		National Stock Exchange of India Limited	
	High Price	Low Price	High Price	Low Price
Apr-18	151.45	112	152	112.6
May-18	145.5	111	145.4	112.8
Jun-18	125	71.7	126.9	70.2
Jul-18	77.8	61.3	76.7	60.95
Aug-18	77.95	64.1	78	63.55
Sep-18	73.95	57.3	78	57.05
Oct-18	67.5	49.7	63	47
Nov-18	57.45	46.6	56.3	46.2
Dec-18	67	48	62.9	47.15
Jan-19	65	49.6	62	50.25
Feb-19	54	45	54.5	45.5
Mar-19	68.95	48.3	66.3	48.25

**Stock Performance:**



**h) Registrar and Transfer Agent:**

**Adroit Corporate Services Private Limited**  
19/20, Jaffer bhoy Industrial Estate, 1st Floor,  
Makwana Road, Marol Naka, Andheri (East),  
Mumbai 400059

**i) Share Transfer Mechanism:**

The Equity Shares of the Company being in compulsory Dematerialized form are transferable through the Depository system. Shares in Physical form should be lodged for transfer with the office of the Company's Registrar and Transfer Agent. Transfers are processed if technically found to be in order and complete in all respects.

Distribution of Equity Shareholding as on 31<sup>st</sup> March, 2019:

No. of Equity Shares held	No. of Shareholders	%age of Shareholders	No. of Shares held	%age of Shareholding
Upto 100	2126	50.28	86650	0.21
101-500	1275	30.16	347733	0.84
501-1000	347	8.21	273982	0.67
1001-2000	188	4.45	275868	0.67
2001-3000	55	1.30	142730	0.35
3001-4000	35	0.83	126489	0.31
4001-5000	34	0.80	160685	0.39
5001-10000	62	1.47	480300	1.17
10001 -20000	38	0.90	519076	1.26
20001-50000	27	0.64	1027392	2.50
50001 & above	41	0.97	37719086	91.64
<b>Total</b>	<b>4228</b>	<b>100.00</b>	<b>41159991</b>	<b>100.00</b>

**Category of Shareholders as on 31<sup>st</sup> March, 2019:**

Category	No. of Shareholders	%age of Shareholders	No. of Shares held	%age of Shareholding
Residential Individuals	3875	91.65	4327634	10.51
Non Resident Indians (Individuals)	124	2.93	317634	0.77
Corporate Bodies	174	4.12	3217146	7.82
Mutual Funds	3	0.07	2032675	4.94
Banks	1	0.02	19872	0.05
Director (Promoter)	3	0.07	18309147	44.48
Director Relatives	2	0.05	89862	0.22
Promoters	5	0.12	12207552	29.66
Financial Institutions	1	0.02	51186	0.12
Foreign Institutional Investors	1	0.02	70775	0.17
Clearing Members	35	0.83	126481	0.31
Corporate Body- Broker	1	0.02	3950	0.01
Investor Education and Protection Fund	1	0.02	250	0.00
Foreign Portfolio Investors	2	0.05	385827	0.94
<b>Total</b>	<b>4228</b>	<b>100.00</b>	<b>41159991</b>	<b>100.00</b>

**j) Dematerialization of Shares:**

The Shares of the Company are in compulsory Dematerialized segment and are available for trading in depository system of both National Securities Depository Limited and Central Depository Services (India) Limited. As on 31<sup>st</sup> March, 2019 41,107,931 Equity Shares (constituting 99.87 %) were in Dematerialized form.

**k) Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund (IEPF):**

Pursuant to Sections 123, 124 and 125 of the Companies Act, 2013 and other applicable provisions, if any, of the Act, all unclaimed/unpaid Dividend, Application money, Debenture interest and interest on Deposits as well as the principal amount of Debentures and Deposits, as applicable, remaining unclaimed/unpaid for a period of Seven Years from the date they became due for payment, in relation to the Company, Arihant Superstructures Ltd. Have been transferred to the IEPF established by the Central Government. No claim shall lie against the IEPF or the Company for The amounts so transferred prior to March 31, 2019 nor shall any payment be made in respect of such claims. Members who have not yet encashed their Dividend Warrant (s) pertaining to the Final Dividend for the Financial Year 2011-12 onwards are requested to make their claims without any delay to Company's Registrars and Transfer Agent. Pursuant to the provisions of IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company at [www.asl.net.in](http://www.asl.net.in).

The Company is under process to transfer an Amount of Rs. 1492.20 for the Financial Year 2010-11 being unclaimed/unpaid Dividend as on 12<sup>th</sup> August, 2019 to IEPF under Section 124(5) and Section 125(1) of Companies Act, 2013.

The following table gives information relating to outstanding Dividend accounts and the dates by which they can be claimed by the Shareholders:

<b>Financial Year</b>	<b>Date of declaration of Dividend</b>	<b>Last Date for claiming unpaid/ unclaimed Dividend</b>
2011-12	September 22, 2012	September 21, 2019
2012-13	September 26, 2013	September 25, 2020
2013-14	September 25 2014	September 24, 2021
2014-15	September 25, 2015	September 24, 2022
2015-16	September 20, 2016	September 19, 2023
2016-17	September 30, 2017	September 29, 2024
2017-18	September 28, 2018	September 27, 2025

Further, pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the IEPF Rules, all Shares on which the Dividend has not been paid or claimed for Seven Consecutive Years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs, in due course. In accordance with the IEPF Rules, after dispatching notices and publishing Newspaper Advertisement in this regard the Company has transferred 250 Equity Shares pertaining to Financial Year 2008-09 to the IEPF Authority. The Shareholders whose Dividend/Shares is/are will be transferred to the IEPF Authority can claim the same from the IEPF Authority by following the procedure as detailed on the website of the IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.

**l) Address for Investor Correspondence:**

For Transfer/Dematerialization of Shares, payment of Dividend on Shares and any other queries relating to the Shares, the Investors may contact the Registrar and Transfer Agents on:

Adroit Corporate Services Private Limited  
 19/20, Jaffer bhoy Industrial Estate, 1<sup>st</sup> Floor,  
 Makwana Road, Marol Naka, Andheri (East), Mumbai 400 059  
 Telephone : 022-28594060/022-40052115  
 Fax: 022 – 28503748  
 Email: [info@adroitcorporate.com](mailto:info@adroitcorporate.com)  
 Website: [www.adroitcorporate.com](http://www.adroitcorporate.com)

**m) Details of penalties imposed by Stock Exchange or SEBI:**

No penalties have been imposed by Stock Exchanges or SEBI during the Financial Year 2018-19.

**For and on behalf of the Board of Directors**  
**Arihant Superstructures Limited**

**Ashok Chhajer**  
**Chairman & Managing Director**  
**DIN: 01965094**

**Place: Navi Mumbai**  
**Date: August 12, 2019**

## Green Initiative in Corporate Governance

Dear Shareholders,

As a responsible corporate citizen, your Company welcomes and supports the ‘Green Initiative in Corporate Governance’ the initiative taken by the Ministry of Corporate Affairs, Government of India, vide its Circular nos. 17/2011 dated 21st April, 2011 and 18/2011 dated 29th April, 2011 by virtue of which Companies are now permitted to send the documents, such as Notices convening General Meetings, Audited Financial Statements, Directors’ Report, Auditors’ Report, etc. through electronic mode on the e-mail address of the Shareholders/Members.

Accordingly, we would like to take this opportunity to inform you that as per ‘Green Initiative’, Companies are permitted to send Annual Reports, Balance Sheets and other related documents to their Members through the electronic mode on their e-mail addresses as registered with the Company.

Pursuant to the same, your Company proposes to send the documents including Annual Report in electronic form at their e-mail addresses. We hereby request the Members to inform the Company or Company’s Registrar and Transfer Agent about their e-mail addresses or any changes in their already registered e-mail addresses with the Company. The Company will continue to provide an option to the Members to continue to receive physical copies of the relevant documents / Annual Report, provided a specific request/response is received from them to that effect.

Members, who have not registered their e-mail addresses so far, are requested to register their e-mail addresses by sending an email at **info@adroitcorporate.com** or **investor@asl.net.in**, mentioning your **DP ID, Client ID or Registered Folio Number** with the message “Save paper”. Your mail will be considered as an affirmation and accordingly the above mentioned documents will be sent to you in electronic form.

In case we do not receive any mail from you, then the Company will send you physical copy of the said documents.

The Annual Report will also be displayed on Company’s website **www.asl.net.in** in due course of time.

Please note that you will be entitled to be furnished, free of cost, with a copy of the Annual Report upon receipt of a requisition from you, any time, as a member of the Company.

Looking forward to your co-operation in the protection of our Environment.

**For and on behalf of the Board of Directors**  
**Arihant Superstructures Limited**

**Ashok Chhajer**  
**Chairman & Managing Director**  
**DIN: 01965094**

**Place: Navi Mumbai**  
**Date: August 12, 2019**

## CEO & CFO CERTIFICATION

To

The Board of Directors

### Arihant Superstructures Limited

We, Ashok Chhajer, Chairman & Managing Director and Pradeep Mehta, Chief Financial Officer of Arihant Superstructures Limited ('the Company') to the best of our knowledge & belief certify that:

- (A) We have reviewed Financial Statements and the Cash Flow Statement for the Financial Year ended 31st March, 2019 and that to the best of their knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing 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 responsibility for establishing and maintaining Internal Controls for Financial Reporting and that we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to Financial Reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (D) We have indicated to the Auditors and the Audit committee that:
- (i) there were no significant changes in Internal Control over Financial Reporting during the year;
  - (ii) The Company is following Accounting Policy based on Indian Accounting Standards as applicable to the Company.
  - (iii) there were no instances of fraud of which we have become aware and the involvement therein of the Management or an Employee having a significant role in the Company's Internal Control System over Financial Reporting.

Place: Navi Mumbai  
Date: May 27<sup>th</sup>, 2019

**Ashok Chhajer**  
**Chairman & Managing Director**  
(DIN: 01965094)

**Pradeep Mehta**  
**Chief Financial Officer**

## DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

All the Members of the Board and Senior Management Personnel of the Company have affirmed due observance of the Code of Conduct, framed pursuant to Schedule V(D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in so far as it is applicable to them and there is no other Non-compliance thereof other than those stated in the Directors' Report, during the Financial Year ended 31st March, 2019.

**For and on behalf of the Board of Directors**  
**Arihant Superstructures Limited**

Place: Navi Mumbai  
Date: August 12, 2019

**Ashok Chhajer**  
**Chairman & Managing Director**  
DIN: 01965094

## **CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members,

Arihant Superstructures Limited

1. We, D. A. Kamat & Co, Company Secretaries in Practice, have examined the Compliance of conditions of Corporate Governance by Arihant Superstructures Limited (“the Company”), for the Financial Year ended on 31st March, 2019, 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 Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of Internal Control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.
3. Our responsibility is limited to examining 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.
4. We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the Compliance with Corporate Governance requirements by the Company.

5. Based on our examination of the relevant records and according to the information and explanations provided to us and there presentations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance 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 Listing Regulations during the Year ended March 31, 2019.

*(During the year there has been transactions undertaken by Mr. Dinesh Babel, Independent Director, violating the provisions of SEBI Insider trading Regulations and Company's Code of Conduct.)*

6. 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.

**For D.A. Kamat & Co.  
Company Secretaries**

**D.A. Kamat  
Partner**

FCS No. 3843

CP No. 4965

FRN : P2002MH045900

**Place: Mumbai**

**Date: August 12, 2019**

## MANAGEMENT DISCUSSION AND ANALYSIS

### Global economic overview

As per the World Bank, Global economic growth is projected to soften from a downwardly revised 3 percent in 2018 to 2.9 percent in 2019 amid rising downside risks to the outlook. International trade and manufacturing activity have softened, trade tensions remain elevated, and some large emerging markets have experienced substantial financial market pressures.

Growth among advanced economies is forecast to drop to 2 percent this year, the January 2019 Global Economic Prospects report says. Slowing external demand, rising borrowing costs, and persistent policy uncertainties are expected to weigh on the outlook for emerging market and developing economies. Growth for emerging market and developing companies is anticipated to hold steady at a weaker-than-expected 4.2 percent this year.

The World Bank reports India's economy grew by 7.2 per cent in 2018-19 in contrast to the recent Indian Central Statistical Office (CSO) estimate of only 6.8 per cent growth during the period. A slowdown in government consumption was offset by solid investment, which benefited from public infrastructure spending

The Bank's Economic Prospects Report, June 2019 forecast India's economy to grow by 7.5 percent during this and the next two fiscal years; will retains its top spot as the fastest growing major economy. It would be helped by a "more accommodative monetary policy" and low inflation, it said.

India's growth forecast is the brightest spot in a grim forecast for the world economy.

**Source:** World Bank report

### Indian economic overview

Today India is ranked the seventh largest economy, and third largest in terms of Purchasing Power Parity (PPP). The Indian economy's GDP is pegged at \$ 2.9 tn.

Last two years, India's GDP is estimated to have increased 7.2 percent in 2017-18 and around 7 to 7.2 percent in 2018-19. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's gross domestic product (GDP) is expected to reach US\$ 5 trillion by FY25 and achieve upper-middle income status on the back of digitization, globalization, favorable demographics, and reforms as stated by the Hon. Finance Minister during the budget speech on 5<sup>th</sup> July 2019.

India's revenue receipts are estimated to touch Rs 28-30 trillion (US\$ 385-412 billion) in 2019-20, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST).

### Real estate industry in India

Backed by positive economic fundamentals, healthy demand and quality supply infusion across sectors, India's real estate sector is poised for strong growth in 2019-20

- Residential – Sales and new launches expected to improve; affordable and mid segment to lead amidst government initiatives and developer realignment of product-mix
- Office – After a landmark 2018, the sector is looking forward to another strong year as new sources of demand emerge and quality supply enters the market.
- Retail - Almost 10-12 million sq. ft. of supply is expected this year, even as experiential retail and omni-channel will continue to redefine the sector.
- Industrial / Logistics – Close to 60 million sq. ft. of new space will be added till 2020; the share of grade A supply is expected to increase.
- Capital Markets – Appetite for Greenfield might strengthen; core assets will also continue to be favoured; due diligence and counter-party credibility to come into sharper focus.

Various policy measures were undertaken in 2018, most of which were follow ups to measures already undertaken in 2017, to ensure that the full intended benefit of these measures was achieved. The first two months of CY2019 have also been fairly active and saw revisions in several policy initiatives as the government focused on meeting end-user and industry expectations. The table that follows highlights the key policy reforms undertaken by the government in recent times.

**Table 1-1: Policy Initiatives**

Policy Initiatives	Key Highlights	Expected Impact
GST rate cuts change in definition of affordable housing	<p>GST Rates - Non-Affordable Housing 5% on under-construction properties with no input tax credit (ITC), no GST on completed projects</p> <p>GST Rates - Affordable Housing 1% on under-construction property with no ITC, no GST on completed projects</p>	Having a standard tax will allow for simplicity in compliance processes and should result in limited tax leakages. There could be an increase in cost due to no ITC for developers (particularly for affordable housing projects), however this could be offset by an increase in sales volume.
Affordable Housing	<p>Change in definition of affordable housing: 60 sq. m. in metropolitan cities (NCR including Delhi, Noida, Greater Noida, Ghaziabad, Gurgaon and Faridabad), Bangalore, Mumbai – MMR region, Chennai, Hyderabad and Kolkata) having value up to INR 4.5 million</p> <p>90 sq. m. in non-metropolitan cities / towns with value up to INR 4.5 million.</p>	Relaxing the carpet area for affordable housing means that a significant majority of the country's residential stock now falls in the 1% GST category (higher in tier II cities, lower for the major tier I cities), which will augur well for the government's programme of building housing for all by 2022.

Source: CBRE India real estate report

### Brief organizational background

Arihant Superstructures is one of the leading developers in Mumbai Metropolitan Region and Jodhpur. Both these locations are witnessing rapid development on back of several government led initiatives. Arihant has been present in both these regions for a sizable period. Till date, the Arihant Group has delivered 9000 homes worth 7.5 msf across 50+ projects over past 25 years. With the government's current focus on affordable housing through initiatives like 'Housing for all by 2022', Arihant would be a major beneficiary.

While Arihant is present across all segments of the market, our main focus remains on the mid and affordable housing segments. The affordable housing segment accounts for 54% of the area of our project portfolio as on date. The other two segments catered to by the company are the Middle and Upper-Medium Income real estate segments.

Arihant's project selection process entails a targeted population matrix segregated between the affordable housing (INR 2000-4000 per sq ft), middle-income **housing** segment group (INR 4000-7000 per sq ft) and upper-middle-income **housing** segment (INR 8000 per sq ft). This enables the company to complement the demand supply for individual segment and have a market share in each segment. Within the real estate sector, land acquisition is a major concern due to rising land prices as well as the litigious nature of acquisition which makes the process cumbersome and time consuming. Arihant's long standing presence in the real-estate industry space has allowed for the creation of a land bank at low historical prices and land owners are more favourably inclined towards Arihant. A few of our projects are facilitated through joint ventures with the land owners in an asset light model.

Arihant keeps critical activities such as design, engineering and sales-marketing in-house while it outsources labour and building equipment to third party vendors. For Arihant Aspire, we have engaged Capacite Infra Projects Ltd which is among the leaders in project execution.

Currently, Arihant has a total of seventeen on-going projects amounting to 13.78 million square feet (msf). Of these, eleven on-going projects are in Mumbai which amount to 8.3 msf (i.e 9129 units) and the remaining six on-going projects are in Jodhpur and amount to 5.4 msf (i.e 4528 units). The company is looking to complete majority of these projects over the next six years by FY25. In Mumbai MMR, Arihant has consciously initiated projects at different locations which fall under different local bodies which reduces the risk of approval process and the risk to revenue from location concentration is mitigated.

### **People - The Human Resource**

The employee base is one of the key driving forces behind the successful functioning of Arihant. Our prudent hiring processes have allowed us to attract the right kind of talent which has put us in position to achieve our strategic goals as a company. The current overall strength of the company stands at 256 as of 31<sup>st</sup> March 2019.

The company feels strongly about honing the talent it attracts. Arihant believes that regular engagement programs at all designation levels can help bring out the maximum potential in our employees. The company has set aside dedicated days to provide developmental training programs to employees. Additionally, the company has conceptualised and implemented a program to fast-track the growth of those fresh-hires & junior level employees who have shown exemplary performance.

A self-motivated workforce is a well-functioning workforce. The company appraises the performance of individual employees and provides recognition & reward to the stand-out performers. This has helped us build a productive office environment and has aided the company in achieving its growth targets.

### **Awards and Recognitions**

#### **Awards**

- “Real Estate Leadership” Award, by Hurun Report India, 2019
- “ET Business Icon Award”, Trusted Brand in Real Estate, by Economic Times, 2019
- “Affordable Housing Project of the Year award” award by MCHI-CREDAI, 2018
- “Affordable Low Cost Quality Housing” award by Economic Times, 2018

#### **Project Recognition**

- Iconic Award for Arihant Aspire by Radio City, Sept 2018
- IGBC Pre Certified Platinum Rating for Arihant Aspire project, July 2018

#### **Operational Highlights:**

Our company reported revenues of INR 2422 mn for FY19 as compared to INR 1893 mn in FY18 growth of 28% in topline. We reported an EBITDA of INR 569.48 mn in FY 19 and recorded growth of 48 % as compare to INR384.91 Mn in FY 18 and net profit of INR 137 mn for FY 19 with the growth of 9% as compare to INR 125.66 in FY18 which resulted in margins of 23.51 pct and 5.64 pct respectively. Company has come out from demonetization effect phase on real estate sector and continuing its growth story on year on year basis. New Lands were acquired at a prime location in Panvel and launched Arihant Amber project at Taloja. ASL's taken new initiative of Revenue through implementation of First Development Management Model project (3 Anaika) during the financial year.

We achieved sales of 706 units across both Mumbai MMR (603) and Jodhpur (103) at an average realization of INR 4,310 per sq. ft. Our Standard Operating Procedures for the last two decades were similar to the provisions of RERA especially our discipline in utilization of funds for construction. This resulted in timely completion of projects. In FY19, ASL delivered 723 Units completed homes across various projects. New launch of Project has shown encouraging results to the company during the year. Mega events during the years have seen average incremental footfalls at project sites.

In FY19, ASL launched 372 units, 284, 349 sq. ft across MMR/Navi Mumbai and Jodhpur as follows:

- Arihant 3Anaika (264 units) (Sept, 2018)
- Arihant Amber (71 units) (Dec, 2018)
- Arihant Aarohi Phase 2 (38 units) (Mar, 2019)

## Financial Highlights

INR Mn (except as stated)	FY19	FY18	Amount-Increase/ Decrease	Amount-Increase/ Decrease
Total Revenue	2422.09	1892.52	529.57	28%
Total Expenditure	1852.61	1507.61	345	23%
EBITDA	569.48	384.91	184.57	48%
EBITDA Margin (%)	23.51	20.34	3.17	3.17
Interest	323.65	150.1	173.55	116%
Depreciation	18.6	13.36	5.24	39%
PBT	227.23	221.45	5.78	3%
Tax	43.96	74.96	-31	-41%
PAT	183.27	146.49	36.78	25%
PAT Margin (%)	7.57	7.74	-0.17	-0.17
Minority Interest	46.71	20.83	25.88	124%
Attributable PAT	136.56	125.66	10.9	9%
EPS (Rs)	3.32	3.05	0.27	9%

## Outlook

The company has created a strong projects pipeline going into FY20, with the planning of various launches and mega events. The company continues to strengthen the land bank through prudent acquisition of new land parcels and projects in MMR region- need pipeline details and land bank details. Arihant is committed to achieving an optimum capital structure and as a result look to stabilize the debt proportion in our balance sheet over the next 4-5 years.

