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ARIHANTTM
SUPERSTRUCTURES LTD.
CONTINUING STABILITY

ANNUAL REPORT • 2012-13

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CORPORATE INFORMATION BOARD OF DIRECTORS

Mr. Ashok B. Chhajer	:	Chairman & Managing Director
Mr. Dinkar P. Samant	:	Whole Time Executive Director
Mr. Nimish S. Shah	:	Whole Time Director
Mr. Dinesh Babel	:	Independent Director
Mr. Vinayak V. Nalavde	:	Independent Director
Mr. Virendra Mital	:	Independent Director

AUDIT COMMITTEE

Mr. Dinesh Babel	:	Chairman/Member
Mr. Vinayak Nalavde	:	Member
Mr. Virendra Mital	:	Member
Mr. Dinkar Samant	:	Member

SHAREHOLDERS GRIEVANCE COMMITTEE

Mr. Virendra Mital	:	Chairman/Member
Mr. Vinayak Nalavde	:	Member
Mr. Dinesh Babel	:	Member

COMPANY SECRETARY

Mr. Rushabh Desai (till 16th May, 2013)

Compliance Officer

Mr. Naveen Ranka

AUDITORS

M/s. T. N. Gala & Associates, Chartered Accountants, Mumbai

BANKER

The Federal Bank Ltd.

REGISTRAR & SHARE TRANSFER AGENT

Adroit Corporate Services Pvt Ltd,
19, Jaferbhoy Industrial Estate, 1st Floor,
Makwana Road, Marol Naka, Mumbai 400059

ARIHANT SUPERSTRUCTURES LIMITED

Regd. Office: 302, Persipolis Building, Plot No. 74,
Sector-17, Vashi, Navi Mumbai -400703, Maharashtra, India.
Phones: 022 – 41113333 Fax: 022-27882946



Dear Shareholders

I am very pleased to share with you the events, developments and the progress that your Company has made during the Financial Year ended March 2013. The Total Growth of the Company could not be achieved with respect to previous years as the Company has heavily invested and incurred expenses on building its structure i.e. its work force (Human Resource) from 160 to its current strength of 210 and salaries from Rs. 207.96 lacs to Rs. 421.24 lacs for the Entire Group and its administration and infrastructure. This ramping up of Human Resource was very much required in looking at the total of over 15 Million sq ft of construction which will be carried out across 15 projects situated at various locations in a span of 6 years i.e. upto 2019 other than the inclusive growth of the Company.

The Company could not get the requisite approvals from the concerned Government authorities which has led to delay in construction and ultimately delay in revenues.

The Company has moved ahead in construction activities by getting Arihant Arham, Arihant Abhilasha & Arihant Aksh to the stage of completion and Arihant Amodini at Taloja, Arihant Akriti at Badlapur & Arihant Adita at Jodhpur at a faster pace of engineering execution. Approximately 1200 flats would be ready for possession to the prospective buyers.

The Projects which are just commenced in the year 2012-2013 are Arihant Ayati at Jodhpur, Arihant Anmol at Badlapur and Arihant Arshiya at Khalapur, the Project in which construction activities will be started are in year 2013-2014 are Arihant Arohi, Arihant Aloki, Arihant Akanksha, Arihant Anshula & Arihant Anaika.

The sale price of majority of the project at Arihant ranges from 15 lacs to 60 lacs for a residential apartment which forms 95% of the product range at Arihant to be carried out.

The Company has also invested its capital for setting up an Eco Friendly Industry of manufacturing Aerated Autocalved Concrete which will commence production by 3rd Quarter of 2013. This Industrial venture will yield Arihant a separate Identity, respect, stability in addition to the Company's Revenues from its sales. It is a Green Initiative project as an environment friendly Industry.

The Company has received greater respect for its PPP (Public Private Partnership) project for Government of Rajasthan Affordable Housing Project at Chokha, Jodhpur, the project has been visited aptly recognized and appreciated by officials of The World Bank, Asian Development Bank, Japanese Bank and Bureaucrats of various state Government and representatives of NGOs.

The PPP project has won CNBC Awards for Government of Rajasthan, the Company has also been recognized by Public Award at MCHI property show 2012 on 31st October, 2012 for Popular Choice Award as Preferred Developers which was voted by the Public among premium builders of Mumbai few to name are Lodha, Kalpatru, Oberoi etc.

Arihant is in two sectors i.e. Real Estate & manufacturing Building Materials In today's market Real Estate Industries majority sales are taking places in the Bandwidth of Rs. 15 Lacs to 60 Lacs in Semi Urbanised and Urbanized areas respectively. The major cities and 2 tier cities has witnessed an growth in this segment of construction in the past year. Though the Liquidity crunch has been in the sector but a good sales could be seen in the above range product i.e. affordable housing.

The Land Rates could not any more rise and have stabilize to a level

The Government policies and procedures were laid in the last year and will see an implementation in the coming

As Compared to the classes of assets i.e. Capital Markets, Mutual Funds, Commodities which has not been performing well and are giving low yields. Today Real Estate still is the best Asset Class in the category of investments due to less volatility and more promising future, which can also be judged as major corporate are and have been venturing into Real Estate as their Main Business center like Godrej, Mahindra, Tata, India Bulls etc. showing a better picture of good corporate governance, transparency in the sector as compared to the previous Decades.

The Real Estate is the Largest Employer in the organized and unorganized combined sector today in the country without Industrial Status by the Government of India.

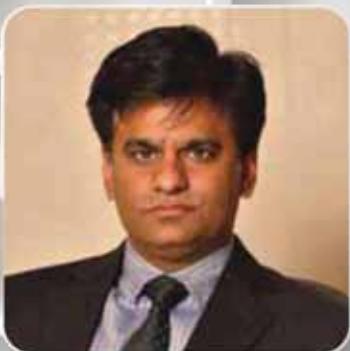
Sd/-
Mr. Ashok B Chhajer
Chairman & Managing Director

BOARD OF DIRECTORS

Mr. Ashok B. Chhajer
Chairman & Managing Director



Mr. Nimesh Shah
Whole Time Director



Mr. Dinkar Samant
Whole Time Executive Director



Mr. Dinesh Babel
Independent Director



Mr. Vinayak V. Nalavde
Independent Director



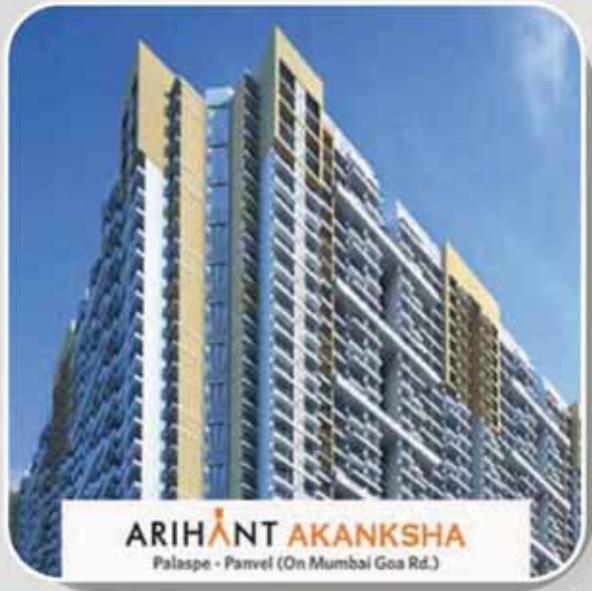
Mr. Virendra Mital
Independent Director



ARIHANT AKANKSHA

PALASPE - PANVEL (ON MUMBAI GOA RD.)