## Market Opportunities

India's population has grown at cumulative 17.6% from 2001 to 2011 and continues to grow albeit at a slower pace of 1.02% per annum. Concurrently, the urban population's share to total population grew from 28% to 32% during the same time period and today stands at 33.5%. By 2050 half the population would be living in urban areas.

While the past few years proved to be a challenging period of learning for industry stakeholders, the most potent opportunity was deduced to be in the affordable housing segment and 2018 witnessed a fair revival in the residential market, primarily buoyed by new launches and sales in the affordable housing sector. Thus, the sector is projected to continue to drive the market growth in 2019, aided by the transparency in the segment and government push through various avenues such as allocation of infrastructure status, benefits under Prime Minister's Awas Yojana, Credit Linked Saving Scheme and substantial GST rate cut on housing. These factors bode well for the affordable residential market in the forthcoming year.

On one side, the demand for housing has increased multifold as progressively a family unit too has nuclearized in the past few decades, thus increasing the need for independent living. On the other side the real estate industry has a large number of unsold inventory - which seems ironical. The reason this "latent" demand hasn't been converting to "real" demand at the expected paced could be due to

1. There was a mis-match between affordability and the price in Tier 1 cities like Mumbai MMR and Delhi NCR
2. Expectation that prices would correct has coerced prospective buyers to postpone decision
3. Confusion on GST too postponed decision making

There is a huge opportunity for efficient players to match the "affordability" quotient by providing a good quality product at affordable price "Ek Sasta Ghar Kharab Ghar Nahi Ho Sakta".

Sector specific data also reflects the growth story. With most projects being RERA registered, the residential segment is being driven by self-use purchase decisions. Residential sales were up with over 64,000 units sold in the first half of 2018 itself, compared to the previous full year's sales of approximately 96,000 units. Affordable housing as a sector is witnessing increasing traction.

With many viable projects in doldrums due to financial difficulties of the specific developers which could also provide an opportunity to great brands with access to capital to complete the project. This will earn their goodwill along with decent returns.

A few new formats such as Student Living, Co-Living, Rental Housing and Senior Living could provide new opportunities in an hitherto under-explored segments in India

As we have mentioned in the past - The Challenges thrown up the Real Estate environment provides us with a lot of opportunities. We need to pick & choose the ones which align with our objective to take us to the next level through this disruptive period.

### **Internal Controls and Adequacies**

The Company has an adequate system of internal controls, commensurate with the size and nature of its business, to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposal and to ensure all transactions are authorized, recorded and reported correctly. Company is maintaining function wise Standard Operating Procedures (SOP). It has in place internal controls covering all fields across all financial and operating functions. The Independent audit firms appointed by the company conduct periodical audits to ensure adequacy of internal control systems, adherence to management policies and compliance with the applicable laws and regulations. The key findings of their audit along with implementation plan of their recommendations are discussed with the senior management and also the Audit Committee. The Audit Committee of the Board reviews the adequacy and effectiveness of the internal control systems and suggests improvements for strengthening them.

### **Cautionary statement**

The risk management report discusses various dimensions of our enterprise risk management. The risk –related information outlined in this section may not be exhaustive. The discussion may contain statements that are forward –looking in nature. Our business is subject to uncertainties that could cause actual results to differ materially from those reflected in the forward looking sateen. If any of these risks materializes, our business financial conditions or prospects could be materially and adversely affected. Our business, operating results, financial performance or prospects could also be harmed by risks and uncertainties not currently known to us or that we currently do not believe are material. Readers are advised to refer to the detailed discussion of risk factors and related disclosures in our regulatory filings, and exercise their own judgment in assessing the risks associated with the company

### **Risks & Concerns**

A number of factors could undermine the future performance of the company. Some of these include Impact on market demand. The Real Estate sector is largely cyclical in nature and hence an economic downturn would result in lower property prices which are detrimental to the company's sales realizations and profitability. Additionally, liquidity crunch in the market, slowdown in the economy & continued impact of Goods & Service Tax (GST) regime dented the real-estate demand for certain segments resulting in lull in the real estate sector.

### **Impact on market demand**

Developers have to repay about Rs 1.29 trillion a year on outstanding debt but generate less than half the amount in income that can be used for repayments, according to an analysis of about 11,000 companies by research firm Liases Foras. This drying up of liquidity comes on top of years of sluggish home sales, mounting inventories and falling prices.

Real-estate and allied businesses account for the largest number of cases referred to India's two-year-old bankruptcy process after a 2016 crackdown on cash, tightened regulations and a new tax damped sentiment. The metropolitan areas around national capital Delhi and financial capital Mumbai have been the hardest hit.

### **Land Costs & Availability**

Land acquisition is a substantial part of the overall real estate project cost, particularly in Metro & Tier-I cities in India. Thus the success of the company's financial performance is based on the availability of land parcels at strategic locations and the costs incurred to acquire developmental rights for such land.

### Rise in costs associated with business operations

The nature of the company's business is such that it is detrimentally affected by rising input costs related to raw materials for construction, repair & maintenance, sub-contracted service contracts and labour. A significant increase in operating expenses cannot be offset by substantial increase in property prices as demand might be adversely affected as a result. The company with over two decades of experience, has proven systems & processes to mitigate the effects of increase of input & other costs.

### Executional Slowdowns

A number of factors like determine the successful timely execution and completion of projects. Availability of skilled labour, regulatory clearances & approvals, access to utilities at project sites, availability & timely delivery of raw materials to project sites, unexpected natural calamities are a few of the factors that contribute to affect project execution detrimentally and thus extend project cost.

### Key Financial Ratios (Consolidated):

In accordance with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the details of significant changes (change of 25% or more as compared to the immediately previous financial year) are given below:

Ratios	2018-19	2017-18	Explanation
Debtors Turnover Ratio	8.44	3.70	Increase in debtor turnover ratio is due to increase in Revenue.
Inventory Turnover Ratio	0.6	0.32	Higher Inventory turnover is due to increase in Revenue.
Interest Coverage Ratio	1.70	2.48	Lower Interest Coverage Ratio is due to Increase in the Borrowings.
Current Ratio	1.90	1.63	Higher Current ratio indicates better liquidity position.
Debt Equity Ratio	2.78	2.17	Higher Debt Equity Ratio is due to Increase in Borrowings.
Operating Profit Margin %	23.02%	19.77%	Higher Operating margin is due to high margin mix sales and income from DM Business model.
Net Profit Margin %	5.71%	6.68%	Lower PAT Margin is due to increase in the financial cost.
Return on Net worth %	11.21%	10.69%	Increase in Net worth is due to Increase in PAT as compared to previous year.

### Funding

Significant capital outflows especially for land acquisition are part of the regular business operations of the company. Apart from company's strong relationships with bankers & financers, set-up of the construction linked payment plan with customers ensures self-financing of the project and non-diversion of funds.

**For and on behalf of the Board of Directors  
Arihant Superstructures Limited**

**Place: Navi Mumbai  
Date: August 12, 2019**

**Ashok Chhajer  
Chairman & Managing Director  
DIN: 01965094**

## Management Discussion on Risks and Concerns

Risk Management is a structured process to manage uncertainties and threat/s to business, through a systematic process of risk identification, its management and mitigation. For all businesses it's a strategy to overcome the threats and achieve their objectives, undeterred. Essentially, Risk Management involves:

- Identification of events or circumstances relevant to objectives of the Organisation
- Assessment of magnitude of their impact
- Implementation of all planned methods to mitigate the effect of the risks
- Clear Assignment of responsibilities and accountability
- Management Reporting
- Prioritization of risks, Assessment of probabilities of their occurrence
- Ensuring fulfillment of Corporate Objective by Monitoring progress of risk mitigation measures

By identifying and proactively addressing risks and opportunities, business enterprises protect and create value for their stakeholders, including owners, employees, customers, regulators, and the society at large. The Company has appropriate and adequate internal control systems for its business process at all the levels. The management has identified certain areas of risks to which the Company is susceptible. Please find listed below are the various events and their possible impacts along with the actions taken to mitigate and control such probabilities:

### **COMPANY RISKS & APPROACH TO MITIGATE**

Sr No	Inherent Risk	Business Process	Impact Factors	Proposed Mitigation
1	Land Acquisition Risk	Revenue Department	Unavailability or shortage of suitable parcels of land for development could lead to escalation in land prices. A drop in land prices may erode the book value carrying cost of land.	Procurement of Agricultural land Direct procurement from the owners Venture in lesser exploited territories
2	Contractors Manpower Risk	Engg Department	Shortage of skilled manpower could result in the delay of the completion of the project. This inturn would lead to increase in the cost of the project.	Increased usage of mechanized equipment Supply of labour outsourced to sub-contractors Dedicated Planning Department Contracts with Penalty clauses for delay in agreements with contractors Build in-house team of labours Tie up with large brokers for bulk sales
3	Input Costs Risk Fluctuating input cost is a risk inherent to the real estate business.	Purchase Department	Increase in construction costs (raw materials), repair and maintenance costs, subcontracted service costs and labour costs. Increased operating expenses may affect profit margins as the prices of properties sold cannot be altered. Correspondingly, if the selling price of unsold properties is increased, the demand may be adversely affected.	Creation of Master Vendor list Multiple vendors with approved products Evaluate import vs local procurement Advertise and use brand for attracting good vendors Long term contracts & Full project contracts for unfluctuating cost and uninterrupted delivery

Sr No	Inherent Risk	Business Process	Impact Factors	Proposed Mitigation
4	Competition Risk	Sales & Marketing Department	Lower demand for the flats sold. This may affect the revenue of the company. Also competition may force to reduce margins as the flats may be sold at lesser price.	Training & skilling of Sales team Increase Channel partner engagement and strength Improve marketing plan & media planning Enhance Digital marketing Track competitors schemes & beat with better ones
5	Environment Risk	Approvals department	Any delay in approval from the environment committee would result in hampering the launch of the project.	Improve relationship with the government departments Associate with the government ministry at platforms Use Industry associations platform to raise appropriate concerns & resolve
Sr No	Inherent Risk	Business Process	Impact Factors	Proposed Mitigation
6	Funding Risk	Finance Department	Tightening of liquidity in the market may result issues in funding. Issues in funding may delay payments to vendors & projects.	Enhancing good relationship with Bankers & Financers results in finance available and at low cost Strategy of construction linked payment with the customer with maximum payment for finishes ensures self-financing of the project and non-diversion of funds.
7	Geographical Concentration	Revenue Department	Projects running in the same locations may have internal competition which may impact sales.	To keep time lag between launch timings of such projects To create different product mix for projects in close locations
8	Govt Regulation Risk	Approvals department	New regulations may slow down approvals and impact approvals.	Anticipate the impact and prepare for contingencies Adopt the policies in advance for new regulations
9	Product selection Risk	Design department	Any mismatch in gauging the demand of the product would result in no buyers or less response to the project launched.	Project feasibility before starting of a project Survey of market- customer demand
10	Receivable Risk	Accounts department	A decline in the economy or the salaries of the people can have a negative impact on the receivables from the customers.	Maximise sales via home loans and various schemes Book sales of customers who have steady source of income Or who have finance available with them Back office - advance reminders via letters, SMS & call
11	Loss due to natural calamities	Engineering Department	Financial Loss, Inability to complete projects on schedule.	Appropriate Insurance policies, Project started with phase wise strategy. Hence control in terms of limited selling and developing. 2nd with Pre launch strategy get at least 15% booking and amount collected which takes care of the initial construction cost. Strategy of collection of major amount from customers only when a project building structure is ready ensures self-financing and completion of project

### **INDUSTRY RISKS & APPROACH TO MITIGATE**

<b>Sl. No</b>	<b>Risk description</b>	<b>Business process</b>	<b>Impact factors</b>	<b>Mitigation measures(Proposed mitigation measures mentioned in italics)</b>
1	Slump in the real estate market/significant decline in property prices	Business development	<ul style="list-style-type: none"> <li>Reduction in property prices</li> <li>Impact on demand for properties</li> </ul>	<ul style="list-style-type: none"> <li>Land acquired at historical low prices don't hurt even in recession.</li> <li>Arihant has 54% of portfolio in the 'Affordable housing' of Rs 2000 to 4000 per sq ft. While 41 % of portfolio falls in MIG housing from Rs 4000 to Rs 7000 per sq ft.</li> <li>Economies of scale due to inhouse integrated capabilities ensures low cost of construction &amp; overheads.</li> <li>Working in phase wise on a project gives flexibility to start /stop of the project.</li> </ul>
2	Declining affordability due to factors of demonetisation, GST & economy slow down	Business development	<ul style="list-style-type: none"> <li>Decreased demand for properties above Rs 99 lacs</li> </ul>	<ul style="list-style-type: none"> <li>95% of housing portfolio falls under Rs 99 lacs budget.</li> <li>Arihant Brand will be pulling factor for properties &gt; Rs 99 lacs.</li> <li>Premium houses are in Kharghar &amp; Panvel location which are future premium residences.</li> <li>Repeating success stories in the fast selling location.</li> </ul>
3	Compulsory land acquisition by government due to development of infrastructure projects	Land acquisition	<ul style="list-style-type: none"> <li>Delay in project completion</li> <li>Exposure to legal disputes and related costs</li> <li>Exposure to additional costs if changes are required to be made to the master plan</li> </ul>	Review of city infrastructure plan/possibility of future expansion of roads considered <ul style="list-style-type: none"> <li>NOC's from government prior to purchase.</li> <li>Project commenced only after receipt of sanctions from relevant authorities.</li> </ul>
4	Loss due to natural calamities	Project execution	<ul style="list-style-type: none"> <li>Financial loss</li> <li>Inability to complete projects on schedule</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate insurance policies.</li> <li>Disaster recovery plan/Business continuity plan to be rolled out.</li> </ul>
5	Inability to grow existing land bank as desired due to inability/delay in procuring contiguous land for large projects, inability to build land bank at strategic locations at low costs, among others	Business development	<ul style="list-style-type: none"> <li>Inability to grow business</li> </ul>	Arihant brand as ensured land owners prefer dealing with Arihant. <ul style="list-style-type: none"> <li>JV / Development model being received from land owners.</li> <li>The current 13.7 sq ft development will suffice for atleast 6 years.</li> </ul>

### DETAILS OF PENDING LITIGATIONS

Sr. No.	Court Name	Case Number	Plaintiff/ Applicant	Defendant/ Respondent	Description	Stage of Hearing
1)	High Court- Mumbai Bench	Civil Writ Petition No. 9032/2017	Arihant Arham CHS Ltd.	Arihant Superstructures Ltd.	The matter is against order of Registrar of CHS, Alibag granting deemed conveyance of land. The petitioners demanding all land to be conveyed in their name.	Pre-Admission
2)	Raigad District Consumer Disputes Redressal Commission Alibag	Consumer Complaint No. 200/2016	Arihant Arham CHS Ltd.	Arihant Superstructures Ltd.	The Complaint alleges deficiency of services	Pending for Evidence of Complainant
3)	National Company Law Tribunal - Mumbai Bench	Company Law Petition No. 1769/2018	Teenmurti Construction Pvt. Ltd.	Arihant Superstructures Ltd.	The Petition is for recovery of amount of Rs. 6,98,86,152/-	Final Argument
4)	Maharashtra State Consumer Disputes Redressal Commission	Revision Petition No. 18/134	Arihant Arham CHS Ltd.	Arihant Superstructures Ltd.	The petition is filed against order dated 15.10.2018 of the Raigad District Consumer Redressal Forum framing preliminary issue	Pending for Final Argument
5)	Maharashtra State Consumer Disputes Redressal Commission	Complaint No. 453/2019	Mr. Milap Raj Bhansali and Anr.	Arihant Superstructures Ltd.	Matter is for alleged Deficiency of Service with respect to amount of compensation and possession, Project Arihant Ayati, Flat No. 1002	Pending for filing of Written Statement
6)	Sole Arbitrator, Mr. Sadashiv Deshmukh		Arihant Superstructures Ltd.	Mr. Laxman Dharma Patil and Ors.	Survey Nos. 383/3, 384/2/3(2), 386/1+2(A), Village Owe, Tehsil Panvel. The Matter is for Specific Performance of Agreement dated 09.12.2010	Hearing on Interim relief Applications

**For and on behalf of the Board of Directors  
Arihant Superstructures Limited**

**Ashok Chhajer  
Chairman & Managing Director  
DIN: 01965094**

**Place: Navi Mumbai  
Date: August 12, 2019**

## INDEPENDENT AUDITOR'S REPORT

**To the Members of Arihant Superstructure Limited**

**Report on the Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the standalone Financial Statements of Arihant Superstructure Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matter.

### **Revenue recognition**

<b>The Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
<p>Revenue from sale of residential and commercial units represents 94.09% of the total revenue from operations of the Company.</p> <p>Revenue is recognised upon transfer of control of residential and commercial units to customers for an amount that reflects the consideration which the Company expects to receive in exchange for those units. The trigger for revenue recognition is normally percentage of completion of the project</p> <p><b>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers"</b></p> <p>The application of the new revenue accounting standard involves significant estimates related to measurement of costs to complete for the projects. Revenue from projects is recorded based on management's assessment of the work completed, costs incurred and accrued and the estimate of the balance costs to complete.</p>	<p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit procedures on Revenue recognition included the following:</p> <ul style="list-style-type: none"> <li>• Evaluating that the Company's revenue recognition accounting policies are in line with the applicable accounting standards and their application to the key customer contracts including consistent application;</li> <li>• Scrutinising all the revenue journal entries raised throughout the reporting period and comparing details of a sample of these journals, which met certain risk-based criteria, with relevant underlying documentation'</li> <li>• Conducting site visits during the year for selected projects to understand the scope and nature of the projects and to assess the progress of the projects; and</li> <li>• Testing sample sales of units for projects with the underlying contracts, completion status and proceeds received from customers;</li> </ul>

<b>The Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
<p>Due to the inherent nature of the projects and significant judgment involved in the estimate of costs to complete, there is risk of overstatement or understatement of revenue</p>	<ul style="list-style-type: none"> <li>Identified and tested operating effectiveness of key controls around approvals of contracts, milestone billing, intimation of possession letters / intimation of receipt of occupation certificate and controls over collection from customers.</li> </ul> <p><b>Measurement of revenue recorded over time which is dependent on the estimates of the costs to complete</b></p> <ul style="list-style-type: none"> <li>Compared, on a sample basis, revenue transactions recorded during the year with the underlying contracts, progress reports, invoices raised on customers and collections in bank accounts and whether the related revenue had been recognised in accordance with the Company's revenue recognition policies;</li> <li>Identification and testing operating effectiveness of key controls over recording of actual costs incurred for the projects;</li> <li>Read, analysed and identified the distinct performance obligations in these contracts.</li> <li>Performed analytical procedures for reasonableness of revenues disclosed by the company.</li> <li>Verification of construction cost and land cost directly attributable to the project.</li> </ul>

### Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone Financial Statements and our auditors' report thereon.

Our opinion on the standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated, if based on the work we performed, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those charged with Governance for the Standalone Financial Statements

The company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including Other Comprehensive Income), Changes In Equity and Cash Flows of the company in accordance with the accounting principles generally accepted in India including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Financial Statements, including the disclosures, and whether the standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this report are in agreement with the books of account
- (d) In our opinion, the aforesaid standalone Financial Statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act
- (e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) With respect to the adequacy of the internal financial controls with reference to the standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act

- (h) 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 company has, to the extent ascertainable, disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 33 to the standalone Financial Statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

**For Kailash Chand Jain & Co.**  
Chartered Accountants  
Firm Registration No.: 112318W

**Saurabh Chouhan**  
Partner  
Membership No.: 167453

Place : Mumbai  
Date : May 27, 2019

## **Annexure - A to the Independent Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Financial Statements for the year ended March 31, 2019 we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Fixed assets of the company have been physically verified by the management during the year and no material discrepancies have been identified on such verification. In our opinion the frequency of verification is reasonable.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) Physical verification of Inventory has been conducted at regular intervals by the management and no material discrepancies were noticed on such verification.
- (iii) The Company has granted loans to body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
  - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, *prima facie*, prejudicial to the interest of the Company.
  - (b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
  - (c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- (iv) 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, with respect to the loans and investments made, and guarantees and securities provided by it.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii)(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, goods and service tax, cess and other material statutory dues though there has been a slight delay in few cases, with the appropriate authorities.
 

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable except as stated below.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise duty, value added tax as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Service Tax Act, 1994	Service Tax	200.66	Oct-11 to Mar-16	Commissioner Appeal

- (viii) According to the information and explanation given to us and based on our examination of the records, the company has not defaulted in the repayment of loans or borrowing to any financial institutions, banks, governments and debenture holders as at balance sheet date.
- (ix) In our opinion and according to information and explanation given to us the money raised by way of term loan has been applied, on an overall basis, for the purpose for which they were obtained.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly paragraph 3(xiv) of the order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Kailash Chand Jain & Co.**  
Chartered Accountants  
Firm Registration No.: 112318W

**Saurabh Chouhan**  
Partner  
Membership No.: 167453

Place : Mumbai  
Date : May 27, 2019

**Annexure - B to the Independent Auditors' Report of even date on the Standalone Financial Statements of Arihant Superstructure Limited.**

Referred to in Paragraph 2 (f) of 'Report on Other Legal and Regulatory Requirements' section of our Report of even date.