Stilt + Podium + 32 Storeyed Tower, 2BHK, 3BHK & 4BHK (2200 flats)



ARIHANT ARHAM

PANVEL

Stilt + 4 Storeyed, 33 Buildings 1BHK & 2BHK (501 flats)



Current Status



ARIHANT ANMOL

BADLAPUR

Stilt + 7 Storeyed 20 Towers, 1BHK & 2BHK (650 flats)



Current Status



ARIHANT AAROHI

KALYAN SHIL ROAD

Stilt + 15 Storeyed, 2 Tower 1BHK & 2BHK (172 Flats)



Current Status



ARIHANT AMODINI

TALOJA

Stilt + 22 Storeyed Tower, 2BHK (126 flats)



Current Status



Sample Flat



ARIHANT AMISHA

PANVEL

Stilt + 4 Storeyed, 1BHK & 2BHK (700 flats)



Current Status

ARIHANT ALOKI

KARJAT

Stilt + 4 storeyed, 1BHK & 2BHK (232 flats)



ARIHANT ARSHIYA

KHOPOLI

G + 3 Storeyed, 1BHK & 2BHK (1600 flats)



Current Status



Sample Flat

ARIHANT ADITA

JODHPUR

G + 3 Storeyed, 1BHK & 2BHK (1600 flats)



CURRENT Status



Lobby



ARIHANT AYATI

JODHPUR

3BHK (60 flats)



CURRENT Status



ARIHANT AGRIMA

JODHPUR

PPP (Public Private Partnership) Project



Current Status



An Elegant house for
URBAN POOR



Prestigious and
Responsible Project

THE ALLIANCE

In tune with the policy of the Government of India to create housing accommodation for the urban poor with the help of the private sector, the Government of Rajasthan has evolved the policy of Public Private Partnership in the year 2009. As a part of this policy, the Urban Local Body (ULB, Jodhpur Development Authority) provided land, external, internal infrastructures & a private developer to construct EWS & LIG houses, free of cost as free cell, in addition to the land to be developed privately by the developer. This strategic alliance of the Central Government (Grant per house to the State Government) The State Government (provided policy framework, land & external infrastructure) & The Private Developer (Construction Technology, Speed & quality construction) has delivered fruits. The address is Village Chokha near Jodhpur at Rajasthan.



Arihant
believes in
giving more

Arihant Superstructures Limited was awarded the project as it has quoted to construct 1350 EWS & LIG houses free of cost as compared to 1000 houses by second highest bidder.

Arihant as a company has always believed in giving extra and have surpassed people's expectations by giving them more than their expectations. It is this belief that we would like to take forward when we go to design and implement the PPP project. Why should a small house be a poor house ?

It can be rich in technology, rich in the quality of construction, rich in the kind of amenities we offer and rich in so many more ways.

Why Arihant

Arihant Superstructures Limited

A public Listed Company, today with 20 years of experience, ASL boasts of a strong management & execution team. To date, ASL has delivered 40 lakh sq ft. of housing. ASL has 15 mega projects-15000 houses under construction in the region of MUMBAI MMR & Jodhpur (Rajasthan), making it a complete housing solution provider.



Arihant goes the Extra Mile

Arihant has gone mile to enhance the tender specifications by spending on their own to ensure that the customer gets more than they expected. Here are a list of the enhancements we did to make the project superior.

- We replaced the kadappa kitchen platform to Granite Platform.
- We replaced the normal sink to best quality STAINLESS STEEL SINK.
- We provided Full Tile DADO IN BATHROOM.
- We introduced BETTER QUALITY of internal plaster.
- We provided BETTER QUALITY of external paint.
- We enhanced quality of building elevation by adding JODHPUR STONE WORK
- We provided concrete road in place of ordinary road.
- We provided BETTER QUALITY PLUMBING & ELECTRICAL FIXTURES.



CLINICAL CONSTRUCTION PROCESS

Arihant follows a clinical process for construction to ensure quality construction to ensure quality construction in the designated time period. We employ the latest technology & machinery & incorporate all the latest advancements. We follow proper checks at every step of the construction process to ensure consistent quality throughout the construction process.

WINNING TRUST

The unwavering trust Arihant enjoys from its contemporaries and in the real estate industry alike, over the years, is built on a strong foundation of 'Commitment towards Quality'. And this professional commitment holds strong even today.