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Arihant Superstructure Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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 judgment, 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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) 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.

### **Inherent 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, 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, 2019 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 Kailash Chand Jain & Co.**  
Chartered Accountants  
Firm Registration No.: 112318W

**Saurabh Chouhan**  
Partner  
Membership No.: 167453

Place : Mumbai  
Date : May 27, 2019

**STANDALONE BALANCE SHEET**  
**CIN : L51900NH1983PLC029643**

Particulars	Note No.	₹ In Lacs	
		As at 31 March, 2019	As at 31 March, 2018
<b>A ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant & Equipment	3	275.92	234.81
Intangible Assets	4	8.12	11.84
Investment in Property	5	150.00	150.00
Financial Assets			
Investments	5	5.41	5.41
Other Financial Assets	7	126.40	122.91
Deferred Tax Assets (Net)	21	2.58	-
		<b>568.43</b>	<b>524.97</b>
<b>Current Assets</b>			
Inventories	8	17,594.34	17,005.85
Financial Assets			
Investments	5	17.13	17.07
Trade Receivable	9	1,709.37	4,424.90
Cash & Cash Equivalents	10	379.57	345.28
Loans	6	1,578.02	1,902.36
Other Financial Assets	7	298.12	366.75
Current Tax Assets	11	88.75	263.46
Other Current Assets			
Land	12	3,062.53	3,441.65
Other	13	534.48	464.34
		<b>25,262.31</b>	<b>28,231.66</b>
	<b>TOTAL</b>	<b>25,830.74</b>	<b>28,756.63</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	14a	4,116.00	4,116.00
Other Equity	14b	7,277.41	7,888.01
		<b>11,393.41</b>	<b>12,004.01</b>
<b>LIABILITIES</b>			
<b>Non Current Liabilities</b>			
Financial Liabilities			
Borrowings	15	4,585.03	5,568.10
Deferred Tax Liabilities (net)	21	-	7.58
		<b>4,585.03</b>	<b>5,575.68</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	15	3,727.71	2,412.22
Trade Payables	16	1,634.20	1,809.81
Other Financial Liabilities	17	624.54	699.15
Other Current Liabilities			
Advance from Customers	18	3,685.38	5,637.42
Other Current Liabilities	19	48.68	45.14
Provisions	20	131.79	31.26
Current Tax Liabilities	21	-	541.94
		<b>9,852.30</b>	<b>11,176.94</b>
	<b>TOTAL</b>	<b>25,830.74</b>	<b>28,756.63</b>

The accompanying Notes 1 to 40 form an integral part of the Standalone Financial Statements

As per our report of even date

**For Kailash Chand Jain & Co.**  
Chartered Accountants  
Firm Reg. No.: 112318W

**Saurabh Chouhan**  
Partner  
Membership No. 167453  
Place : Mumbai  
Date : 27th May, 2019

**For and on behalf of the Board of Directors**

**Ashok Chhajer**  
Chairman & MD  
DIN- 01965094  
**Pradeep Mehta**  
Chief Financial Officer

**Nimish Shah**  
Whole Time Director  
DIN- 03036904  
**Govind Rao**  
Company Secretary

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED**  
**CIN : L51900NH1983PLC029643**

₹ In Lacs

Particulars	Note No.	31 March 2019	31 March 2018
<b>1 Income from Operations</b>			
(a) Revenue from Operations	22	6,771.91	10,506.41
(b) Other Income	23	289.98	215.46
<b>Total revenue</b>		<b>7,061.89</b>	<b>10,721.87</b>
<b>2 Expenses</b>			
(a) Cost of construction, land and development expenses	24.a	3,264.56	5,628.42
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24.b	702.34	837.02
(c) Employee benefits expense	25	396.55	668.05
(d) Finance costs	26	1,173.12	629.72
(e) Depreciation expense	3 & 4	71.01	62.33
(f) Other expenses	27	1,222.27	1,314.54
<b>Total expenses</b>		<b>6,829.85</b>	<b>9,140.08</b>
<b>3 Profit / (Loss) before exceptional items and tax (1 - 2)</b>		232.04	1,581.79
<b>4 Exceptional Items (net)</b>		-	-
<b>5 Profit / (Loss) before tax (3 + 4)</b>		<b>232.04</b>	<b>1,581.79</b>
<b>6 Tax expense:</b>			
(a) Current tax expense		-	541.94
(b) Deferred tax		(10.16)	5.80
		(10.16)	547.74
<b>7 Profit / (Loss) after tax (5 - 6)</b>		<b>242.20</b>	<b>1,034.05</b>
<b>8 Other Comprehensive Income</b>			
(a) Items that will not be classified to profit & loss		-	-
(b) Items that will be reclassified to profit & loss		-	-
<b>Other Comprehensive Income</b>		-	-
<b>9 Total Comprehensive Income for the period (7 + 8)</b>		<b>242.20</b>	<b>1,034.05</b>
<b>10 Earnings per share (of ₹ 10/- each):</b>			
(a) Basic		0.59	2.51
(b) Diluted		0.59	2.51

The accompanying Notes 1 to 40 form an integral part of the Standalone Financial Statements

As per our report of even date

**For Kailash Chand Jain & Co.**  
Chartered Accountants  
Firm Reg. No.: 112318W

**Saurabh Chouhan**  
Partner  
Membership No. 167453

Place : Mumbai  
Date : 27th May, 2019

**For and on behalf of the Board of Directors**

**Ashok Chhajer**  
Chairman & MD  
DIN- 01965094

**Pradeep Mehta**  
Chief Financial Officer

**Nimish Shah**  
Whole Time Director  
DIN- 03036904

**Govind Rao**  
Company Secretary

### Statement of Changes in Equity for the year ended

#### a) Equity Share Capital

Particulars	31 March 2019	31 March 2018
Balance at the beginning of the year	4,116.00	4,116.00
Change in equity share capital during the year	-	-
Balance at the end of the year	4,116.00	4,116.00

#### b) Other Equity

Particulars	Other Equity			Toal Equity Attributable to Equity Holders of the Company	
	Reserves & Surplus		Other Comprehensive Income		
	Security Premium Reserve	Retained Earnings			
<b>Balance as of April 1, 2017</b>	<b>524.40</b>	<b>7,197.93</b>	-	<b>7,722.33</b>	
Changes in Equity for the Year Ended March 31, 2018					
Dividends	-	(495.39)	-	(495.39)	
CSR Written Off	-	(32.24)	-	(32.24)	
Earlier Year Income Tax Provision w/off	-	(340.75)	-	(340.75)	
Profit for the Year		1,034.05	-	1,034.05	
<b>Balance as of March, 31 2018</b>	<b>524.40</b>	<b>7,363.61</b>	-	<b>7,888.01</b>	
<b>Balance as of April 1, 2018</b>	<b>524.40</b>	<b>7,363.61</b>	-	<b>7,888.01</b>	
Changes in Equity for the Year Ended March 31, 2019					
Loss on Adoption of Ind AS 115	-	(604.53)	-	(604.53)	
Dividends and DDT	-	(248.25)	-	(248.25)	
Firm Tax	-	(0.02)	-	(0.02)	
Profit for the Year	-	242.20	-	242.20	
<b>Balance as of March 31, 2019</b>	<b>524.40</b>	<b>6,753.01</b>	-	<b>7,277.41</b>	

#### Security Premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Act.

#### Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, debenture redemption reserve, dividends or other distributions paid to shareholders.

The accompanying Notes 1 to 40 form an integral part of the Standalone Financial Statements

As per our report of even date

#### For Kailash Chand Jain & Co.

Chartered Accountants  
Firm Reg. No.: 112318W

#### Saurabh Chouhan

Partner  
Membership No.167453

Place : Mumbai

Date : 27th May, 2019

#### For and on behalf of the Board of Directors

#### Ashok Chhajer

Chairman & MD  
DIN- 01965094

#### Pradeep Mehta

Chief Financial Officer

#### Nimish Shah

Whole Time Director  
DIN- 03036904

#### Govind Rao

Company Secretary

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED

₹ In Lacs

<b>Particulars</b>	<b>31st March 2019</b>	<b>31st March 2018</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and before Extra ordinary Items :	232.04	1,581.79
<b>Adjustment for Non Cash Items</b>		
Depreciation & Amortisation	71.01	62.33
Interest paid	1,157.75	615.70
<b>Less :- Non Operating Income</b>		
Profit /Loss on Sale of Car	(0.84)	1.17
Interest Received	(270.21)	(198.40)
	1,189.75	2,062.60
<b>Changes in Working Capital</b>		
(Increase)/ Decrease in Inventories	(588.49)	837.02
(Increase)/ Decrease in Term Loans & Advances	324.34	184.84
(Increase)/ Decrease in Trade & Other Receivable	3,158.60	(1,097.02)
Increase/ (Decrease) in Current Liabilities & Provision	(2,578.74)	301.24
Cash flow from Operating Activities before Tax and Extraordinary Items	1,505.46	2,288.68
Income Tax paid	(436.20)	(1,355.91)
Cash flow from Operating Activities before Extraordinary Items	1,069.26	932.77
Adjustment for Extraordinary Items	-	-
<b>Cash Generated from Operating Activities</b>	<b>1,069.26</b>	<b>932.77</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Net)	(108.95)	(100.11)
(Purchase)/Sale of Investments	(0.07)	
Sale of Fixed Assets	1.40	1.21
Interest Received	270.21	198.40
<b>Cash Generated from Investment Activities</b>	<b>162.59</b>	<b>99.50</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Secured Loans	(2,750.58)	(1,125.26)
Increase/(Decrease) in Unsecured Loans	3,082.99	1,335.40
Interest paid	(1,157.75)	(615.70)
Dividend and Dividend Distribution Tax Paid	(248.25)	(495.39)
<b>Cash Generated from Financing Activities</b>	<b>(1,073.58)</b>	<b>(900.96)</b>
Net Increase in Cash & Cash Equivalents	158.27	131.31
Opening Balance of Cash & Cash Equivalents (Net of Book o/d)	(6.82)	(138.13)
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>151.45</b>	<b>(6.82)</b>
(i) Cash & Cash Equivalents	379.57	345.28
(ii) Balance with Bank (Net of Book O/D)	(228.12)	(352.10)
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>151.45</b>	<b>(6.82)</b>

Note:- The above Standalone Statement of Cash Flows has been prepared under the ‘Indirect Method’ as set out in the Indian Accounting Standard (Ind AS) -7 “Statement of Cash Flows”.

The accompanying Notes 1 to 40 form an integral part of the Standalone Financial Statements

As per our report of even date

**For Kailash Chand Jain & Co.**  
Chartered Accountants  
Firm Reg. No.: 112318W

**Saurabh Chouhan**  
Partner  
Membership No. 167453  
  
Place : Mumbai  
Date : 27th May, 2019

**For and on behalf of the Board of Directors**

**Ashok Chhajer**  
Chairman & MD  
DIN- 01965094  
  
**Pradeep Mehta**  
Chief Financial Officer

**Nimish Shah**  
Whole Time Director  
DIN- 03036904  
  
**Govind Rao**  
Company Secretary

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 1 Corporate information

Arihant Superstructures Limited (“the Company”) having CIN L51900MH1983PLC029643 is a Public Limited Company domiciled and incorporated in India and its shares are publically traded on National Stock Exchange (“NSE”) and the Bombay Stock Exchange (“BSE”), India. The Company’s Registered Office is located at Arihant Aura, B-Wing, 25th Floor, Plo no. 13/1, TTC Industrial Area, Thane Belapur Road, Turbhe, Navi Mumbai, Maharashtra - 400705. The operation of the Company spanned in all aspect of Real Estate Development, from the identification and Acquisition of Land, planning, execution, construction and marketing of projects. The Company has its presence in the States of Rajasthan and Maharashtra.

### 2 Summary of Significant Accounting Policies

#### 2.1 Basis of preparation of Financial Statements

The Financial Statements have been prepared on accrual basis in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and the provisions of the Companies Act, 2013.

The Financial Statements have been prepared on accrual and going concern basis under historical cost convention except for certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments). If no such transactions can be identified, an appropriate valuation model is used. Impairment losses of continuing operations, including impairment on inventories, are recognised.

This is the first set of the Company’s standalone Financial Statements in which Ind AS 115, Revenue from contracts with customers, has been applied. Changes to significant accounting policies are described in Note No. 29.

The Financial Statements are presented in Indian Rupees (“Rs” or “₹”) and all amounts are rounded to the nearest lacs, except as stated otherwise.

The standalone Financial Statements of the Company for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on May 27, 2019.

#### 2.2 Use of Estimates and Judgements

The preparation of the Financial Statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions effect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Financial Statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period and actual results may differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Financial Statements. The basis of the description is as under :

##### 1) Evaluation of satisfaction of performance obligation at a point in time for the purpose of revenue recognition:

Determination of revenue under the satisfaction of performance obligation at a point in time method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the timing of satisfaction of performance obligation, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. The Company recognizes revenue when the company satisfies its performance obligation

##### 2) Evaluation of percentage of completion for the purpose of revenue recognition:

Determination of revenue under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentage of completion, cost of completion, the expected revenue from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the standalone Financial Statements for the period in which such changes are determined.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 3) Useful life and residual value of Property, Plant and Equipment and Intangible Assets:

Useful lives of Property, Plant and Equipment and Intangible Assets are based on the life prescribed in Schedule II of the Companies Act, 2013 or based on internal technical evaluation. Assumptions are also made when the company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

### 4) Recognition of Deferred Tax Asset:

The extent of which deferred tax asset can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

### 5) Provisions and contingencies:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

### 2.3 Current versus Non-Current classification

The Company presents Assets and Liabilities in the Balance Sheet based on Current/Non-Current classification. The normal operating cycle, in the context of the Company, is the time between the acquisition of Land for a real estate project and its realization in Cash and Cash Equivalents by way of sale of developed units.

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.

Deferred Tax Assets and Liabilities are classified as Non-Current Assets and Liabilities.

### 2.4 Property, Plant and Equipment

Freehold/Leasehold Land and Capital Work-in- progress is carried at cost. All other items of Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost of an item of Property, Plant and Equipment comprises of its purchase price, any costs directly attributable to its acquisition and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs when the item is acquired. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to Profit or Loss Statement during the reporting period in which they are incurred.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Property, Plant and Equipment recognised as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment.

Depreciation on Property, Plant and Equipment is calculated using the Straight-Line Method to allocate their cost, net of their residual values, over their estimated useful lives. The useful lives estimated for the major classes of Property, Plant and Equipment are as follows:

<b>Class of Property, Plant and Equipment</b>	<b>Useful life (in years)</b>
Buildings	60
Rented Premises	Lease Period
Plant & Machinery	5-15
Furnitures & fixtures	8-10
Vehicles	5-10
Electrical Installations	10
Equipments and facilities	5
Computer Hardware	3

The useful lives have been determined based on technical evaluation done by the management's experts, which in few cases are different than the lives as specified by Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the Asset. The asset' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the Asset is included in the Statement of Profit and Loss when the Asset is derecognised.

Assets under construction includes the cost of Property, Plant and Equipment that are not ready to use at the Balance Sheet date. Advances paid to acquire Property, Plant and Equipment before the Balance Sheet date are disclosed under other Non Current Assets. asset under construction are not depreciated as these Assets are not yet available for use.

Capital Work in progress is stated at cost less impairment losses, if any. Cost comprises of expenditure incurred in respect of capital projects under development and includes any attributable/allocable cost and incidental expenses. Revenues earned, if any, from such capital projects before capitalisation are adjusted against the Capital Work in progress.

### 2.5 Dividends

Provision is made for the amount of any Dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

### 2.6 Investment Properties

Investment properties are measured initially at cost, including transaction costs and borrowing costs, wherever applicable. Subsequent to initial recognition, Investment Properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Investment Properties recognised as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Investment Properties.

Investment Properties are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of Investment Properties are included in Profit and Loss in the period of de-recognition.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 2.7 Intangible Assets

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and impairment loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Intangible Assets recognised as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of Intangible Assets.

The useful lives of Intangible Assets are assessed as either finite or indefinite.

Intangible Assets with finite lives are amortised on a Straight-Line Method over the useful economic life and assessed for impairment whenever there is an indication that the Intangible Asset may be impaired. The amortisation period and the amortisation method for an Intangible Asset are reviewed at least at the end of each reporting period and adjusted, if appropriate. The useful economic lives estimated for various classes of Intangible Assets are as follows:

Class of Intangible Assets	Useful life (in years)
Goodwill	5
Trademark and Logo	10
Software	3

Intangible Assets with indefinite useful lives are not amortised, but are tested for impairment annually.

### 2.8 Finance Costs

Borrowing costs that are directly attributable to the acquisition/construction of qualifying Assets or for long term project development are capitalised as part of their cost of such land till the revenue is recognised for the project.

Other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

### 2.9 Non-Current Assets held for Sale

Non-Current Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current Assets classified as held for sale and their related Liabilities are presented separately in the Balance Sheet. Non-current Assets are not depreciated or amortised while they are classified as Held for Sale.

### 2.10 Inventories

#### Construction Materials and Consumables

Construction Materials and Consumables are valued at lower of cost and net realisable value .

#### Land/Development Rights

Land/Development Rights are valued at lower of cost and net realisable value.

#### Construction Work in Progress

Completed units and project development forming part of Work in Progress are valued at lower of cost and net realisable value. Cost includes direct materials, labour, project specific direct indirect expenses.

#### Finished Goods

Finished goods of completed projects and Stock in trade of units is valued at lower of cost or net realisable value.

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

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 2.11 Cash and Cash Equivalents

Cash and Cash Equivalent in the Balance Sheet comprise Cash at Banks and on in Hand and Short- Term Deposits maturing within twelve months from the date of Balance Sheet, which are subject to an insignificant risk of changes in value.

### 2.12 Financial Instruments

#### A. Financial Instruments - Initial recognition and measurement

Financial Assets and Financial Liabilities are recognised in the Company's Statement of Financial position when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its Financial Assets and Liabilities at initial recognition. All Financial Assets are recognised initially at fair value plus, in the case of Financial Assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the Financial asset.

#### B.1. Financial Assets—Subsequent measurement

The Subsequent measurement of Financial Assets depends on their classification which is as follows:

##### a. Financial Assets at fair value through Profit or Loss

Financial Assets at fair value through Profit and Loss include Financial Assets Held for Sale in the near term and those designated upon initial recognition at fair value through profit or loss.

##### b. Financial Assets measured at amortised cost

Loans and Receivables are non derivative Financial Assets with fixed or determinable payments that are not quoted in an active market. Trade Receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowance for estimated irrecoverable amounts based on the ageing of the receivables balance and historical experience. Additionally, a large number of minor Receivables are grouped into homogenous groups and assessed for impairment collectively. Individual Trade Receivables are written off when management deems them not to be collectible.

##### c. Financial Assets at fair value through OCI

All Equity Investments, except Investments in Subsidiaries, Joint Ventures and Associates, falling within the scope of Ind AS 109, are measured at fair value through Other Comprehensive Income (OCI). The Company makes an irrevocable election on an instrument by instrument basis to present in Other Comprehensive Income subsequent changes in the fair value. The classification is made on initial recognition and is irrevocable.

If the Company decides to designate an Equity Instrument at fair value through OCI , then all fair value changes on the instrument, excluding Dividends, are recognized in the OCI.

#### B.2. Financial Assets—Derecognition

The Company derecognises a Financial asset when the contractual rights to the cash flows from the Assets expire or it transfers the Financial asset and substantially all the risks and rewards of ownership of the asset.

Upon derecognition of Equity Instruments designated at fair value through OCI, the associated fair value changes of that equity instrument is transferred from OCI to Retained Earnings.

#### C. Investment in Subsidiaries, Joint Ventures and Associates

Investments made by the Company in Subsidiaries, Joint Ventures and Associates are measured at cost in the Standalone Financial Statements of the Company.

### D.1. Financial liabilities—Subsequent measurement

The Subsequent measurement of Financial liabilities depends on their classification which is as follows:

##### a. Financial Liabilities at fair value through Profit or Loss

Financial Liabilities at fair value through Profit or Loss include Financial Liabilities Held for Trading, if any.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### b. **Financial Liabilities measured at amortised cost**

Interest bearing loans and borrowings including debentures issued by the Company are subsequently measured at amortised cost using the Effective Interest Rate method (EIR). Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are integral part of the EIR. The EIR amortised is included in finance costs in the Statement of Profit and Loss.

### D.2. **Financial Liabilities –Derecognition**

A Financial Liability is derecognised when the obligation under the liability is discharged 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 derecognition of the original liability and the recognition of new liability. The difference in the respective carrying amount is recognised in the Standalone Statement of Profit and Loss.

### E. **Offsetting Financial Instruments**

Financial Assets and Financial Liabilities are offset and the net amount reported in the Statement of Financial Position, if and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the Assets and settle the Liabilities simultaneously.

### F. **Fair value measurement**

The Company measures certain Financial instruments at fair value at each reporting date. 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 presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the Assets 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 to the Company.

The Company uses valuation technique 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.

Level 1 - Quoted (unadjusted) market prices in active market 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 technique for which the lowest level input that is significant to the fair value measurement is unobservable.

### 2.13 Selling Costs

Selling expenses related to specific projects/units are being charged to Statement of Profit and Loss in the year in which the revenue thereof is accounted. Such costs are carried forward till such charge off as unaccrued selling expenses under the head Other Current Assets.

### 2.14 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes, duties or other charges collected on behalf of the government/authorities.

The specific recognition criteria for the various types of the Company's activities are described below:

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### **Revenue from Real Estate Projects**

Ind AS 115 has been notified by Ministry of Corporate Affairs (MCA) on March 28, 2018 and is effective from accounting period beginning on or after April 01, 2018.

The Company has applied full retrospective approach in adopting the new standard and accordingly recognised revenue in accordance with Ind AS 115 as compared to earlier Percentage of Completion method as per the Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable)

As these are the first set of the Company's standalone Financial Statements prepared in accordance with Ind AS 115, an explanation of how the transition to Ind AS 115 has affected the previously reported financial position of the Company is provided in Note No. 29 to the standalone financial statement.

In accordance with the principles of Ind AS 115 revenue in respect of real estate project is recognised on satisfaction of Performance obligation at a point in time by transferring a promised good or services (i.e. an asset) to a customer and the customer obtains control of that asset.

To determine the point in time at which a customer obtains control of a promised asset and the entity satisfies a performance obligation, the company considers following indicators of the transfer of control to customers:

- (a) the company has a present right to payment for the asset;
- (b) the company has transferred to the buyer the significant risks and rewards of ownership of the real estate;
- (c) the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the real estate sold;
- (d) the amount of revenue can be measured reliably;
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably;
- (f) the customer has accepted the asset.

The satisfaction of performance obligation and the control thereof is transferred from the company to the buyer upon possession or upon issuance of letter for offer of possession ("deemed date of possession"), whichever is earlier, subject to realisation/ certainty of realisation.

Obligations: The company is under an obligation to comply with the following In terms of the Real Estate (Regulation and Development) Act 2016 (RERA)

- (a) Obligation to keep 70% of the amounts realized from real estate project from allottees from time to time, in a separate account in a scheduled bank
- (b) To enable formation of the association or society of allottees
- (c) Liability to rectify structural defect or defect in workmanship within 30 days if brought to notice of the company by allottee within 5 years from the date of handing over possession.

### **Interest income**

Interest income from Debt Instruments (including Fixed Deposits) is recognised using the Effective Interest Rate method. The Effective Interest Rate is that rate that exactly discounts estimated future cash receipts through the expected life of the Financial Asset to the gross carrying amount of a Financial Asset. While calculating the Effective Interest Rate, the Company estimates the expected cash flows by considering all the contractual terms of the Financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

### **Dividends**

Revenue is recognised when the Company's right to receive the payment is established.

### **Delayed Payment Charges**

Delayed Payment Charges claimed to expedite recoveries are accounted for on realisation.

### **Other Income**

Other Income is accounted for on accrual basis except, where the receipt of income is uncertain.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 2.15 Foreign Currency Transactions

Foreign Currency Transactions are translated into Indian rupee using the exchange rates prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of these transactions and from the translation of monetary Assets and Liabilities denominated in foreign currencies at year end exchange rates are recognised in the Statement of Profit or Loss.

### 2.16 Income Taxes

#### Current Tax

The Current Tax expense for the period is determined as the amount of tax payable in respect of taxable income for the period, based on the applicable income tax rates.

Current Tax relating to items recognised in Other Comprehensive Income or Equity is recognised in Other Comprehensive Income or Equity, respectively.

#### **Deferred Tax**

Deferred Tax is provided using the liability method on temporary differences between the tax bases of Assets and Liabilities and their carrying amounts for Financial reporting purposes at the reporting date.

Deferred Tax liabilities are recognised for all taxable temporary differences. Deferred tax Assets are recognised for all deductible temporary differences and, the carry forward of unused tax credits and any unused tax losses. Deferred Tax Assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred Tax Assets and Liabilities are measured at the tax rates that are expected to apply in the year when the Asset is realised or the Liability is settled, based on tax rates (and tax laws) that have been enacted at the Reporting date.

Deferred tax relating to items recognised in Other Comprehensive Income or Equity is recognised in Other Comprehensive Income or Equity, respectively.

Deferred Tax Assets and Deferred Tax Liabilities are offset if a legally enforceable right exists to set off current tax Assets against Current Tax Liabilities.

### 2.17 Provisions, Contingent Liabilities and Contingent Assets

A Provision is recognised when the Company has present determined obligations as a result of past events an outflow of resources embodying economic benefits will be required to settle the obligations. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

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

A Contingent Liability is not recognised but disclosed in the Notes to the accounts, unless the probability of an outflow of resources is remote.

A Contingent Asset is generally neither recognised nor disclosed.

### 2.18 Earnings Per Share

The basic Earnings Per Share (EPS) is calculated by dividing the net profit or loss for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating Diluted Earnings Per Share, the net profit or loss for the year attributable to the Equity Shareholders and the weighted average number of Equity Shares outstanding during the year are adjusted for the effects of all dilutive potential Equity Shares.

### 2.19 Exceptional Items

Exceptional items refer to items of income or expense within Statement of Profit and Loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 2.20 Impairment of Non Financial Assets

The carrying amounts of Assets are reviewed at each reporting date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an Asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less cost of disposals and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value is the price that would be received to sell an Asset or paid to transfer a Liability in orderly transaction between market participants at the measurement date. After impairment, depreciation is provided on the revised carrying amount of the Asset over its remaining useful life.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for the Company Cash Generating Unit's (CGU) to which the individual Assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the Statement of Profit and Loss in expense categories.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the Asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the Asset in prior years.

### 2.21 Critical Accounting Estimates

#### Property, Plant and Equipment

Property, Plant and Equipment represent a proportion of the Asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an Asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's Assets are determined by management at the time the Asset is acquired and reviewed periodically, including at each Financial year end. The lives are based on historical experience with similar Assets as well as anticipation of future events, which may impact their life, such as changes in technology.

#### Intangible Assets

The Company tests whether Intangible Assets have suffered any impairment on an annual basis. The recoverable amount of a Cash Generating Unit is determined based on value in use calculations which require the use of assumptions.

#### Investment Property

The charge in respect of periodic depreciation on Investment Properties is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's Investment Properties are determined by management at the time the asset is acquired and reviewed periodically, including at each Financial Year end. The lives are based on historical experience with similar Assets as well as anticipation of future events, which may impact their life, such as changes in technology.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ In Lacs

### Note 3 Property, Plant & Equipment

The changes in carrying value of Property, Plant & Equipment for the Year Ended March, 31 2019

Particulars	Building	P&M and Office Equipment	Computer Equipment	Furniture & Fixtures	Vehicles	Total
<b>Gross carrying value as of April 1, 2018</b>	14.42	88.41	57.10	37.45	142.34	339.72
Additions	-	7.33	21.73	1.55	78.34	108.95
Deletions	-	-	-	-	1.83	1.83
<b>Gross carrying value as of March 31, 2019</b>	<b>14.42</b>	<b>95.74</b>	<b>78.83</b>	<b>39.00</b>	<b>218.85</b>	<b>446.84</b>
<b>Accumulated Depreciation as of April 1, 2018</b>	1.12	26.83	7.88	11.27	57.82	104.91
Depreciation	0.56	11.64	21.91	6.03	27.14	67.29
Accumulated depreciation on deletion	-	-	-	-	1.27	1.27
<b>Accumulated Depreciation as of March 31, 2019</b>	<b>1.68</b>	<b>38.48</b>	<b>29.79</b>	<b>17.30</b>	<b>83.69</b>	<b>170.93</b>
<b>Carrying Value as of March 31, 2019</b>	<b>12.74</b>	<b>57.27</b>	<b>49.04</b>	<b>21.70</b>	<b>135.16</b>	<b>275.92</b>
<b>Carrying Value as of April 1, 2018</b>	<b>13.30</b>	<b>61.58</b>	<b>49.22</b>	<b>26.18</b>	<b>84.53</b>	<b>234.81</b>

The changes in carrying value of Property, Plant & Equipment for the Year Ended March, 31 2018

Particulars	Building	P&M and Office Equipment	Computer Equipment	Furniture & Fixtures	Vehicles	Total
<b>Gross carrying value as of April 1, 2017</b>	14.42	79.40	3.96	32.44	116.97	247.19
Additions	-	9.01	53.15	5.01	30.82	97.99
Deletions	-	-	-	-	5.45	5.45
<b>Gross carrying value as of March 31, 2018</b>	<b>14.42</b>	<b>88.41</b>	<b>57.10</b>	<b>37.45</b>	<b>142.34</b>	<b>339.72</b>
<b>Accumulated Depreciation as of April 1, 2017</b>	0.56	14.67	2.61	5.54	27.04	50.42
Depreciation	0.56	12.16	5.26	5.73	33.85	57.57
Accumulated depreciation on deletion	-	-	-	-	3.08	3.08
<b>Accumulated Depreciation as of March 31, 2018</b>	<b>1.12</b>	<b>26.83</b>	<b>7.88</b>	<b>11.27</b>	<b>57.82</b>	<b>104.91</b>
<b>Carrying Value as of March 31, 2018</b>	<b>13.30</b>	<b>61.58</b>	<b>49.22</b>	<b>26.18</b>	<b>84.53</b>	<b>234.81</b>
<b>Carrying Value as of April 1, 2017</b>	<b>13.86</b>	<b>64.74</b>	<b>1.34</b>	<b>26.90</b>	<b>89.93</b>	<b>196.77</b>

### Note 4 Intangible Assets

The changes in carrying value of Intangible Assets for the year ended March, 31 2019

Particulars	Software	Trademark	Total
<b>Gross carrying value as of April 1, 2018</b>	18.52	2.25	20.77
Additions	-	-	-
Deletions	-	-	-
<b>Gross carrying value as of March 31, 2019</b>	<b>18.52</b>	<b>2.25</b>	<b>20.77</b>
<b>Accumulated Depreciation as of April 1, 2018</b>	8.78	0.15	8.94
Depreciation	3.61	0.12	3.72
Accumulated depreciation on deletion	-	-	-
<b>Accumulated Depreciation as of March 31, 2019</b>	<b>12.39</b>	<b>0.27</b>	<b>12.66</b>
<b>Carrying Value as of March 31, 2019</b>	<b>6.13</b>	<b>1.99</b>	<b>8.12</b>
<b>Carrying Value as of April 1, 2018</b>	<b>9.73</b>	<b>2.10</b>	<b>11.84</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ In Lacs

The changes in carrying value of Intangible Assets for the year Ended March, 31 2018

Particulars	Software	Trademark	Total
<b>Gross carrying value as of April 1, 2017</b>	17.30	1.35	18.65
Additions	1.22	0.90	2.12
Deletions	-	-	-
<b>Gross carrying value as of March 31, 2018</b>	18.52	2.25	20.77
<b>Accumulated Depreciation as of April 1, 2017</b>	4.08	0.09	4.17
Depreciation	4.70	0.06	4.76
Accumulated depreciation on deletion	-	-	-
<b>Accumulated Depreciation as of March 31, 2018</b>	8.78	0.15	8.94
<b>Carrying Value as of March 31, 2018</b>	9.73	2.10	11.84
<b>Carrying Value as of April 1, 2017</b>	13.21	1.27	14.48

### Note 5 Investments

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Non-current Investments</b>		
(a) Investment in Properties		
Arihant Paradise Realty Pvt. Ltd.	150.00	150.00
	150.00	150.00
(b) Investment in Equity Instruments		
Arihant Abode Ltd.	3.00	3.00
Arihant Aashiyana Pvt Ltd	1.05	1.05
Arihant Gruhnirman Pvt Ltd	0.60	0.60
Arihant Technoinfra Pvt Ltd	0.06	0.06
Arihant Vatika Realty Pvt. Ltd	0.60	0.60
	5.31	5.31
(c) Investment in Partnership Firms		
Aksh Realty LLP	0.10	0.10
	0.10	0.10
	155.41	155.41
<b>Current Investments</b>		
(a) Investment in Partnership Firms		
Aksh Realty LLP	17.13	17.07
	17.13	17.07
	<b>172.54</b>	<b>172.48</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### Note 6 Loans

Particulars	₹ In Lacs	
	As at 31 March, 2019	As at 31 March, 2018
<b>Non-current loans</b>		
(a) Loan and advances to related parties (Unsecured, considered good)		
	-	-
<b>Current loans</b>		
(a) Loans and advances to related parties (Unsecured, considered good)		
Arihant Aashiyana Pvt. Ltd	36.29	57.79
Arihant Abode Ltd	97.63	768.55
Arihant Gruhnirman Pvt. Ltd	1,073.23	770.20
Arihant Technoinfra Pvt. Ltd	367.17	290.05
(b) Loans and advances to employees	3.70	15.77
	<b>1,578.02</b>	<b>1,902.36</b>
	<b>Total</b>	<b>1,578.02</b>
	<b>1,578.02</b>	<b>1,902.36</b>

Note:- Loans and advances given to related parties (Except Arihant Technoinfra Pvt. Ltd.) are unsecured and at the Rate of 15% P.A. Loan Given to Arihant Technoinfra Pvt. Ltd. Is unsecured and at the Rate of 7.75% P.A.

### Note 7 Other Financial Assets

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018
<b>Non - current other financial assets</b>				
(a) Security Deposits	126.40	122.91		
	<b>126.40</b>	<b>122.91</b>		
<b>Current other financial assets</b>				
(a) Security deposits	11.74	14.68		
(b) Advance to Supplier	270.81	347.19		
(c) Other Advances	15.57	4.87		
	<b>298.12</b>	<b>366.74</b>		
	<b>424.52</b>	<b>489.65</b>		

### Note 8 Inventories

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	31 March, 2019	31 March, 2018	31 March, 2019	31 March, 2018
(a) Finished goods	5,029.72	2,292.32		
(b) Work in Progress	12,093.53	14,174.08		
(c) Raw Material	471.09	539.45		
	<b>Total</b>	<b>17,594.34</b>		
	<b>17,594.34</b>	<b>17,005.85</b>		

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ In Lacs

### Note 9 Trade Receivables

Particulars	As at 31 March, 2019	As at 31 March, 2018
Trade Receivables		
Unsecured, considered good	1,709.37	4,424.90
<b>Total</b>	<b>1,709.37</b>	<b>4,424.90</b>

### Note 10 Cash and Cash Equivalents

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Cash in hand	10.08	15.20
(b) Balances with banks		
(i) In current accounts	48.16	110.44
(ii) In escrow account	38.64	6.19
(iii) In deposit accounts (Deposits with original maturity within 3 months)	282.69	213.46
<b>Total</b>	<b>379.57</b>	<b>345.28</b>

### Note 11 Current Tax Assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
Income Tax	88.75	263.46
<b>Total</b>	<b>88.75</b>	<b>263.46</b>

### Note 12 Land

Particulars	As at 31 March, 2019	As at 31 March, 2018
Land -Arihant Adita	213.03	327.43
Land - Ghot	28.21	20.21
Land - Arshya	2,788.81	3,061.53
Land - Agrima	32.48	32.48
<b>Total</b>	<b>3,062.53</b>	<b>3,441.65</b>

### Note 13 Other

Particulars	As at 31 March, 2019	As at 31 March, 2018
Prepaid expenses (Unsecured, considered good)	7.59	3.39
Cenvat Credit Available	400.92	398.85
Advance for Land	57.00	57.00
Entry Tax Payable	-	5.10
Income Tax (Prior Period)	68.97	-
<b>Total</b>	<b>534.48</b>	<b>464.34</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### Note 14a. Equity

<b>Particulars</b>	<b>As at 31 March, 2019</b>		<b>As at 31 March, 2018</b>	
	<b>Number of shares</b>	<b>₹ In Lacs</b>	<b>Number of shares</b>	<b>₹ In Lacs</b>
(a) Authorised 6,00,00,000 Equity shares of ₹10 each. 1,50,00,000 Preference Shares of ₹10 each.	60,000,000 15,000,000	6,000.00 1,500.00	60,000,000 15,000,000	6,000.00 1,500.00
(b) Issued Equity shares of ₹10 each with voting rights	41,159,991	4,116.00	41,159,991	4,116.00
(c) Subscribed and fully paid up Equity shares of ₹10 each with voting rights	41,159,991	4,116.00	41,159,991	4,116.00
<b>Total</b>	<b>41,159,991</b>	<b>4,116.00</b>	<b>41,159,991</b>	<b>4,116.00</b>

#### Notes:

- (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

<b>Particulars</b>	<b>Opening Balance</b>	<b>Changes</b>	<b>Closing Balance</b>
Equity shares with voting rights			
Year Ended 31 March, 2019			
- Number of shares	41,159,991	-	41,159,991
- Amount (₹ In Lacs)	4,116.00	-	4,116.00
Year Ended 31 March, 2018			
- Number of shares	41,159,991	-	41,159,991
- Amount (₹ In Lacs)	4,116.00	-	4,116.00

Shareholders holding more than 5% shares in the Company

<b>Class of shares / Name of shareholder (holding more than 5%)</b>	<b>As at 31 March, 2019</b>		<b>As at 31 March, 2018</b>	
	<b>Number of shares</b>	<b>% Holding</b>	<b>Number of shares</b>	<b>% Holding</b>
Equity shares with voting rights				
Ashok B. Chhajer	12,309,147	29.91	18,309,147	44.48
Sangeeta A. Chhajer	6,000,000	14.58	6,000,000	14.58
Parth A. Chhajer	6,000,000	14.58	6,000,000	14.58
Bhavik A. Chhajer	6,000,000	14.58	-	-

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ In Lacs

### Note 14b. Other Equity

Particulars	Other Equity			Total Equity Attributable to Equity Holders of the Company
	Reserves & Surplus Security Premium Reserve	Retained Earnings	Other Comprehensive Income	
<b>Balance as of April 1, 2017</b>	<b>524.40</b>	<b>7,197.93</b>	-	<b>7,722.33</b>
Changes in Equity for the Year Ended March 31, 2018				
Dividends	-	(495.39)	-	(495.39)
CSR Written Off	-	(32.24)	-	(32.24)
Earlier Year Income Tax Provision w/off	-	(340.75)	-	(340.75)
Profit for the Year	-	1,034.05	-	1,034.05
<b>Balance as of March, 31 2018</b>	<b>524.40</b>	<b>7,363.61</b>	-	<b>7,888.01</b>
<b>Balance as of April 1, 2018</b>	<b>524.40</b>	<b>7,363.61</b>	-	<b>7,888.01</b>
Changes in Equity for the Year Ended March 31, 2019				
Loss on Adoption of Ind AS 115	-	(604.53)	-	(604.53)
Dividends and DDT	-	(248.25)	-	(248.25)
Firm Tax	-	(0.02)	-	(0.02)
Profit for the Year	-	242.20	-	242.20
<b>Balance as of March 31, 2019</b>	<b>524.40</b>	<b>6,753.01</b>	-	<b>7,277.41</b>

### Note 15 Borrowings

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Non-current borrowings (Refer Below Note)</b>		
<b>(a) Secured Loans</b>		
From Bank	224.25	163.09
From Financial Institution	1,468.27	4,405.01
<b>(b) Unsecured Loans</b>		
From Directors	1,167.56	1,000.00
From Others	1,724.95	0.00
	<b>4,585.03</b>	<b>5,568.10</b>
<b>Current borrowings (Refer Below Note)</b>		
<b>(a) Secured Loans</b>		
From Financial Institution	125.00	-
<b>(b) Unsecured Loans</b>		
From Directors	3,502.71	892.44
From Others	100.00	1,519.78
	<b>3,727.71</b>	<b>2,412.22</b>
	<b>Total</b>	<b>8,312.74</b>
		<b>7,980.32</b>

#### Note:

- Term Loan @13.50% from Piramal Capital & Housing Limited is secured against Arihant Arshiya Phase I Project situated at Khopoli, Repayable till October 2021.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ In Lacs

2. Term Loan @ 13.75% as Construction Finance from STCI Finance Limited is secured against Arihant Adita Project situated at Jodhpur, Repayable till April, 2019.
3. Vehicles loans are secured against the vehicle itself.