Quality that fetches RECOGNITION

Arihant has believed in "EK SASTA GHAR NAHI HO SAKTA"..... And this has been aptly recognised and appreciated by the officials of the World Bank, Asian Development Bank, Japanese Bank and bureaucrats of various state governments & representatives of NGOs. All these dignitaries have appreciated our aptitude, attitude and commitment towards work.

Sample Flat



Visitors from Asian Development Bank, World Bank, Japanese Delegates and others

NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Members of Arihant Superstructures Limited will be held on Thursday, 26th September, 2013 at 05.00 p.m. at Four Points by Sheraton Plot No. 39/1, 6 to 15, Sector 30A, Vashi, Navi Mumbai, Maharashtra, India - 400 701 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March 2013 and Profit and Loss Account for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
2. To declare a Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Dinesh Chandra Babel, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Vinayak Nalavde, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s Kailash Chand Jain & Co. Chartered Accountants, Mumbai as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956, read with sub-paragraph B of Section II of Part II of Schedule XIII to the Act and other applicable rules, regulations issued by the Ministry of Corporate Affairs in this regard and all other statutory approvals and consents as may be required from time to time, and as approved by Board of Directors, approval of Members of the Company be and is hereby granted to re-appoint Mr. Ashok Chhajer as Chairman & Managing Director of the Company for a period of Five (5) years commencing from 15th January, 2014 and all the terms and conditions remaining same as set out in the Agreement entered into between the Company and Mr. Ashok K. Chhajer, Chairman & Managing Director.

RESOLVED FURTHER THAT subject to the provisions of the Companies Act, 1956, in the event of loss or inadequacy of profits, the remuneration payable to Mr. Ashok Chhajer will be as per the applicable part of Section II of the Schedule XIII to the Act or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to undertake all acts, deeds and execute all documents and pass relevant resolutions for the purpose of giving effect to this resolution, including modification and amendment of any revisions, thereof and to enter into relevant agreement with the Director, as required, from time to time and to do all such steps, as may be deemed necessary in this matter."

By Order Of The Board,
Arihant Superstructures Limited

Sd/-
Ashok Chhajer
Chairman & Managing Director

Place: Navi Mumbai
Date: 13th August, 2013

NOTES

1. Details, as required under clause 49(G) of Listing Agreement, in respect of the Directors, seeking re – appointment is appended.
2. **A Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself only on a poll and a proxy need not be a member. The instrument appointing a proxy should be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting. Proxy Form is attached.**
3. The Explanatory Statement as required u/s Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto and forms part of the notice.
4. M/s T.N.Gala & Associates, Chartered Accountants, the existing Auditors of the Company have expressed their unwillingness to be reappointed as Auditors of the Company in the ensuing Annual General Meeting. The Company has received a special notice from a member signifying his intention to appoint M/s Kailash Chand Jain & Co., Chartered Accountants, Mumbai, from the conclusion of ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. The appointment of Auditors in place of existing Auditors of the Company requires the approval of General Meeting by way of Ordinary resolution. Therefore, the Board recommends to pass necessary resolution by way of ordinary resolution to appoint M/s Kailash Chand Jain & Co., Chartered Accountants, Mumbai.
5. Corporate Members are requested to send a duly certified copy of the Board/ Governing Body Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from, Friday 20th September, 2013 to Thursday 26th September, 2013 (both days inclusive), for determining the eligibility for payment of Dividend, if declared at the meeting.
7. The dividend will be payable, on or before 26th October, 2013 to those Members or their Mandates:
 - (a) Whose names appear at the end of business hours on 19th September, 2013 (last trading day before book closure) in the list of Beneficial Owners to be furnished by Depositories (NSDL and CDSL) in respect of the shares held in dematerialised form; and
 - (b) Whose names appear as Members on the Company's Register of Members after giving effect to valid share transfer requests in physical form lodged with Registrar & Share Transfer Agent (RTA) of the Company on 19th September, 2013.
8. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrar and Transfer Agents of the Company, Adroit Corporation Services Pvt. Ltd., 19, Jaferbhoy Industrial Estate, 1st floor, Makwana Road, Marol Naka, Mumbai 400 059.
9. Members who hold shares in physical form are requested to notify promptly any change in their addresses to the Registrar and Transfer Agents (RTA) of the Company at the above address always quote their folio numbers in all correspondence with the Company & RTA. In respect of holding in electronic mode, members are requested to notify any changes in addresses to their respective depository participants.
10. Members who are still holding shares in physical form are advised to dematerialize their shareholding to avail of the benefits of dematerialization which include easy liquidity since trading benefits is permitted only in dematerialized form, electronic transfer, saving in stamp duty, prevention of forgery, etc.
11. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days, between 11:00 am to 2:00 p.m. up to the date of the meeting.
12. There is no unclaimed or unpaid dividend lying with the Company requiring an effect of transferring the same to the Investor and Education Protection Fund (IEPF) of the Central Government.
13. The Ministry of Corporate Affairs, Government of India has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the companies and has issued circulars allowing companies to send official documents to their shareholders electronically. Members are requested to get in touch with the Registrar and Transfer Agent for the said purpose and provide their details, in order to collaborate with the Company in this noble initiative undertaken by the Ministry and Company.

14. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the Depositories for payment of dividend through Electronic Clearing Services (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the company will print the bank account details, as available, on the payment instrument for distribution of dividend. The company will not entertain any direct request from members holding shares on electronic mode for deletion of /change in such bank details. Further, instructions if any, already given by them in respect of share held in physical form mode will not be automatically applicable to shares held in the electronic mode. Members who wish to change such bank account details are therefore requested to advise their Depository Participants about such change, with complete details of bank account.
15. Members are requested:
 - (a) To bring their copies of Annual Report, Notice and Attendance Slip duly completed and signed at the meeting;
 - (b) To quote their Folio No./DP Id and Client Id in all correspondence;
 - (c) To note that no gift or gift coupons will be distributed at the meeting.
16. The Company has designated an exclusive email ID called investor@asl.net.in for redressal of shareholders' complaints/grievances. In case you have any complaints/grievances; please write to us at investor@asl.net.in
17. Members seeking any information with regard to Annual Accounts are requested to write to the Company at least one week in advance, so as to enable the Company to keep the necessary information ready.

By Order Of The Board,
Arihant Superstructures Limited

Sd/-

Place: Navi Mumbai
Date: 13th August, 2013

Ashok Chhajer
Chairman & Managing Director

Details of the Directors seeking re-appointment at the 30th Annual General Meeting (AGM)
(In pursuance of Clause 49 of the Listing Agreement)

Name of the Director	Mr. Dinesh Chandra Babel	Mr. Vinayak Nalavde
Date of Birth	23/07/1943	14/07/1943
Date of Appointment	23/04/2010	11/02/2012
Qualifications	Chartered Accountant and Bachelor of Law	Graduate of Commerce (B.Com) and passed the intermediate level of ICWA.
Expertise	Enriched experience in the field of Management Finance, Taxation, Audit and Costing	Finance, Accounts and Administration
Directorship in other Companies	Capri Global Capital Limited Kusam Electrical Industries Limited	NIL
Committee Positions in ASL	4	4
Committee Positions in other Public Limited Companies	2	Nil
Relation between Directors	Nil	Nil
Number of Shares held in ASL	Nil	Nil

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 6:

TO RE-APPOINT MR. ASHOK CHAJER AS CHAIRMAN & MANAGING DIRECTOR

Members may kindly note that the present term of Mr. Ashok Chhajer as Chairman & Managing Director of the Company entrusted with substantial powers of management to be exercised subject to the superintendence, control and direction of the Board of Directors shall expire on 14th January, 2014.

The Board of Directors of the Company at the meeting held on 13th August, 2013 has, subject to the approval of the members, unanimously approved the re-appointment of Mr. Ashok Chhajer as Chairman and Managing Director of the Company w.e.f 15th January, 2014 for a period of five (5) years.

All the terms of appointment shall remain unchanged, as approved by the members at the time of his appointment (mentioned in the Agreement entered into by and between Mr. Ashok Chhajer & the Company).