### Note 16 Trade Payables

Particulars	As at 31 March, 2019	As at 31 March, 2018
Trade Payables:		
Sundry Creditors	1,059.86	1,285.61
Retention	574.34	524.20
<b>Total</b>	<b>1,634.20</b>	<b>1,809.81</b>

### Note 17 Other Financial Liabilities

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Current Other Financial Liabilities</b>		
(a) Customer security deposit	27.45	25.45
(b) Other payables		
Society Maintenance	153.85	73.27
Club Corpus Fund	173.38	187.20
Book O/D	228.12	352.10
Salary Payable	41.74	61.13
<b>Total</b>	<b>624.54</b>	<b>699.15</b>

### Note 18 Advances from Customers

Particulars	As at 31 March, 2019	As at 31 March, 2018
Bookings Received	3,685.38	5,637.42
<b>Total</b>	<b>3,685.38</b>	<b>5,637.42</b>

### Note 19 Other Current Liabilities

Particulars	As at 31 March, 2019	As at 31 March, 2018
Other payables		
Statutory remittances	40.64	39.14
Audit Fee Payable	6.00	6.00
Others	2.04	-
<b>Total</b>	<b>48.68</b>	<b>45.14</b>

### Note 20 Provisions

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Current</b>		
Provision for Expenses	122.34	21.81
Provision for Gratuity	9.45	9.45
<b>Total</b>	<b>131.79</b>	<b>31.26</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ In Lacs

### Note 21 Current Tax Liabilities

Particulars	As at 31 March, 2019	As at 31 March, 2018
Income Tax	-	541.94
Deferred Tax	(2.58)	7.58
<b>Total</b>	<b>(2.58)</b>	<b>549.52</b>

### Note 22 Revenue From Operations

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
(a) Sale of products	6,371.91	10,506.41
(b) Sale of services	400.00	-
<b>Total</b>	<b>6,771.91</b>	<b>10,506.41</b>

### Note 23 Other Income

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
(a) Interest income (Refer note (i) below)	270.21	198.40
(b) Other non-operating income (Refer note (ii) below)	19.78	17.06
<b>Total</b>	<b>289.98</b>	<b>215.46</b>

Note	Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
(i)	<b>Interest income comprises:</b> Fixed Deposits Other balances	15.45 254.75	7.93 190.47
	<b>Total - Interest income</b>	<b>270.21</b>	<b>198.40</b>
(ii)	<b>Other non-operating income comprises:</b> Share-Arihant Aksh Reality LLP Profit on Sale of Fixed Assets Brokerage Income Income on Booking Cancellation Rent Received Welfare Income Discount Received Others	0.08 0.84 - 5.02 - 10.74 1.14 1.95	- - 1.70 6.79 3.10 1.55 3.92 -
	<b>Total - Other non-operating income</b>	<b>19.78</b>	<b>17.06</b>

### Note 24.a Cost of Construction, Land and Development Expenses

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Purchases	1,393.06	2,697.05
Direct Expenses	1,871.50	2,931.37
Land	-	-
<b>Total</b>	<b>3,264.56</b>	<b>5,628.42</b>

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

₹ In Lacs

**Note 24.b Changes in Inventories**

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Inventories at the end of the period:		
Traded goods (Refer note below)	5,029.72	2,292.32
Incomplete projects (WIP) (Refer note below)	12,093.53	14,174.08
Raw Material at site (Refer note below)	471.09	539.45
	17,594.34	17,005.85
Inventories at the beginning of the period: (Refer note 24c)		
Traded goods (Refer note below)	2,984.32	3,213.99
Incomplete projects (WIP) (Refer note below)	14,772.91	14,302.38
Raw Material at site (Refer note below)	539.45	326.50
	18,296.68	17,842.87
<b>Net (increase) / decrease</b>	<b>702.34</b>	<b>837.02</b>

**Notes :**

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Inventories at the end of the period :		
i) Traded goods		
Arihant Adita - Phase I	747.12	525.23
Arihant Adita - Phase II	1,076.34	-
Arihant Adita - Phase III	747.51	-
Arihant Arshiy - Phase I	1,646.89	1,578.95
Arihant Aaorhi	623.72	-
Arihant Arham	188.14	188.14
	5,029.72	2,292.32
ii) Incomplete projects (WIP)		
Arihant Adita	635.99	2,603
Arihant Aanchal	1,588.73	1,418
Arihant Aangan	186.38	166
Arihant Arohi	334.58	1,308
Arihant Ayati	2,637.61	2,957
Arihant Arshiy	2,321.17	1,634
Arihant Agreeema	4,389.08	4,088
	12,093.53	14,174.08
iii) Raw Material at site		
Arihant Aangan	12.74	23.62
Arihant Arohi	6.14	47.56
Arihant Adita	101.13	128.16
Arihant Agreeema	5.88	15.80
Arihant Anchal	98.83	113.57
Arihant Arshiy	34.82	42.66
Arihant Ayati	211.56	168.07
	471.09	539.45

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ In Lacs

### Notes :

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Inventories at the beginning of the period :		
iv) Traded goods		
Arihant Amodini	973.90	841.26
Arihant Adita - Phase I	1,822.29	2,203.84
Arihant Arshiya - Phase I	188.14	168.89
Arihant Arham	2,984.32	3,213.99
v) Incomplete projects (WIP)		
Arihant Adita	2,817.66	2,717.37
Arihant Aanchal	1,502.44	836.45
Arihant Aangan	175.00	159.66
Arihant Arohi	1,249.54	1,576.16
Arihant Ayati	3,010.67	3,246.91
Arihant Arshiya	1,929.90	1,122.86
Arihant Agreeema	4,087.69	4,642.98
	14,772.91	14,302.38
vi) Raw Material at Site		
Arihant Aangan	23.62	-
Arihant Arohi	47.56	51.87
Arihant Adita	128.16	120.59
Arihant Agreeema	15.80	16.14
Arihant Anchal	113.57	39.51
Arihant Arshiya	42.66	36.26
Arihant Ayati	168.07	62.12
	539.45	326.50

### Note:- 24.c

Ind AS 115 has been notified by Ministry of Corporate Affairs (MCA) on March 28, 2018 and is effective from accounting period beginning on or after April 01, 2018. The Company has applied full retrospective approach in adopting the new standard and accordingly has given an cumulative effect of applying this standard on the opening balance of retained earning as at April 01, 2018. Due to which the closing balance of WIP and Traded Goods as on March 31, 2018 does not match with the opening balance of WIP and Traded Goods as on April 01, 2018. Projectwise increase / decrease in WIP and Traded Goods due to Ind AS 115 are as under:

Particulars	Amount
<b>Traded Goods</b>	
<b>Closing Balance as on March 31, 2018</b>	
Arihant Adita - Phase I	525.23
Arihant Arshiya - Phase I	1,578.95
<b>Changes in Inventory as per Ind AS 115</b>	
Arihant Adita - Phase I	448.66
Arihant Arshiya - Phase I	243.34
<b>Opening Balance as on April 01, 2018</b>	
Arihant Adita - Phase I	973.90
Arihant Arshiya - Phase I	1,822.29

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ In Lacs

### Incomplete projects (WIP)

Particulars	<b>Amount</b>
<b>Closing Balance as on March 31, 2018</b>	
Arihant Adita	2,603.31
Arihant Aanchal	1,418.32
Arihant Aangan	166.18
Arihant Arohi	1,308.08
Arihant Ayati	2,956.92
Arihant Arshiya	1,633.57
<b>Changes in Inventory as per Ind AS 115</b>	
Arihant Adita	214.34
Arihant Aanchal	84.12
Arihant Aangan	8.82
Arihant Arohi	(58.54)
Arihant Ayati	53.75
Arihant Arshiya	296.33
<b>Opening Balance as on April 01, 2018</b>	
Arihant Adita	2,817.66
Arihant Aanchal	1,502.44
Arihant Aangan	175.00
Arihant Arohi	1,249.54
Arihant Ayati	3,010.67
Arihant Arshiya	1,929.90

### Note 25 Employee benefits expense

₹ In Lacs

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Salaries, wages and bonus (Refer note below)	364.34	623.48
Staff welfare expenses	20.30	37.48
Contribution to provident fund	11.91	7.09
<b>Total</b>	<b>396.55</b>	<b>668.05</b>

### Notes:

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Salary	288.09	523.63
Director Remuneration	76.25	99.85
<b>Total</b>	<b>364.34</b>	<b>623.48</b>

### Note 26 Finance costs

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
(a) Interest expense on:		
Interest on secured loans	511.69	212.89
Interest on unsecured loans	637.22	402.81
Interest on subvention	8.84	14.02
(b) Others		
Loan Processing fees	15.37	-
<b>Total</b>	<b>1,173.12</b>	<b>629.72</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ In Lacs

### Note 27 Other expenses

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Administrative Expenses	140.11	119.39
Selling & Distribution	576.28	605.92
Legal and Professional Expenses	165.12	226.42
Rent, Rates & Taxes	67.39	39.76
CSR expenses	10.51	34.07
Compensation	175.63	211.51
Directors Sitting Fees	21.70	19.65
Audit fees (Refer Note given below)	5.90	6.50
Vehicle Expenses	39.71	18.86
Donation	0.31	1.36
Others	19.61	31.10
<b>Total</b>	<b>1,222.27</b>	<b>1,314.54</b>

### Notes:

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Payments to the auditors comprises (net of input tax credit, where applicable):		
As auditors	5.90	6.50
<b>Total</b>	<b>5.90</b>	<b>6.50</b>

### Note 28 RELATED PARTY TRANSACTIONS

Related parties and transactions with them as specified in the Ind-AS 24 on “Related Parties Disclosures” prescribed under Companies (Accounting Standards) Rules, 2015 has been identified and given below on the basis of information available with the company and the same has been relied upon by the auditors.

#### Details of related parties:

Description of relationship	Names of related parties
Subsidiaries	Arihant Abode Limited Arihant Aashiyana Private Limited Arihant Gruhnirman Private Limited Arihant Vatika Realty Private Limited
Key Management Personnel (KMP)	Ashok B. Chhajer Nimesh Shah Pradeep Mehta Naval Singh Sekhwat (till 15 <sup>th</sup> November, 2018) Govind Rao (from 16 <sup>th</sup> November, 2018)
Relatives of KMP	Sangeeta A. Chhajer Parth A Chhajer Bhavik A Chhajer
Company in which KMP / Relatives of KMP can exercise significant influence	Adinath Realty Private Limited Arihant Technoinfra Private Limited Arihant Paradise Realty Pvt. Ltd

Note: Related parties have been identified by the Management.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ In Lacs

### Details of related party transactions for the year ended 31 March, 2019

	Subsidiaries / Associates	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Loans & Advances Given	830.00	-	-	79.50	909.50
Loan & Advances Given Received	1,796.72	-	-	25.00	1,821.72
Interest Received	121.47	-	-	25.13	146.60
Loan Taken	-	3,098.00	-	-	3,098.00
Loan Repaid	-	686.50	-	-	686.50
Interest Paid (Gross)	-	407.04	-	-	407.04
Rent Paid (Gross)	-	4.80	-	65.00	69.80
Remuneration	-	102.44	-	-	102.44
Investment in Property	-	-	-	150.00	150.00
Purchases	-	-	-	0.84	0.84
Loans and Advances Asset as on March 31, 2019	1,207.15	-	-	367.17	1,574.31
Loans and Advances Outstanding as on March 31, 2019	-	4,670.28	-	-	4,670.28
Deposits	-	20.00	-	-	20.00

### Note 29 First time Adoption of Ind AS 115 - Revenue from Contracts with Customers (Ind AS 115):

- a.) Ind AS 115 has been notified by Ministry of Corporate Affairs (MCA) on March 28, 2018 and is effective from accounting period beginning on or after April 01, 2018. The Company has applied full retrospective approach in adopting the new standard and accordingly has given an cumulative effect of applying this standard on the opening balance of retained earning as at April 01, 2018.
- b.) Explanation of transition to Ind AS 115

Particulars	As at date of transition April 01,2018		
	As reported	Adjustments on account of adoption of IND AS 115	Post Adoption of IND AS 115
<b>Assets</b>			
<b>Current Assets</b>			
- Inventory	17,005.85	1,290.83	18,296.68
<b>Equity &amp; Liabilities</b>			
<b>Other Equity</b>			
- Retained Earnings	7,363.61	(604.53)	6,759.08

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### Note 30 Disclosures under Ind-AS 33 on “Earnings Per Share”

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Earnings per share</b>		
Basic		
Continuing operations		
Net profit / for the year from continuing operations attributable to the Equity Shareholders (₹ In Lacs)	242.20	1,034.05
Weighted average number of Equity Shares	41,159,991	41,159,991
Par value per share (₹)	10.00	10.00
Earnings per share from continuing operations		
Basic (₹)	0.59	2.51
Diluted (₹)	0.59	2.51

### Note 31 Disclosures under Ind-AS 12 on “Income Taxes”

Particulars	As at 31 March, 2019	As at 31 March, 2018	₹ In Lacs
<b>Deferred tax (liability) / asset</b>			
Opening deferred tax (liability) / asset	(7.59)	(1.79)	
Add/(less): Recognised/ reversed during the year	10.16	(5.80)	
<b>Closing deferred tax (liability) / asset</b>	2.58	(7.59)	

### Note 32 : Foreign currency transactions

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of the transaction. All monetary items denominated in foreign currency are converted into Indian rupees at the year-end exchange rate. Following expenses incurred by the company in foreogn currency during the year:

Business Promotion Expenses - ₹ 1.92 Lakhs.

### Note 33 : Contingent Liablities :

Contingent Liabilities :

- (i) Claims against the Company pending appellate/judicial decisions not acknowledged as debts:
  - (a) Service Tax : ₹ 200.66 Lakhs
- (ii) Guarantees:
  - (a) Guarantees given to Banks & Financial Institutions for ₹ 3,000 Lakhs against financial facilities availed by the subsidiary companies.
  - (b) Facilites against which Guarantee was given outstanding Fund amount is ₹ 1,726 Lakhs as on 31.03.2019

### Note 34 : Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind-AS -19, Employee Benefits, notified in the Companies (Accounting Standard) Rules, 2015.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### Provident fund

The Company makes contribution to statutory provident fund in accordance with the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. In terms with Ind-AS -19, Employee Benefits, notified in the Companies (Accounting Standard) Rules, 2015, the provident fund trust set-up by the Company is treated as a defined benefit plan since the Company has to meet the interest shortfall, if any. Accordingly, the contribution paid or payable and the interest shortfall, if any is recognised as an expense in the period in which services are rendered by the employee.

### Note 35 : Dues to Micro Enterprises and Small Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came in to force from 02 October 2006, certain disclosure are required to be made relating to Micro Small and Medium Enterprises. there are no outstanding dues to Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Developement Act, 2006.

### Note 36 : Segment Information :

In accordance with Indian Accounting Standard 108 "Operating Segments" prescribed by Companies (Accounting Standards) Rules, 2015, the company has determined its primary business segment as a single segment of Real Estate Business. Since there are no other business segments in which the company operates, there are no other primary reportable segments. Therefore, the Segment Revenue, Segment Results, Segment Assets, Segment Liabilities, total cost incurred to acquire Segment Assets, depreciation charge are all as is reflected in the Financial Statements.

### Note 37 : Impairment of Assets

On the basis of physical verification of assets, as specified in IND AS - 36 and cash generation capacity of those assets, in the management perception there is no impairment of such assets as appearing in the Balance Sheet as on 31.03.2019.

### Note 38 : CSR Expenditure

The company has framed CSR policy pursuant to the companies Act, 2013. the company has spent ₹ 12.51 Lakhs against the gross requirement of ₹ 100.90 Lakhs (Incl Previous year ₹ 46.74 Lakhs) till date, as per provision of companies Act 2013. Remaining amount of ₹ 88.39 Lakhs to be spent in the subsequent year.

**Note 39 :** The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 have not been made since the requirement does not pertain to financial year ended 31 March 2019.

### Note 40 : Previous Year Figure's regrouping:

The previous year's figures have been regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

The accompanying Notes 1 to 40 form an integral part of the Standalone Financial Statements

As per our report of even date

**For Kailash Chand Jain & Co.**  
Chartered Accountants  
Firm Reg. No.: 112318W

**Saurabh Chouhan**  
Partner  
Membership No. 167453

Place : Mumbai  
Date : 27th May, 2019

**For and on behalf of the Board of Directors**

**Ashok Chhajer**  
Chairman & MD  
DIN- 01965094

**Pradeep Mehta**  
Chief Financial Officer

**Nimish Shah**  
Whole Time Director  
DIN- 03036904

**Govind Rao**  
Company Secretary

## INDEPENDENT AUDITOR'S REPORT

**To The Members of Arihant Superstructure Limited  
Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated Financial Statements of Arihant Superstructure Limited (“the Company”) and its subsidiaries (the Company and its subsidiaries together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at March 31, 2019, 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 ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated Financial Statements”).

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 Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. 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.

**Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matter.

**Revenue recognition**

<b>The Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
<p>Revenue from sale of residential and commercial units represents 98.33% of the total revenue from operations of the Company.</p> <p>Revenue is recognised upon transfer of control of residential and commercial units to customers for an amount that reflects the consideration which the Company expects to receive in exchange for those units. The trigger for revenue recognition is normally percentage of completion of the project</p> <p><b>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 “Revenue from Contracts with Customers”</b></p> <p>The application of the new revenue accounting standard involves significant estimates related to measurement of costs to complete for the projects. Revenue from projects is recorded based on management’s assessment of the work completed, costs incurred and accrued and the estimate of the balance costs to complete.</p> <p>Due to the inherent nature of the projects and significant judgment involved in the estimate of costs to complete, there is risk of overstatement or understatement of revenue</p>	<p>We assessed the Company’s process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit procedures on Revenue recognition included the following:</p> <ul style="list-style-type: none"> <li>• Evaluating that the Company’s revenue recognition accounting policies are in line with the applicable accounting standards and their application to the key customer contracts including consistent application;</li> <li>• Scrutinising all the revenue journal entries raised throughout the reporting period and comparing details of a sample of these journals, which met certain risk-based criteria, with relevant underlying documentation’</li> <li>• Conducting site visits during the year for selected projects to understand the scope and nature of the projects and to assess the progress of the projects; and</li> </ul>

	<ul style="list-style-type: none"> <li>• Testing sample sales of units for projects with the underlying contracts, completion status and proceeds received from customers;</li> <li>• Identified and tested operating effectiveness of key controls around approvals of contracts, milestone billing, intimation of possession letters / intimation of receipt of occupation certificate and controls over collection from customers.</li> </ul> <p><b>Measurement of revenue recorded over time which is dependent on the estimates of the costs to complete</b></p> <ul style="list-style-type: none"> <li>• Compared, on a sample basis, revenue transactions recorded during the year with the underlying contracts, progress reports, invoices raised on customers and collections in bank accounts and whether the related revenue had been recognised in accordance with the Company's revenue recognition policies;</li> <li>• Identification and testing operating effectiveness of key controls over recording of actual costs incurred for the projects;</li> <li>• Read, analysed and identified the distinct performance obligations in these contracts.</li> <li>• Performed analytical procedures for reasonableness of revenues disclosed by the company.</li> <li>• Verification of construction cost and land cost directly attributable to the project.</li> </ul>
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### **Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The parent Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated Financial Statements and our auditor's report thereon

Our opinion on the consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information included in the annual report of the company, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Management's Responsibility for the Consolidated Financial Statements**

The parent Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS 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 the 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.

In preparing the consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Financial Statements.