The Board recommends the resolution set out at item no. 6 of the notice for your approval. None of the Directors, except Mr. Ashok Chhajer is in any way, concerned or interested in the resolution set out at item no. 6 of the Notice.

Name of the Director	Mr. Ashok B. Chhajer
Date of Birth	11/09/1969
Date of Appointment	15/01/2009
Qualifications	B.Sc.
Expertise	Real Estate Business
Previous Experience	Real Estate, Edible oil refinery business and cloth trading business
Directorship in other Companies	Arihant Dream House Private Limited Arihant Universal Realty Private Limited Adinath Realty Private Limited Adeshwar Realty Private Limited Abhinandan Agrofarms Private Limited Arihant Paradise Realty Private Limited Arihant Vatika Realty Private Limited Arihant Abode Limited Arihant Gruhnirman Private Limited Arihant Technoinfra Private Limited Arihant Aashiyan Private Limited Arihant Anandi Realty Private Limited Arihant Dwellcons Private Limited
Committee Positions in other Public Limited Companies	N.A.
Number of Shares held in ASL	2,81,51,306

**By Order Of The Board,
Arihant Superstructures Limited**

Sd/-

**Ashok Chhajer
Chairman & Managing Director**

**Place: Navi Mumbai
Date: 13th August, 2013**

**NOTICE TO THE SHAREHOLDERS FOR APPOINTING STATUTORY AUDITOR OF
THE COMPANY OTHER THAN RETIRING AUDITOR**

NOTICE is hereby given that the Company has received a Special notice from a member of the Company under Section 225(1) of the Companies Act, 1956, proposing to move the following resolution as an Ordinary Resolution at the forthcoming Annual General Meeting of the Company to be held on Thursday, 26th September, 2013 at 5.00 p.m at Four Points by Sheraton Plot No. 39/1, 6 to 15, Sector 30A, Vashi, Navi Mumbai, Maharashtra, India - 400 701

"RESOLVED THAT M/s Kailash Chand Jain & Co. Chartered Accountants, Mumbai, be appointed as Statutory Auditors of the Company in place of the retiring Auditors, M/s T.N.Gala & Associates, Chartered Accountants, to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting at a remuneration as may be mutually agreed upon between the Board of Directors and M/s Kailash Chand Jain & Co., Mumbai."

**By Order Of The Board,
Arihant Superstructures Limited**

Sd/-

**Place: Navi Mumbai
Date: 13th August, 2013**

**Ashok Chhajer
Chairman & Managing Director**

Note:

Special Notice referred to in this notice is open for inspection at the Registered Office of the Company between 11.00 a.m. to 2.00 p.m. on all working days upto the date of the Meeting.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 30th Annual Report of the Company for the Financial Year ending on 31st March 2013.

FINANCIAL RESULTS

(Rs. in Lacs)

FINANCIAL RESULTS	2012 - 2013		2011-2012	
	(Consolidated)	(standalone)	(Consolidated)	(standalone)
Sales and Other Income	7163.19	7844.14	6891.13	6883.46
Profit before interest, depreciation & tax	924.16	1601.49	1700.13	1695.39
Interest	937.70	842.77	484.13	484.17
Depreciation	37.39	33.26	29.18	28.01
Profit/ (Loss) before Tax	(50.93)	725.47	1186.78	1183.21
Provision for Tax	237.40	234.62	383.12	382.78
Profit/ (Loss) after Tax	(288.33)	490.85	803.66	800.43
Profit/(Loss) for the year	(287.83)	490.85	803.66	800.43
Add: Balance of Profit and Loss Account	966.64	1379.71	677.51	676.91
Share of Minority	0.51	-	1.27	-
Profit available for Appropriation	678.81	1870.56	1479.90	1477.33
<u>Less: Appropriation</u>				
Proposed Equity Dividend	82.32	82.32	82.31	82.32
Tax on Proposed Equity Dividend	13.35	13.35	13.35	13.35
Less/Add: Earlier year provisions	-	-	1.95	1.95
Balance of profit carried to Balance Sheet	583.14	1774.88	1382.27	1379.71

During the year under review, your Company's total income has been registered at Rs. 7884.14 lacs in comparison of Rs. 6883.46 lacs of the previous financial year. The profit after tax (PAT) has been registered at Rs. 490.85 lacs in comparison of Rs.800.43 lacs of the previous financial year.