### **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 purposes 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 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 Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Financial Statements.
  - d) In our opinion, the aforesaid consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 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 and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**" which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) 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 impact of pending litigations on the consolidated financial position of the Group.
- ii. Provision has been made in the consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
- iii. No amount is required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

**For Kailash Chand Jain & Co.**  
Chartered Accountants  
Firm registration No. 112318W

**Saurabh Chouhan**  
Partner  
Membership No.: 167453

Date: May 27, 2019

Place: Mumbai

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS Financial Statements OF ARIHANT SUPERSTRUCTURE LIMITED**

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Arihant Superstructure 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")**

In conjunction with our audit of the consolidated Financial Statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of ARIHANT SUPERSTRUCTURE LIMITED (hereinafter referred to as "Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

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

The Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 ("the ICAI"). 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether 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 internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

#### **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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

### **Inherent Limitations of Internal Financial Controls 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 and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, 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, 2019, based on the internal control over financial reporting criteria established by the respective companies 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 Kailash Chand Jain & Co.**  
Chartered Accountants  
Firm registration No. 112318W

**Saurabh Chouhan**  
Partner  
Membership No.: 167453

Date: May 27, 2019

Place: Mumbai

## CONSOLIDATED BALANCE SHEET

Particulars	Note No.	(₹ In Lacs)	
		As at 31 March, 2019	As at 31 March, 2018
<b>A ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant & Equipment	3	1,051.84	968.22
Intangible Assets	4	8.75	12.54
Investment in Property	5	150.00	1,765.00
Financial Assets			
Investments	5	0.16	0.16
Loans	6	-	-
Other Financial Assets	7	4,021.62	3,399.97
Deferred Tax Assets (Net)	21	2.24	-
		<b>5,234.61</b>	<b>6,145.88</b>
<b>Current Assets</b>			
Inventories	8	42,172.97	36,125.66
Financial Assets			
Investments	5	17.13	17.07
Trade Receivable	9	2,833.92	5,084.55
Cash & Cash Equivalents	10	1,494.02	1,227.14
Loans	6	1,931.83	315.98
Other Financial Assets	7	959.94	771.30
Current Tax Assets	11	194.53	489.91
Other Current Assets			
Land	12	15,511.93	15,811.20
Other	13	2,560.58	1,623.34
		<b>67,676.85</b>	<b>61,466.16</b>
	<b>TOTAL</b>	<b>72,911.46</b>	<b>67,612.04</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	14a	4,116.00	4,116.00
Other Equity	14b	8,066.36	7,641.56
Non Controlling Interest		1,392.50	984.12
		<b>13,574.86</b>	<b>12,741.68</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
Financial Liabilities			
Borrowings	15	23,766.09	17,185.48
Deferred Tax Liabilities (net)	21	-	9.61
		<b>23,766.09</b>	<b>17,195.09</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	15	14,011.09	10,483.60
Trade Payables	16	4,035.26	3,761.94
Other Financial Liabilities	17	1,765.02	1,805.02
Other Current Liabilities			
Advance from Customers	18	14,378.70	20,026.62
Other Current Liabilities	19	206.96	240.20
Provisions	20	722.00	616.87
Current Tax Liabilities	21	451.48	741.03
		<b>35,570.51</b>	<b>37,675.27</b>
	<b>TOTAL</b>	<b>72,911.46</b>	<b>67,612.04</b>

The accompanying Notes 1 to 40 form an integral part of the Consolidated Financial Statements

As per our report of even date

**For Kailash Chand Jain & Co.**

Chartered Accountants

Firm Reg. No.: 112318W

**Saurabh Chouhan**

Partner

Membership No. 167453

Place : Mumbai

Date : 27th May, 2019

**For and on behalf of the Board of Directors**

**Ashok Chhajer**

Chairman & MD

DIN- 01965094

**Nimish Shah**

Whole Time Director

DIN- 03036904

**Pradeep Mehta**

Chief Financial Officer

**Govind Rao**

Company Secretary

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

(₹ In Lacs)

Particulars	Note No.	31 March, 2019	31 March, 2018
<b>1 Income from Operations</b>			
(a) Revenue from Operations	22	23,926.39	18,796.41
(b) Other Income	23	294.49	128.78
<b>Total revenue</b>		<b>24,220.88</b>	<b>18,925.19</b>
<b>2 Expenses</b>			
(a) Cost of construction, land and development expenses	24.a	19,547.25	12,848.10
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24.b	(5,108.36)	(1,607.57)
(c) Employee benefits expense	25	1,381.21	1,273.35
(d) Finance costs	26	3,236.54	1,501.01
(e) Depreciation expense	3&4	186.01	133.62
(f) Other expenses	27	2,705.95	2,562.22
<b>Total expenses</b>		<b>21,948.60</b>	<b>16,710.73</b>
<b>3 Profit / (Loss) before exceptional items and tax (1 - 2)</b>		<b>2,272.28</b>	2,214.47
<b>4 Exceptional Items (net)</b>		-	-
<b>5 Profit / (Loss) before tax (3 + 4)</b>		<b>2,272.28</b>	<b>2,214.47</b>
<b>6 Tax expense:</b>			
(a) Current tax expense		451.48	740.74
(b) Deferred tax		(11.85)	8.93
		439.63	749.67
<b>7 Profit / (loss) after tax including non controlling interest (5 - 6)</b>		<b>1,832.65</b>	<b>1,464.80</b>
<b>8 Non Controlling Interest</b>		467.05	208.26
<b>9 Profit / (Loss) after tax (7 - 8)</b>		<b>1,365.59</b>	<b>1,256.53</b>
<b>10 Other Comprehensive Income</b>			
(a) Items that will not be classified to profit & loss		-	-
(b) Items that will be reclassified to profit & loss		-	-
<b>Other Comprehensive Income</b>		-	-
<b>11 Total Comprehensive Income for the period (7 + 8)</b>		<b>1,365.59</b>	<b>1,256.53</b>
<b>12 Earnings per share (of ₹ 10/- each):</b>			
(a) Basic		3.32	3.05
(b) Diluted		3.32	3.05

The accompanying Notes 1 to 40 form an integral part of the Consolidated Financial Statements

As per our report of even date

**For Kailash Chand Jain & Co.**  
Chartered Accountants  
Firm Reg. No.: 112318W

**Saurabh Chouhan**  
Partner  
Membership No. 167453

Place : Mumbai  
Date : 27th May, 2019

**For and on behalf of the Board of Directors**

**Ashok Chhajer**  
Chairman & MD  
DIN- 01965094

**Pradeep Mehta**  
Chief Financial Officer

**Nimish Shah**  
Whole Time Director  
DIN- 03036904

**Govind Rao**  
Company Secretary

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED

a) Equity Share Capital	(₹ In Lacs)				
Particulars		31 March 2019	31 March 2018		
Balance at the beginning of the year		4,116.00	4,116.00		
Change in equity share capital during the year		-	-		
Balance at the end of the year		4,116.00	4,116.00		

b) Other Equity					
Particulars	Other Equity				Toal Equity Attributable to Equity Holders of the Company
	Reserves & Surplus	Other	Comprehensive Income		
	Security Premium Reserve	Capital Reserve	Retained Earnings		
Balance as of April, 01 2017	524.40	0.78	6,728.23	-	7,253.41
Changes in Equity for the Year Ended March, 31 2018:					-
Dividends and DDT	-	-	(495.39)	-	(495.39)
CSR Written Off	-	-	(32.24)	-	(32.24)
Earlier Year Income Tax Provision w/off	-	-	(340.75)	-	(340.75)
Profit for the period	-	-	1,256.53	-	1,256.53
Balance as of March, 31 2018	524.40	0.78	7,116.38	-	7,641.56
Balance as of April, 01 2018	524.40	0.78	7,116.38	-	7,641.56
Changes in Equity for the Year Ended March, 31 2019:					-
Loss on Adoption of Ind AS 115	-	-	(692.53)	-	(692.53)
Dividends and DDT	-	-	(248.25)	-	(248.25)
Firm Tax	-	-	(0.02)	-	(0.02)
Profit for the period	-	-	1,365.59	-	1,365.59
Balance as of March, 31 2019	524.40	0.78	7,541.17	-	8,066.36

### Security Premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Act.

### Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, debenture redemption reserve, dividends or other distributions paid to shareholders.

As per our report of even date

**For Kailash Chand Jain & Co.**

Chartered Accountants

Firm Reg. No.: 112318W

**Saurabh Chouhan**

Partner

Membership No. 167453

Place : Mumbai

Date : 27th May, 2019

**For and on behalf of the Board of Directors**

**Ashok Chhajer**

Chairman & MD

DIN- 01965094

**Nimish Shah**

Whole Time Director

DIN- 03036904

**Pradeep Mehta**

Chief Financial Officer

**Govind Rao**

Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED

(₹ In Lacs)

Particulars	31st March 2019	31st March 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and before Extra ordinary Items :	2,272.28	2,214.47
<b>Adjustment for Non Cash Items</b>		
Depreciation & Amortisation	186.01	133.62
Interest paid	3,236.54	1,486.99
<b>Less :- Non Operating Income</b>		
Effect of Ind AS 115	(751.20)	-
Loss on Sale of Car	(0.84)	1.17
Interest Received	(257.29)	(103.58)
	<u>4,685.50</u>	<u>3,732.66</u>
<b>Changes in Working Capital</b>		
(Increase)/ Decrease in Inventories	(6,047.31)	(1,607.57)
(Increase)/ Decrease in Term Loans & Advances	(1,804.49)	361.78
(Increase)/ Decrease in Trade & Other Receivable	991.02	(3,398.21)
Increase/ (Decrease) in Current Liabilities & Provision	(5,063.12)	4,112.64
Cash flow from Operating Activities before Tax and Extraordinary Items	<u>(7,238.40)</u>	<u>3,201.30</u>
Income Tax paid	(614.42)	(1,753.84)
Cash flow from Operating Activities before Extraordinary Items	(7,852.82)	1,447.46
Adjustment for Extraordinary Items	-	-
<b>Cash Generated from Operating Activities</b>	<b>(7,852.82)</b>	<b>1,447.46</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Net)	(266.41)	(710.44)
(Purchase)/Sale of Investments	1,614.93	(860.00)
Sale of Fixed Assets	1.40	1.21
Interest Received	257.29	103.58
<b>Cash Generated from Investment Activities</b>	<b>1,607.21</b>	<b>(1,465.65)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Secured Loans	7,299.43	(2,995.20)
Increase/(Decrease) in Unsecured Loans	2,808.68	5,082.20
Interest paid	(3,236.54)	(1,486.99)
Dividend and Dividend Distribution Tax Paid	(248.25)	(495.39)
<b>Cash Generated from Financing Activities</b>	<b>6,623.31</b>	<b>104.62</b>
Net Increase in Cash & Cash Equivalents	377.70	86.43
Opening Balance of Cash & Cash Equivalents (Net of Book o/d)	(25.10)	(111.53)
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>352.60</b>	<b>(25.10)</b>
(i) Cash in Hand	43.21	38.60
(ii) Balance with Bank (Net of Book O/D)	309.38	(63.70)
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>352.60</b>	<b>(25.10)</b>

Note:- The above Consolidated Statement of Cash Flows has been prepared under the ‘Indirect Method’ as set out in the Indian Accounting Standard (Ind AS) -7 “Statement of Cash Flows”.

As per our report of even date

**For Kailash Chand Jain & Co.**

Chartered Accountants  
Firm Reg. No.: 112318W

**Saurabh Chouhan**

Partner  
Membership No. 167453

Place : Mumbai

Date : 27th May, 2019

**For and on behalf of the Board of Directors**

**Ashok Chhajer**

Chairman & MD  
DIN- 01965094

**Pradeep Mehta**

Chief Financial Officer

**Nimish Shah**

Whole Time Director  
DIN- 03036904

**Govind Rao**

Company Secretary

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 1 Corporate information

Arihant Superstructures Limited (“the Company”) having CIN L51900MH1983PLC029643 is a Public Limited Company domiciled and incorporated in India and its shares are publically traded on National Stock Exchange (“NSE”) and the Bombay Stock Exchange (“BSE”), India. The Company’s Registered Office is located at Arihant Aura, B-Wing, 25th Floor, Plot no. 13/1, TTC Industrial Area, Thane Belapur Road, Turbhe, Navi Mumbai, Maharashtra - 400705. The operation of the Company spanned in all aspect of Real Estate Development, from the identification and Acquisition of Land, planning, execution, construction and marketing of projects. The Company has its presence in the States of Rajasthan and Maharashtra.

### 2 Summary of Significant Accounting Policies

#### 2.1 Basis of preparation of Financial Statements

The Financial Statements of the subsidiaries used for the purpose of consolidation are drawn upto the same reporting date as that of the Company, i.e. March 31, 2019.

The consolidated Financial Statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the Section 133 of the Companies Act, 2013 (“the 2013 Act”) and the relevant provisions and amendments, as applicable. The Consolidated Financial Statements have been prepared on accrual basis under the historical cost convention except certain financial instruments, defined benefit plans and share based payments measured at fair value.

This is the first set of the Group’s consolidated Financial Statements in which Ind AS 115, Revenue from contracts with customers, has been applied. Changes to Significant accounting policies are described in notes and the impact of transition to Ind AS 115 on the consolidated Financial Statements is disclosed in note 29.

The consolidated Financial Statements of the Group for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on May 27, 2019.

#### 2.2 Basis of Consolidation

- i) Arihant Superstructures Limited Consolidates entities which it owns OR controls. The Consolidated Financial Statements comprises the Financial Statements of the Company, its Subsidiaries as disclosed in Note 28. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity’s returns. Subsidiaries are consolidated from the date control commences until the date control ceases.
- ii) The Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the parent for Standalone Financial Statements.
- iii) The Financial Statements of the Group are consolidated on a line-by-line basis and Intra Group balances and transactions, including unrealized gain/(loss) from such transactions, are eliminated upon consolidation.
- iv) These Consolidated Financial Statements are prepared by applying uniform Accounting Policies in use at the group. Non-Controlling Interest which represent part of the net Profit or Loss and Net Assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company, are excluded.
- v) The amount shown in respect of Reserve comprises the amount of the relevant Reserves as per the Balance Sheet of the Parent Company and its share in the post acquisition increase in the relevant Reserve of the entity to be consolidated.
- vi) Notes to the Consolidated Financial Statements represents notes involving items which are considered material & are accordingly duly disclosed. Materiality for the purpose is assessed in relation to the information contained in the Consolidated Financial Statements. Further, additional statutory information disclosed in separate Financial Statements of the subsidiary and / or Parent having no bearing on the true & fair view of the Consolidated Financial Statements have not been disclosed in the Consolidated Financial Statements.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.3 Use of Estimates and Judgements

The preparation of the Financial Statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions effect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Financial Statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period and actual results may differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Financial Statements. The basis of the description is as under :

#### 1) Evaluation of satisfaction of performance obligation at a point in time for the purpose of revenue recognition:

Determination of revenue under the satisfaction of performance obligation at a point in time method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the timing of satisfaction of performance obligation, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. The Company recognises revenue when the company satisfies its performance obligation.

#### 2) Evaluation of percentage of completion for the purpose of revenue recognition:

Determination of revenue under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentage of completion, cost of completion, the expected revenue from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the standalone Financial Statements for the period in which such changes are determined.

#### 3) Useful life and residual value of Property, Plant and Equipment and Intangible Assets:

Useful lives of Property, Plant and Equipment and Intangible Assets are based on the life prescribed in Schedule II of the Companies Act, 2013 or based on internal technical evaluation. Assumption are also made when the company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

#### 4) Recognition of Deferred Tax Asset:

The extent of which Deferred Tax Asset can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

#### 5) Provisions and contingencies:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

### 2.4 Current versus Non-Current classification

The Company presents Assets and Liabilities in the Balance Sheet based on Current/Non-Current classification. The normal operating cycle, in the context of the Company, is the time between the acquisition of Land for a real estate project and its realisation in Cash and Cash Equivalents by way of sale of developed units.

An Asset is treated as Current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised 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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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.

Deferred Tax Assets and Liabilities are classified as Non-Current Assets and Liabilities.

### 2.5 Property, Plant and Equipment

Freehold/Leasehold Land and Capital Work-in- progress is carried at cost. All other items of Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost of an item of Property, Plant and Equipment comprises of its purchase price, any costs directly attributable to its acquisition and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs when the item is acquired. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to Profit or Loss Statement during the reporting period in which they are incurred.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Property, Plant and Equipment recognised as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment.

Depreciation on Property, Plant and Equipment is calculated using the Straight-Line Method to allocate their cost, net of their residual values, over their estimated useful lives. The useful lives estimated for the major classes of Property, Plant and Equipment are as follows:

<b>Class of Property, Plant and Equipment</b>	<b>Useful life (in years)</b>
Buildings	60
Rented Premises	Lease Period
Plant & Machinery	5-15
Furnitures & fixtures	8-10
Vehicles	5-10
Electrical Installations	10
Equipments and facilities	5
Computer Hardware	3

The useful lives have been determined based on technical evaluation done by the management's experts, which in few cases are different than the lives as specified by Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the Asset. The asset' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the Asset is included in the Statement of Profit and Loss when the Asset is derecognised.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Assets under construction includes the cost of Property, Plant and Equipment that are not ready to use at the Balance Sheet date. Advances paid to acquire Property, Plant and Equipment before the Balance Sheet date are disclosed under other Non Current Assets. asset under construction are not depreciated as these Assets are not yet available for use.

Capital Work in progress is stated at cost less impairment losses, if any. Cost comprises of expenditure incurred in respect of capital projects under development and includes any attributable/allocable cost and incidental expenses. Revenues earned, if any, from such capital projects before capitalisation are adjusted against the Capital Work in progress.

### 2.6 Dividends

Provision is made for the amount of any Dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

### 2.7 Investment Properties

Investment properties are measured initially at cost, including transaction costs and borrowing costs, wherever applicable. Subsequent to initial recognition, Investment Properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Investment Properties recognised as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Investment Properties.

Investment Properties are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of Investment Properties are included in Profit and Loss in the period of de-recognition.

### 2.8 Intangible Assets

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and impairment loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Intangible Assets recognised as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of Intangible Assets.

The useful lives of Intangible Assets are assessed as either finite or indefinite.

Intangible Assets with finite lives are amortised on a Straight-Line Method over the useful economic life and assessed for impairment whenever there is an indication that the Intangible Asset may be impaired. The amortisation period and the amortisation method for an Intangible Asset are reviewed at least at the end of each reporting period and adjusted, if appropriate. The useful economic lives estimated for various classes of Intangible Assets are as follows:

Class of Intangible Assets	Useful life (in years)
Goodwill	5
Trademark and Logo	10
Software	3

Intangible Assets with indefinite useful lives are not amortised, but are tested for impairment annually.

### 2.9 Finance Costs

Borrowing costs that are directly attributable to the acquisition/construction of qualifying Assets or for long term project development are capitalised as part of their cost of such land till the revenue is recognised for the project.

Other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.10 Non-Current Assets held for Sale

Non-Current Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current Assets classified as held for sale and their related Liabilities are presented separately in the Balance Sheet. Non-current Assets are not depreciated or amortised while they are classified as Held for Sale.

### 2.11 Inventories

#### **Construction Materials and Consumables**

Construction material and Consumables are valued at lower of cost and net realisable value .

#### **Land/Development Rights**

Land/Development Rights are valued at lower of cost and net realisable value.

#### **Construction Work in Progress**

Completed units and project development forming part of Work in Progress are valued at lower of cost and net realisable value. Cost includes direct materials, labour, project specific direct indirect expenses.

#### **Finished Goods**

Finished goods of completed projects and Stock in trade of units is valued at lower of cost or net realisable value.

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

### 2.12 Cash and Cash Equivalent

Cash and Cash Equivalent in the Balance Sheet comprise Cash at Banks and on Hand and Short- Term Deposits maturing within twelve months from the date of Balance Sheet, which are subject to an insignificant risk of changes in value.

### 2.13 Financial Instruments

#### **A. Financial Instruments - Initial recognition and measurement**

Financial Assets and Financial Liabilities are recognised in the Company's Statement of Financial position when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its Financial Assets and Liabilities at initial recognition. All Financial Assets are recognised initially at fair value plus, in the case of Financial Assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the Financial asset.

#### **B.1. Financial Assets—Subsequent measurement**

The Subsequent measurement of Financial Assets depends on their classification which is as follows:

##### **a. Financial Assets at fair value through Profit or Loss**

Financial Assets at fair value through Profit and Loss include Financial Assets Held for Sale in the near term and those designated upon initial recognition at fair value through profit or loss.

##### **b. Financial Assets measured at amortised cost**

Loans and Receivables are non derivative Financial Assets with fixed or determinable payments that are not quoted in an active market. Trade Receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowance for estimated irrecoverable amounts based on the ageing of the receivables balance and historical experience. Additionally, a large number of minor Receivables are grouped into homogenous groups and assessed for impairment collectively. Individual Trade Receivables are written off when management deems them not to be collectible.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### c. Financial Assets at fair value through OCI

All Equity Investments, except Investments in Subsidiaries, Joint Ventures and Associates, falling within the scope of Ind AS 109, are measured at fair value through Other Comprehensive Income (OCI). The Company makes an irrevocable election on an instrument by instrument basis to present in Other Comprehensive Income subsequent changes in the fair value. The classification is made on initial recognition and is irrevocable.

If the Company decides to designate an Equity Instrument at fair value through OCI, then all fair value changes on the instrument, excluding Dividends, are recognized in the OCI.

### B.2. Financial Assets—Derecognition

The Company derecognises a Financial asset when the contractual rights to the cash flows from the Assets expire or it transfers the Financial asset and substantially all the risks and rewards of ownership of the asset.

Upon derecognition of Equity Instruments designated at fair value through OCI, the associated fair value changes of that equity instrument is transferred from OCI to Retained Earnings.

### C. Investment in Subsidiaries, Joint Ventures and Associates

Investments made by the Company in Subsidiaries, Joint Ventures and Associates are measured at cost in the Standalone Financial Statements of the Company.

### D.1. Financial liabilities—Subsequent measurement

The Subsequent measurement of Financial liabilities depends on their classification which is as follows:

#### a. Financial Liabilities at fair value through Profit or Loss

Financial Liabilities at fair value through Profit or Loss include Financial Liabilities Held for Trading, if any.

#### b. Financial Liabilities measured at amortised cost

Interest bearing loans and borrowings including debentures issued by the Company are subsequently measured at amortised cost using the Effective Interest Rate method (EIR). Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are integral part of the EIR. The EIR amortised is included in finance costs in the Statement of Profit and Loss.

### D.2. Financial Liabilities—Derecognition

A Financial Liability is derecognised when the obligation under the liability is discharged 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 derecognition of the original liability and the recognition of new liability. The difference in the respective carrying amount is recognised in the Standalone Statement of Profit and Loss.

### E. Offsetting Financial Instruments

Financial Assets and Financial Liabilities are offset and the net amount reported in the Statement of Financial Position, if and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the Assets and settle the Liabilities simultaneously.

### F. Fair value measurement

The Company measures certain Financial instruments at fair value at each reporting date. 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 presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the Assets or Liability or
- In the absence of a principal market, in the most advantageous market for the Asset or Liability.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

The Company uses valuation technique 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.

Level 1 - Quoted (unadjusted) market prices in active market 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 technique for which the lowest level input that is significant to the fair value measurement is unobservable.

### 2.14 Selling Costs

Selling expenses related to specific projects/units are being charged to Statement of Profit and Loss in the year in which the revenue thereof is accounted. Such costs are carried forward till such charge off as unaccrued selling expenses under the head Other Current Assets.

### 2.15 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes, duties or other charges collected on behalf of the government/authorities.

The specific recognition criteria for the various types of the Company's activities are described below:

#### **Revenue from Real Estate Projects**

Ind AS 115 has been notified by Ministry of Corporate Affairs (MCA) on March 28, 2018 and is effective from accounting period beginning on or after April 01, 2018.

The Company has applied full retrospective approach in adopting the new standard and accordingly recognised revenue in accordance with Ind AS 115 as compared to earlier Percentage of Completion method as per the Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable)

As these are the first set of the Company's Consolidated Financial Statements prepared in accordance with Ind AS 115, an explanation of how the transition to Ind AS 115 has affected the previously reported financial position of the Company is provided in Note No. 29 to the consolidated financial statement.

In accordance with the principles of Ind AS 115 revenue in respect of real estate project is recognised on satisfaction of Performance obligation at a point in time by transferring a promised good or services (i.e. an asset) to a customer and the customer obtains control of that asset.

To determine the point in time at which a customer obtains control of a promised asset and the entity satisfies a performance obligation, the company considers following indicators of the transfer of control to customers:

- (a) the company has a present right to payment for the asset;
- (b) the company has transferred to the buyer the significant risks and rewards of ownership of the real estate;
- (c) the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the real estate sold;
- (d) the amount of revenue can be measured reliably;
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably;
- (f) the customer has accepted the asset.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The satisfaction of performance obligation and the control thereof is transferred from the company to the buyer upon possession or upon issuance of letter for offer of possession (“deemed date of possession”), whichever is earlier, subject to realisation/ certainty of realisation.

Obligations: The company is under an obligation to comply with the following In terms of the Real Estate (Regulation and Development) Act 2016 (RERA)

- (a) Obligation to keep 70% of the amounts realized from real estate project from allottees from time to time, in a separate account in a scheduled bank
- (b) To enable formation of the association or society of allottees
- (c) Liability to rectify structural defect or defect in workmanship within 30 days if brought to notice of the company by allottee within 5 years from the date of handing over possession.

### **Interest income**

Interest income from Debt Instruments (including Fixed Deposits) is recognised using the Effective Interest Rate method. The Effective Interest Rate is that rate that exactly discounts estimated future cash receipts through the expected life of the Financial Asset to the gross carrying amount of a Financial Asset. While calculating the Effective Interest Rate, the Company estimates the expected cash flows by considering all the contractual terms of the Financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

### **Dividends**

Revenue is recognised when the Company's right to receive the payment is established.

### **Delayed Payment Charges**

Delayed Payment Charges claimed to expedite recoveries are accounted for on realisation.

### **Other Income**

Other Income is accounted for on accrual basis except, where the receipt of income is uncertain.

### **2.16 Foreign Currency Transactions**

Foreign Currency Transactions are translated into Indian rupee using the exchange rates prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of these transactions and from the translation of monetary Assets and Liabilities denominated in foreign currencies at year end exchange rates are recognised in the Statement of Profit or Loss.

### **2.17 Income Taxes**

#### **Current Tax**

The Current Tax expense for the period is determined as the amount of tax payable in respect of taxable income for the period, based on the applicable income tax rates.

Current Tax relating to items recognised in Other Comprehensive Income or Equity is recognised in Other Comprehensive Income or Equity, respectively.

#### **Deferred Tax**

Deferred Tax is provided using the liability method on temporary differences between the tax bases of Assets and Liabilities and their carrying amounts for Financial reporting purposes at the reporting date.

Deferred Tax liabilities are recognised for all taxable temporary differences. Deferred tax Assets are recognised for all deductible temporary differences and, the carry forward of unused tax credits and any unused tax losses. Deferred Tax Assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Deferred Tax Assets and Liabilities are measured at the tax rates that are expected to apply in the year when the Asset is realised or the Liability is settled, based on tax rates (and tax laws) that have been enacted at the Reporting date.

Deferred tax relating to items recognised in Other Comprehensive Income or Equity is recognised in Other Comprehensive Income or Equity, respectively.

Deferred Tax Assets and Deferred Tax Liabilities are offset if a legally enforceable right exists to set off current tax Assets against Current Tax Liabilities.

### 2.18 Provisions, Contingent Liabilities and Contingent Assets

A Provision is recognised when the Company has present determined obligations as a result of past events an outflow of resources embodying economic benefits will be required to settle the obligations. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

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

A Contingent Liability is not recognised but disclosed in the Notes to the accounts, unless the probability of an outflow of resources is remote.

A Contingent Asset is generally neither recognised nor disclosed.

### 2.19 Earnings Per Share

The basic Earnings Per Share (EPS) is calculated by dividing the net profit or loss for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating Diluted Earnings Per Share, the net profit or loss for the year attributable to the Equity Shareholders and the weighted average number of Equity Shares outstanding during the year are adjusted for the effects of all dilutive potential Equity Shares.

### 2.20 Exceptional Items

Exceptional items refer to items of income or expense within Statement of Profit and Loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

### 2.21 Impairment of Non Financial Assets

The carrying amounts of Assets are reviewed at each reporting date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an Asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less cost of disposals and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value is the price that would be received to sell an Asset or paid to transfer a Liability in orderly transaction between market participants at the measurement date. After impairment, depreciation is provided on the revised carrying amount of the Asset over its remaining useful life.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for the Company Cash Generating Unit's (CGU) to which the individual Assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the Statement of Profit and Loss in expense categories.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the Asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the Asset in prior years.

### 2.22 Critical Accounting Estimates

#### Property, Plant and Equipment

Property, Plant and Equipment represent a proportion of the Asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an Asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's Assets are determined by management at the time the Asset is acquired and reviewed periodically, including at each Financial year end. The lives are based on historical experience with similar Assets as well as anticipation of future events, which may impact their life, such as changes in technology.

#### Intangible Assets

The Company tests whether Intangible Assets have suffered any impairment on an annual basis. The recoverable amount of a Cash Generating Unit is determined based on value in use calculations which require the use of assumptions.

#### Investment Property

The charge in respect of periodic depreciation on Investment Properties is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's Investment Properties are determined by management at the time the asset is acquired and reviewed periodically, including at each Financial Year end. The lives are based on historical experience with similar Assets as well as anticipation of future events, which may impact their life, such as changes in technology.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lacs)

### Note 3 Property, Plant & Equipment

The changes in carrying value of Property, Plant & Equipment for the Year Ended March, 31 2019

Particulars	Building	P&M and Office Equipment	Computer Equipment	Furniture & Fixtures	Vehicles	Total
<b>Gross carrying value as of April 1, 2018</b>	14.42	583.41	65.28	227.37	297.22	1,187.70
Additions	-	20.67	28.62	110.08	107.04	266.41
Deletions	-	-	-	-	1.83	1.83
<b>Gross carrying value as of March 31, 2019</b>	<b>14.42</b>	<b>604.08</b>	<b>93.91</b>	<b>337.45</b>	<b>402.43</b>	<b>1,452.28</b>
<b>Accumulated Depreciation as of April 1, 2018</b>	1.12	72.01	12.99	30.83	102.53	219.48
Depreciation	0.56	73.94	23.88	29.48	54.37	182.24
Accumulated depreciation on deletion	-	-	-	-	1.27	1.27
<b>Accumulated Depreciation as of March 31, 2019</b>	<b>1.68</b>	<b>145.94</b>	<b>36.88</b>	<b>60.32</b>	<b>155.63</b>	<b>400.45</b>
<b>Carrying Value as of March 31, 2019</b>	<b>12.74</b>	<b>458.13</b>	<b>57.03</b>	<b>277.13</b>	<b>246.79</b>	<b>1,051.84</b>
<b>Carrying Value as of April 1, 2018</b>	<b>13.30</b>	<b>511.40</b>	<b>52.29</b>	<b>196.54</b>	<b>194.69</b>	<b>968.22</b>

The changes in carrying value of Property, Plant & Equipment for the Year Ended March, 31 2018

Particulars	Building	P&M and Office Equipment	Computer Equipment	Furniture & Fixtures	Vehicles	Total
<b>Gross carrying value as of April 1, 2017</b>	14.42	122.84	11.41	92.47	243.69	484.83
Additions	-	460.57	53.87	134.90	58.98	708.32
Deletions	-	-	-	-	5.45	5.45
<b>Gross carrying value as of March 31, 2018</b>	<b>14.42</b>	<b>583.41</b>	<b>65.28</b>	<b>227.37</b>	<b>297.22</b>	<b>1,187.70</b>
<b>Accumulated Depreciation as of April 1, 2017</b>	0.56	26.32	5.72	13.61	47.79	94.00
Depreciation	0.56	45.69	7.28	17.22	57.81	128.56
Accumulated depreciation on deletion	-	-	-	-	3.08	3.08
<b>Accumulated Depreciation as of March 31, 2018</b>	<b>1.12</b>	<b>72.01</b>	<b>12.99</b>	<b>30.83</b>	<b>102.53</b>	<b>219.48</b>
<b>Carrying Value as of March 31, 2018</b>	<b>13.30</b>	<b>511.40</b>	<b>52.29</b>	<b>196.54</b>	<b>194.69</b>	<b>968.22</b>
<b>Carrying Value as of April 1, 2017</b>	<b>13.86</b>	<b>96.52</b>	<b>5.70</b>	<b>78.86</b>	<b>195.90</b>	<b>390.83</b>

### Note 4 Intangible Assets

The changes in carrying value of Intangible Assets for the year Ended March, 31 2019

Particulars	Software	Trademark	Total
<b>Gross carrying value as of April 1, 2018</b>	18.98	3.15	22.13
Additions	-	-	
Deletions	-	-	
<b>Gross carrying value as of March 31, 2019</b>	<b>18.98</b>	<b>3.15</b>	<b>22.13</b>
<b>Accumulated Depreciation as of April 1, 2018</b>	9.17	0.42	9.60
Depreciation	3.61	0.17	3.77
Accumulated depreciation on deletion	-	-	
<b>Accumulated Depreciation as of March 31, 2019</b>	<b>12.79</b>	<b>0.59</b>	<b>13.37</b>
<b>Carrying Value as of March 31, 2019</b>	<b>6.19</b>	<b>2.56</b>	<b>8.75</b>
<b>Carrying Value as of April 1, 2018</b>	<b>9.81</b>	<b>2.73</b>	<b>12.54</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lacs)

The changes in carrying value of Intangible Assets for the year Ended March, 31 2018

Particulars	Software	Trademark	Total
<b>Gross carrying value as of April 1, 2017</b>	17.76	2.25	20.01
Additions	1.22	0.90	2.12
Deletions	-	-	-
<b>Gross carrying value as of March 31, 2018</b>	18.98	3.15	22.13
<b>Accumulated Depreciation as of April 1, 2017</b>	4.34	0.19	4.53
Depreciation	4.83	0.23	5.06
Accumulated depreciation on deletion	-	-	-
<b>Accumulated Depreciation as of March 31, 2018</b>	9.17	0.42	9.60
<b>Carrying Value as of March 31, 2018</b>	9.81	2.73	12.54
<b>Carrying Value as of April 1, 2017</b>	13.42	2.06	15.48

### Note 5 Investments

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Non-current Investments</b>		
(a) Investment in Properties		
Arihant Paradise Realty Pvt. Ltd.	150.00	1,765.00
	150.00	1,765.00
(b) Investment in Equity Instruments		
Arihant Technoinfra Pvt Ltd	0.06	0.06
	0.06	0.06
(c) Investment in Partnership Firms		
Aksh Realty LLP	0.10	0.10
	0.10	0.10
	150.16	1,765.16
Total Non-current Investments		
<b>Current Investments</b>		
(a) Investment in Partnership Firms		
Aksh Realty LLP	17.13	17.07
	17.13	17.07
	<b>167.29</b>	<b>1,782.22</b>
<b>Total Carrying Value</b>		

### Note 6 Loans

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Non-current loans</b>		
(a) Loan and advances to related parties		
(Unsecured, considered good)	-	-
	-	-
<b>Current loans</b>		
(a) Loans and advances to related parties		
(Unsecured, considered good)		
Arihant Technoinfra Pvt. Ltd	933.79	290.05
(b) Loans and advances to employees	4.96	25.93
(c) Loans and advances to others	993.07	-
	<b>Total</b>	<b>1,931.83</b>
		<b>315.98</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lacs)

### Note 7 Other Financial Assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Non - current other financial assets</b>		
(a) Security Deposits	4,021.62	3,399.97
	4,021.62	3,399.97
<b>Current other financial assets</b>		
(a) Security deposits	15.35	18.24
(b) Others		
Advance to Suppliers	929.02	748.19
Other Advances	15.57	4.87
	959.94	771.30
	<b>4,981.56</b>	<b>4,171.27</b>

### Note 8 Inventories

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Finished goods	5,514.17	3,350.25
(b) Work in Progress	36,030.02	32,055.09
(c) Raw Material	628.78	720.32
<b>Total</b>	<b>42,172.97</b>	<b>36,125.66</b>

### Note 9 Trade Receivables

Particulars	As at 31 March, 2019	As at 31 March, 2018
Trade Receivables		
Unsecured, considered good	2,833.92	5,084.55
<b>Total</b>	<b>2,833.92</b>	<b>5,084.55</b>

### Note 10 Cash and Cash Equivalents

Particulars	As at 31 March, 2019	As at 31 March, 2018
(a) Cash in hand	43.21	38.60
(b) Balances with banks		
(i) In current accounts	435.78	540.95
(ii) In deposit accounts		
Deposits with original maturity for more than 3 months but less than 12 months	729.33	411.00
Deposits with original maturity within 3 months	285.70	236.58
<b>Total</b>	<b>1,494.02</b>	<b>1,227.14</b>

### Note 11 Current Tax Assets

Particulars	As at 31 March, 2019	As at 31 March, 2018
Income Tax	194.53	489.91
<b>Total</b>	<b>194.53</b>	<b>489.91</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lacs)

### Note 12 Land

Particulars	As at 31 March, 2019	As at 31 March, 2018
Land - Adita	213.03	327.43
Land - Ghot	28.21	20.21
Land - Arshiya	2,788.81	3,061.53
Land - Agrima	32.48	32.48
Land - Aloki	941.96	787.52
Land - Amisha	1,336.28	1,140.71
Land - Anshula	133.17	133.17
Land - Vaghivali	167.41	142.39
Land - Aalishan	232.86	439.39
Land Ghot Taloja	289.20	139.00
Land - (Juveli- Tal. Ambernath)	79.78	-
Land - Koynavele, Panvel	-	2,123.40
Land - Palaspe & A. aspire	9,268.72	7,463.96
<b>Total</b>	<b>15,511.93</b>	<b>15,811.20</b>

### Note 13 Other

Particulars	As at 31 March, 2019	As at 31 March, 2018
Prepaid expenses (Unsecured, considered good)	14.86	22.61
Cenvat Credit Available	1,381.46	500.00
Advance for Land	995.37	1,095.37
Income Tax	124.96	-
Others	43.93	5.37
<b>Total</b>	<b>2,560.58</b>	<b>1,623.34</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 14a Equity

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	₹ In Lacs	Number of shares	₹ In Lacs
(a) Authorised				
6,00,00,000 Equity shares of ₹ 10 each.	6,00,00,000	6,000.00	6,00,00,000	6,000.00
1,50,00,000 Preference Shares of ₹ 10 each.	1,50,00,000	1,500.00	1,50,00,000	1,500.00
(b) Issued				
Equity shares of ₹ 10 each with voting rights	4,11,59,991	4,116.00	4,11,59,991	4,116.00
(c) Subscribed and fully paid up				
Equity shares of ₹ 10 each with voting rights	4,11,59,991	4,116.00	4,11,59,991	4,116.00
<b>Total</b>	<b>4,11,59,991</b>	<b>4,116.00</b>	<b>4,11,59,991</b>	<b>4,116.00</b>

#### Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	Opening Balance	Changes	Closing Balance
Equity shares with voting rights			
Year Ended 31 March, 2018			
- Number of shares	4,11,59,991	-	4,11,59,991
- Amount (₹ In Lacs)	4,116.00	-	4,116.00
Year Ended 31 March, 2019			
- Number of shares	4,11,59,991	-	4,11,59,991
- Amount (₹ In Lacs)	4,116.00	-	4,116.00

Class of shares / Name of shareholder (holding more than 5%)	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	%	Number of shares	%
Equity shares with voting rights				
Ashok B. Chhajer	1,23,09,147	29.91	1,83,09,147	44.48
Sangeeta A. Chhajer	60,00,000	14.58	60,00,000	14.58
Parth A. Chhajer	60,00,000	14.58	60,00,000	14.58
Bhavik A. Chhajer	60,00,000	14.58	-	-

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lacs)

### b) Other Equity

Particulars	Other Equity				Total Equity Attributable to Equity Holders of the Company	
	Reserves & Surplus			Other Comprehensive Income		
	Security Premium Reserve	Capital Reserve	Retained Earnings			
Balance as of April, 01 2017	524.40	0.78	6,728.23	-	7,253.41	
Changes in Equity for the Year Ended March, 31 2018:						
Dividends and DDT	-	-	(495.39)	-	(495.39)	
CSR Written Off	-	-	(32.24)	-	(32.24)	
Earlier Year Income Tax Provision w/off	-	-	(340.75)	-	(340.75)	
Profit for the year	-	-	1,256.53	-	1,256.53	
<b>Balance as of March, 31 2018</b>	<b>524.40</b>	<b>0.78</b>	<b>7,116.38</b>	<b>-</b>	<b>7,641.56</b>	
Balance as of April, 01 2018	524.40	0.78	7,116.38	-	7,641.56	
Changes in Equity for the Year Ended March, 31 2019:						
Loss on Adoption of Ind AS 115	-	-	(692.53)	-	(692.53)	
Dividends and DDT	-	-	(248.25)	-	(248.25)	
Firm Tax	-	-	(0.02)	-	(0.02)	
Profit for the year	-	-	1,365.59	-	1,365.59	
<b>Balance as of March, 31 2019</b>	<b>524.40</b>	<b>0.78</b>	<b>7,541.17</b>	<b>-</b>	<b>8,066.36</b>	

### Note 15 Borrowings

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Non-current borrowings</b>		
(a) Secured Loans (Refer Note)	16,053.20	9,777.54
(b) Unsecured Loans		
Loans From Directors	1,167.57	1,000.00
Loans From Others	6,545.32	6,407.94
	23,766.09	17,185.48
<b>Current borrowings</b>		
(a) Secured Loans (Refer Note)	1,023.77	-
(b) Unsecured Loans		
Loans From Relatives	12,863.33	9,579.32
Loans From Others	123.99	904.28
	14,011.09	10,483.60
<b>Total</b>	<b>37,777.19</b>	<b>27,669.08</b>

### Notes

- Term Loan @13.50% from Piramal Capital & Housing Limited is secured against Arihant Arshiya Phase I Project situated at Khopoli, repayable till October 2021.
- Term Loan @ 13.75% as Construction Finance from STCI Finance Limited is secured against Arihant Adita Project situated at Jodhpur, Repayable till April, 2019.
- Construction Finance from ICICI Bank is secured against Arihant Anshula at Village Ghot, Taluka Panvel, District Raigad. Rate of Interest is 12.45% and repayment till April 2020.
- 55,00,000 secured redeemable Non Convertible Debentures of ₹ 100 each aggregating to ₹ 5500 Lakhs allotted to India Real Estate Investment Fund. Coupon for these bonds is 16.50%, repayable till April 2022.
- Term Loan @ 16% as Construction Finance from Capri Global Capital Limited is secured against land (with all the buildings and structures thereon) Project Anaika situated Koyanavile, Maharashtra and repayable till February 2021.
- Construction Finance from HDFC Limited is secured against Arihant Aspire at Phalspe, Taluka Panvel, District Raigad. Repayable till May 2023.
- Loan with Federal Bank is secured against fixed deposits.
- Vehicles loans are secured against the vehicle itself.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lacs)

### Note 16 Trade Payables

Particulars	As at 31 March, 2019	As at 31 March, 2018
Trade Payables		
Sundry Creditors	2,712.35	2,811.49
Retention	1,322.91	950.45
<b>Total</b>	<b>4,035.26</b>	<b>3,761.94</b>

### Note 17 Other Financial Liabilities

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Current Other Financial Liabilities</b>		
(a) Customer security deposit	27.45	25.45
(b) Other payables		
Society Maintenance	248.37	220.27
Club Corpus Fund	173.38	187.20
Book O/D	1,141.42	1,252.24
Salary Payable	174.40	119.86
<b>Total</b>	<b>1,765.02</b>	<b>1,805.02</b>

### Note 18 Advances from Customers

Particulars	As at 31 March, 2019	As at 31 March, 2018
Bookings Received	14,378.70	20,026.62
<b>Total</b>	<b>14,378.70</b>	<b>20,026.62</b>

### Note 19 Other Current Liabilities

Particulars	As at 31 March, 2019	As at 31 March, 2018
Other payables		
Statutory remittances	131.27	232.14
Others	75.69	8.06
<b>Total</b>	<b>206.96</b>	<b>240.20</b>

### Note 20 Provisions

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Current</b>		
Provision for Expenses	711.49	606.35
Provision for Gratuity	10.51	10.51
<b>Total</b>	<b>722.00</b>	<b>616.87</b>

### Note 21 Current Tax Liabilities

Particulars	As at 31 March, 2019	As at 31 March, 2018
Income Tax	451.48	741.03
Deferred Tax	(2.24)	9.61
<b>Total</b>	<b>449.22</b>	<b>750.63</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lacs)

### Note 22 Revenue From Operations

Particulars	Year Ended 31 March, 2019	Year Ended 31 March, 2018
(a) Sale of products	23,526.39	18,796.41
(b) Sale of services	400.00	-
<b>Total</b>	<b>23,926.39</b>	<b>18,796.41</b>

### Note 23 Other Income

Particulars	Year Ended 31 March, 2019	Year Ended 31 March, 2018
(a) Interest income Others (Refer note (i) below)	257.29	103.58
(b) Other non-operating income (Refer note (ii) below)	37.21	25.20
<b>Total</b>	<b>294.49</b>	<b>128.78</b>

### Note

Particulars	Year Ended 31 March, 2019	Year Ended 31 March, 2018
<b>(i) Interest income comprises:</b>		
Fixed Deposits	39.33	31.73
Other balances	217.96	71.85
<b>Total - Interest income</b>	<b>257.29</b>	<b>103.58</b>
<b>(ii) Other non-operating income comprises:</b>		
Share-Arihant Aksh Reality LLP	0.08	-
Profit on Sale of Fixed Assets	0.84	-
Income on Booking Cancellation	16.03	11.33
Rent Received	-	3.10
Welfare Income	10.74	1.55
Discount Received	1.14	6.56
Others	8.36	2.66
<b>Total - Other non-operating income</b>	<b>37.21</b>	<b>25.20</b>

### Note 24.a Cost of Construction, Land and Development Expenses

Particulars	Year Ended 31 March, 2019	Year Ended 31 March, 2018
Purchases	5,294.71	4,460.94
Land Cost	3,909.76	334.75
Direct Expenses	10,342.78	8,052.41
<b>Total</b>	<b>19,547.25</b>	<b>12,848.10</b>

### Note 24.b Changes in Inventories of Finished Goods

Particulars	Year Ended 31 March, 2019	Year Ended 31 March, 2018
Inventories at the end of the period:		
Traded goods (Refer Note Below)	5,514.17	3,350.25
Incomplete projects (WIP) (Refer Note Below)	36,030.02	32,055.09
Raw Material at site (Refer Note Below)	628.78	720.32
	<b>42,172.97</b>	<b>36,125.66</b>
Inventories at the beginning of the period: Refer Note 24.c)		
Traded goods (Refer Note Below)	4,042.25	3,366.29
Incomplete projects (WIP) (Refer Note Below)	32,302.04	30,473.43
Raw Material at site (Refer Note Below)	720.32	678.37
	<b>37,064.62</b>	<b>34,518.09</b>
<b>Net (increase) / decrease</b>	<b>(5,108.36)</b>	<b>(1,607.57)</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lacs)

### Notes :

Particulars	Year Ended 31 March, 2019	Year Ended 31 March, 2018
Inventories at the end of the period :		
i) Traded goods		
Arihant Adita - Phase I	747.12	525.23
Arihant Adita - Phase II	1,076.34	-
Arihant Adita - Phase III	747.51	-
Arihant Arshiya - Phase I	1,646.89	1,578.95
Arihant Aaorhi	623.72	-
Arihant Arham	188.14	188.14
Arihant Amisha - Phase I	411.19	1,044.29
Arihant Anmol- Phase- I	73.25	13.63
	5,514.17	3,350.25
ii) Incomplete projects (WIP)		
Arihant Adita	635.99	2,603.31
Arihant Aanchal	1,588.73	1,418.32
Arihant Aangan	186.38	166.18
Arihant Arohi	334.58	1,308.08
Arihant Ayati	2,637.61	2,956.92
Arihant Arshiya	2,321.17	1,633.57
Arihant Agrima	4,389.08	4,087.69
Arihant Aloki	2,074.35	1,812.75
Arihant Amisha	538.81	538.81
Arihant Anamika	8.80	-
Arihant Anshula	5,296.11	5,036.86
Arihant Anaika	2,511.98	1,875.13
Arihant Anmol - B Block	1,077.76	581.29
Arihant Aalishan	4,013.63	3,229.06
Arihant Amber	64.24	-
Arihant Aspire	8,332.18	4,792.99
Arihant Anamika	18.64	14.12
	36,030.02	32,055.09
iii) Raw Material at site		
Arihant Aangan	12.74	23.62
Arihant Arohi	6.14	47.56
Arihant Adita	101.13	128.16
Arihant Agreeema	5.88	15.80
Arihant Anchal	98.83	113.57
Arihant Arshiya	34.82	42.66
Arihant Ayati	211.56	168.07
Arihant Aloki	37.70	31.37
Arihant Amisha	3.71	11.34
Arihant Anshula	32.03	43.98
Arihant Anaika	17.86	8.99
Arihant Anmol	9.61	36.52
Arihant Aalishan	56.79	48.67
	628.78	720.32

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lacs)

### Notes :

Particulars	Year Ended 31 March, 2019	Year Ended 31 March, 2018
Inventories at the beginning of the period :		
iv) Traded goods		
Arihant Amodini	-	-
Arihant Adita - Phase I	973.90	841.26
Arihant Arshya - Phase I	1,822.29	2,203.84
Arihant Arham	188.14	168.89
Arihant Amisha - Phase I	1,044.30	-
Arihant Anmol- Phase I	13.63	138.81
Arihant Anmol- Phase II	-	13.50
	4,042.25	3,366.29
v) Incomplete projects (WIP)		
Arihant Adita	2,817.66	2,717.37
Arihant Aanchal	1,502.44	836.45
Arihant Aangan	175.00	159.66
Arihant Arohi	1,249.54	1,576.16
Arihant Ayati	3,010.67	3,246.91
Arihant Arshya	1,929.90	1,122.86
Arihant Agreeema	4,087.69	4,642.98
Arihant Aloki	1,893.20	2,127.86
Arihant Amisha	538.81	1,598.09
Arihant Anshula	5,073.77	4,833.15
Arihant Anaika	2,039.02	2,793.37
Arihant Anmol B Block	651.72	408.52
Arihant Aalishan	2,525.50	2,084.10
Arihant Amber	-	-
Arihant Aspire	4,792.99	2,316.08
Arihant Anamika	14.12	9.88
	32,302.04	30,473.44
vi) Raw Material at Site		
Arihant Aangan	23.62	-
Arihant Arohi	47.56	51.87
Arihant Adita	128.16	120.59
Arihant Agreeema	15.80	16.14
Arihant Anchal	113.57	39.51
Arihant Arshya	42.66	36.26
Arihant Ayati	168.07	62.12
Arihant Aloki	31.37	39.61
Arihant Amisha	11.34	18.85
Arihant Anshula	43.98	75.94
Arihant Anaika	8.99	41.67
Arihant Anmol	36.52	72.77
Arihant Aalishan	48.67	103.00
	720.32	678.36

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lacs)

### Note:- 24.c

Ind AS 115 has been notified by Ministry of Corporate Affairs (MCA) on March 28, 2018 and is effective from accounting period beginning on or after April 01, 2018. The Company has applied full retrospective approach in adopting the new standard and accordingly has given an cumulative effect of applying this standard on the opening balance of retained earning as at April 01, 2018. Due to which the closing balance of WIP and Traded Goods as on March 31, 2018 does not match with the opening balance of WIP and Traded Goods as on April 01, 2018. Projectwise increase / decrease in WIP and Traded Goods due to Ind AS 115 are as under:

Particulars	Amount
<b>Traded Goods</b>	
<b>Closing Balance as on March 31, 2018</b>	
Arihant Adita - Phase 1	168.07
Arihant Arshiyा - Phase 1	43.98
<b>Changes in Inventory as per Ind AS 115</b>	
Arihant Adita - Phase 1	448.66
Arihant Arshiyा - Phase 1	243.34
<b>Opening Balance as on April 01, 2018</b>	
Arihant Adita - Phase 1	616.73
Arihant Arshiyा - Phase 1	287.32

### Incomplete projects (WIP)

Particulars	Amount
<b>Closing Balance as on March 31, 2018</b>	
Arihant Adita	-
Arihant Aanchal	-
Arihant Aangan	-
Arihant Arohi	-
Arihant Ayati	841.26
Arihant Arshiyा	2,203.84
Arihant Aloki	1,812.75
Arihant Anshula	5,036.86
Arihant Anaika	1,875.13
Arihant Anmol B Block	581.29
Arihant Aalishan	3,229.06
<b>Changes in Inventory as per Ind AS 115</b>	
Arihant Adita	214.34
Arihant Aanchal	84.12
Arihant Aangan	8.82
Arihant Arohi	(58.54)
Arihant Ayati	53.75
Arihant Arshiyा	296.33
Arihant Aloki	80.45
Arihant Anshula	36.91
Arihant Anaika	163.89
Arihant Anmol B Block	70.43
Arihant Aalishan	(703.56)
<b>Opening Balance as on April 01, 2018</b>	
Arihant Adita	214.34
Arihant Aanchal	84.12
Arihant Aangan	8.82
Arihant Arohi	(58.54)
Arihant Ayati	895.02
Arihant Arshiyा	2,500.16
Arihant Aloki	1,893.20
Arihant Anshula	5,073.77
Arihant Anaika	2,039.02
Arihant Anmol B Block	651.72
Arihant Aalishan	2,525.50

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lacs)

### Note 25 Employee benefits expense

Particulars	Year Ended 31 March, 2019	Year Ended 31 March, 2018
Salaries, wages and bonus (Refer note below)	1,304.82	1,170.89
Staff welfare expenses	48.53	87.79
Contribution to provident fund	27.86	14.68
<b>Total</b>	<b>1,381.21</b>	<b>1,273.35</b>

#### Notes:

Particulars	Year Ended 31 March, 2019	Year Ended 31 March, 2018
Salary	1,204.90	1,047.03
Director Remuneration	99.92	123.85
<b>Total</b>	<b>1,304.82</b>	<b>1,170.89</b>

### Note 26 Finance costs

Particulars	Year Ended 31 March, 2019	Year Ended 31 March, 2018
(a) Interest expense on:		
Interest on secured loans	2,011.75	825.02
Interest on unsecured loans	940.29	661.97
Interest on subvention	8.84	14.02
(b) Others		
Loan Processing fees	275.67	-
<b>Total</b>	<b>3,236.54</b>	<b>1,501.01</b>

### Note 27 Other expenses

Particulars	Year Ended 31 March, 2019	Year Ended 31 March, 2018
Administrative Expenses	227.66	213.51
Selling & Distribution	1,481.86	1,507.23
Legal and Professional Expenses	365.83	337.28
Rent, Rates & Taxes	206.40	125.06
CSR expenses	10.51	34.07
Compensation	279.52	247.90
Directors Sitting Fees	23.50	21.75
Audit fees (Note given below)	9.60	8.00
Vehicle Expenses	93.68	23.70
Donation	0.31	1.36
Others	7.09	42.35
<b>Total</b>	<b>2,705.95</b>	<b>2,562.22</b>

#### Notes:

Particulars	Year Ended 31 March, 2019	Year Ended 31 March, 2018
<b>Payments to the auditors comprises (net of input tax credit, where applicable):</b>		
As auditors	9.60	8.00
<b>Total</b>	<b>9.60</b>	<b>8.00</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lacs)

### Note 28 RELATED PARTY TRANSACTIONS

Related parties and transactions with them as specified in the Ind-AS 24 on “Related Parties Disclosures” prescribed under Companies (Accounting Standards) Rules, 2015 has been identified and given below on the basis of information available with the company and the same has been relied upon by the auditors.

#### Details of related parties:

Description of relationship	Names of related parties
Subsidiaries	Arihant Abode Limited Arihant Aashiyana Private Limited Arihant Gruhnirman Private Limited Arihant Vatika Realty Private Limited
Key Management Personnel (KMP)	Ashok B. Chhajer Nimesh Shah Pradeep Mehta Naval Singh Sekhwat (till 15th November, 2018) Govind Rao (from 16th November, 2018)
Relatives of KMP	Sangeeta A. Chhajer Parth A Chhajer Bhavik A Chhajer
Company in which KMP / Relatives of KMP can exercise significant influence	Mahaavir Universal Homes Pvt. Ltd. Arihant Technoinfra Private Limited Sarvodaya Vanaspati Pvt. Ltd. Arihant Paradise Realty Pvt. Ltd

Note: Related parties have been identified by the Management.

#### Details of related party transactions for the year ended 31 March, 2019

	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Loans & Advances Given	-	-	1,144.50	1,144.50
Loan & Advances Given Received	-	-	25.00	25.00
Interest Received	-	-	59.62	59.62
Loan Taken	8,664.00	1,554.03	-	10,218.03
Loan Repaid	8,104.50	1,788.56	20.00	9,913.06
Interest Paid (Gross)	1,328.88	466.90	4.74	1,800.52
Remuneration	102.44	-	-	102.44
Salary	-	23.67	-	23.67
Rent Paid	8.43	6.00	200.20	214.63
Investment in Property	-	-	1,765.00	1,765.00
Purchase of Material	-	-	0.84	0.84
Outstanding Loans and Receivables	9,813.57	3,179.63	1,495.81	14,489.01
Deposits	20.00	-	-	20.00

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lacs)

**Note 29 First time Adoption of Ind AS 115 - Revenue from Contracts with Customers (Ind AS 115):**

- a) Ind AS 115 has been notified by Ministry of Corporate Affairs (MCA) on March 28, 2018 and is effective from accounting period beginning on or after April 01, 2018. The Company has applied full retrospective approach in adopting the new standard and accordingly has given an cumulative effect of applying this standard on the opening balance of retained earning as at April 01, 2018.
- b) Explanation of transition to Ind AS 115

Particulars	As at date of transition April 01, 2018		
	As reported	Adjustments on account of adoption of IND AS 115	Post Adoption of IND AS 115
<b>Assets</b>			
Current Assets			
- Inventory	36,125.66	938.96	37,064.62
<b>Equity &amp; Liabilities</b>			
<b>Other Equity</b>			
- Retained Earnings	7,116.38	(692.53)	6,423.85

Note : Total effect on reserve and surplus on account of Ind AS 115 is ₹ (751.20) Lakhs out of which ₹ (58.67) Lakhs has given effect under Minority Interest. And remaining ₹ (692.53) Lakhs under retained earnings.

**Note 30 Disclosures under Ind-AS 33 on “Earnings Per Share”**

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Earnings per share</b>		
Basic		
Continuing operations		
Net profit / for the year from continuing operations attributable to the Equity Shareholders (₹ In Lacs)	1,365.59	1,256.53
Weighted average number of Equity Shares	4,11,59,991	4,11,59,991
Par value per share (₹)	10.00	10.00
Earnings per share from continuing operations		
Basic (₹)	3.32	3.05
Diluted (₹)	3.32	3.05

**Note 31 Disclosures under Ind-AS 12 on “Income Taxes”**

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Deferred tax (liability) / asset</b>		
Opening deferred tax (liability) / asset	(9.61)	(0.67)
Add/(less): Recognised/ reversed during the year	11.85	(8.93)
<b>Closing deferred tax (liability) / asset</b>	<b>2.24</b>	<b>(9.61)</b>

**Note 32 : Foreign currency transactions**

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of the transaction. All monetary items denominated in foreign currency are converted into Indian rupees at the year-end exchange rate. Following expenses incurred by the company in foreign currency during the year:

Business Promotion Expenses - ₹ 8.72 Lakhs.

Purchase of Material - ₹ 328.84 Lakhs.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 33 : Contingent Liabilities :

Contingent Liabilities :

- (i) Claims against the Company pending appellate/judicial decisions not acknowledged as debts:
  - (a) Service Tax : ₹ 200.66 Lakhs
- (ii) Guarantees:
  - (a) Guarantees given to Banks & Financial Institutions for ₹ 3,000 Lakhs against financial facilities availed by the subsidiary companies.
  - (b) Facilities against which Guarantee was given outstanding Fund amount is ₹ 1,726 Lakhs as on 31.03.2019

### Note 34 : Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind-AS -19, Employee Benefits, notified in the Companies (Accounting Standard) Rules, 2015.

#### Provident fund

The Company makes contribution to statutory provident fund in accordance with the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. In terms with Ind-AS -19, Employee Benefits, notified in the Companies (Accounting Standard) Rules, 2015, the provident fund trust set-up by the Company is treated as a defined benefit plan since the Company has to meet the interest shortfall, if any. Accordingly, the contribution paid or payable and the interest shortfall, if any is recognised as an expense in the period in which services are rendered by the employee.

### Note 35 : Dues to Micro Enterprises and Small Enterprises

As at March 31,2019, there are no outstanding dues to Micro and small enterprises. There are no interest dues or outstanding on the same.

### Note 36 : Segment Information :

In accordance with Indian Accounting Standard 108 "Operating Segments" prescribed by Companies (Accounting Standards) Rules, 2015, the company has determined its primary business segment as a single segment of Real Estate Business. Since there are no other business segments in which the company operates, there are no other primary reportable segments. Therefore, the Segment Revenue, Segment Results, Segment Assets, Segment Liabilities, total cost incurred to acquire Segment Assets, depreciation charge are all as is reflected in the Financial Statements.

### Note 37 : Impairment of Assets

On the basis of physical verification of assets, as specified in IND AS - 36 and cash generation capacity of those assets, in the management perception there is no impairment of such assets as appearing in the Balance Sheet as on 31.03.2019.

### Note 38 : CSR Expenditure

The company has framed CSR policy pursuant to the companies Act, 2013. the company has spent ₹ 12.51 Lakhs against the gross requirement of ₹ 120.36 Lakhs (Incl. previous year ₹ 29.93 Lakhs) till date, as per provision of companies Act 2013. Remaining amount of ₹ 107.85 Lakhs to be spent in the subsequent year.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

**Note 39 :** The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 have not been made since the requirement does not pertain to financial year ended 31 March 2019.

**Note 40 : Previous Year Figure's regrouping:**

The previous year's figures have been regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

In terms of our report attached.

**For Kailash Chand Jain & Co.**

Chartered Accountants

Firm Reg. No.: 112318W

**Saurabh Chouhan**

Partner

Membership No. 167453

Place : Mumbai

Date : 27/05/19

**For and on behalf of the Board of Directors**

**Ashok Chhajer**

Chairman & MD

DIN- 01965094

**Nimish Shah**

Whole Time Director

DIN- 03036904

**Pradeep Mehta**

Chief Financial Officer

**Govind Rao**

Company Secretary

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**CIN: L51900MH1983PLC029643**

**Registered Office:** Arihant Aura, 25<sup>th</sup> Floor, B-Wing, Plot No. 13/1, TTC Industrial Area, Thane Belapur Road, Turbhe, Navi Mumbai - 400705 Maharashtra, India,

**Tel. No.:** 022 - 62493333, **E-mail:** [info@asl.net.in](mailto:info@asl.net.in), [investor@asl.net.in](mailto:investor@asl.net.in), **Website:** [www.asl.net.in](http://www.asl.net.in)

## **Form No. MGT - 11**

### **Proxy Form**

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

Name of the Shareholder (s):	
Registered Address:	
E-Mail Id:	
Folio No/Client Id:	
DP ID (if any required):	

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

1 Name : \_\_\_\_\_

Address : \_\_\_\_\_  
\_\_\_\_\_

E-Mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_

(or failing him)

2 Name : \_\_\_\_\_

Address : \_\_\_\_\_  
\_\_\_\_\_

E-Mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_

(or failing him)

3 Name : \_\_\_\_\_

Address : \_\_\_\_\_  
\_\_\_\_\_

E-Mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_

(or failing him)

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual General Meeting of the Company will be held at 10:30 A.M. on Thursday, 26th September, 2019 at Hotel, The Regenza by Tunga, Plot No. 37, Sector 30A, Vashi, Navi Mumbai – 400703 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	For	Against
1.	Adoption of Financial Statements (Stand-alone & Consolidated) for the Financial Year ended 31st March, 2019.		
2.	Declaration of Final Dividend of ₹ 0.50/- per Equity Share for the Financial Year ended 31st March, 2019.		
3.	To appoint a Director in place of Mr. Nimish Shah (DIN: 03036904), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.		
4.	To approve increase in remuneration of Mr. Nimish Shah (DIN: 03036904), Whole time Director of the Company.		
5.	To Raise funds through issue of Securities upto an amount not exceeding ₹ 300 Crores including premium if any.		
6.	Appointment/Continuation of Mr. Raj Narain Bhardwaj (DIN:01571764) as an Independent Director of the Company		
7.	To approve the proposed Material Related Party Transactions for the Year 2019-20.		

Signed this..... day of September, 2019

Signature of Proxy Holder(s)

Signature of Member

Affix  
₹ 1  
Revenue  
Stamp

**NOTES:**

1. Please put tick (✓) in the appropriate column against the respective Resolutions. If you leave the ‘For’ or ‘Against’ column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
2. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at Arihant Aura, 25th Floor, B-Wing, Plot No. 13/1, TTC Industrial Area, Thane Belapur Road, Turbhe Navi Mumbai -400705 not less than 48 hours before the commencement of the Meeting.

# ROUTE MAP OF THE VENUE OF THE AGM



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## Notes

## Notes





**REGISTERED OFFICE**

Arihant Aura, Floor No. 25, Plot No. 13/1, TTC Industrial Area,  
Thane Belapur Road, Turbhe MIDC, Turbhe, Navi Mumbai, Maharashtra - 400 705.

Tel.: +91 22 6249 3333 | E-mail: [investor@asl.net.in](mailto:investor@asl.net.in)

[www.asl.net.in](http://www.asl.net.in)