RESERVES AND DIVIDEND:

The Board of Directors has recommended a Final Dividend of Rs. 0.20 per Equity Share for the financial year ending on 31st March 2013. The Board has transferred an amount of Rs. 82.32 Lacs to the General Reserves Account, out of the amount available for appropriation.

OPERATIONS REVIEW:

PROJECT "ARIHANT AMODINI"

This is a residential project located at Taloja (Navi Mumbai). Amodini consists of approximately 126 flats, having approximately 1.36 lacs sq. ft. developable / saleable area. Arihant Amodini consists a stilt+22 Storied Tower comprising elegant 2BHK. The land has been conveyed in the name of Arihant Superstructures Limited by way of Tripartite Agreement. 90% construction activities are completed. The project has internal & external amenities such as intercom facility, UPVC sound resistance French windows, velvet touch paint with POP in all rooms, children play area, health club, gymnasium, landscape garden, power backups for lifts, indoor game room & library.

PROJECT " ARIHANT ARHAM"

The residential project is located on the picturesque Panvel- Matheran Road, Kkopoli, Panvel. The project consists of 32 building having 501 flats approx. The project is completed. Arihant Arham is a stilt +4 storey tower comprising elegant 1BHK & 2BHK with recreational facilities on the riverside park. The project has internal & external amenities such as intercom facility, granite top kitchen platform, elegant entrance lobby, landscapes garden with water fountains, swimming pool, gymnasium with club house, children play area, amphitheatre with party lawn, Jogging Track, Meditation Center, ample car parking, basket ball court, external camera for security checks, temple.

PROJECT “ARIHANT AAROHI”

This is a residential project located at Kalyan Shil Road, Navi Mumbai. Arihant Aarohi consists of approximately 180 flats, having approximately 3.5 acres land area. Arihant Aarohi consists a stilt + 15 storeyed tower comprising elegant 1BHK & 2BHK. Construction is in full swing. The project has internal & external amenities such as Intercom facility, UPVC sound resistant french windows, granite top kitchen platform, swimming pool, library, children play area, health club, gymnasium, landscape garden, indoor game room, power backups for lifts.

PROJECT “ARIHANT ADITA”

The 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, forming part of the similar projects in Mumbai and other Metro cities only, which is till now only a dream to the people of Jodhpur. The project has amenities such as Swimming Pool, Badminton Court, Basket Ball Court, Kids Play Room, Amphitheatre, Garden Lawn, Steam Room, Gymnasium, etc. to name a few.

PROJECT “ARIHANT AYATI”

The residential project named as “Arihant Ayati” is situated at Devnagar, Jodhpur (Rajasthan). This Project is stilt + 16 storied Towers consisting 3 BHK Super Luxurious Flats having the Internal and External Amenities like swimming pool, Health Club with Gymnasium & steam room, Green concept at Top Terrace for cool temperature and External Texture with pure Acrylic Paint etc.

PROJECT “ARIHANT AGRIMA”

The Company has got an Affordable Housing Project at Jodhpur named “Arihant Agrima”. This project is on a Public Private Partnership with the “Jodhpur Development Authority (JDA)” Jodhpur, Rajasthan, won through Tender process.

PROJECTS UNDER SUBSIDIARIES:

PROJECT “ARIHANT AKANKSHA”

This is a residential project located at Panvel, Navi Mumbai. The project consists of 8 Buildings having 2200 flats approx. Arihant Akanksha a stilt + podium + 27 storey tower comprising elegant 2BHK & 3BHK & 4BHK apartments. The project having internal & external amenities such as intercom facility, Velvet touch paint with POP in all rooms granite top kitchen platform, elegant entrance lobby, 4 high speed lifts in each building, business lounge, landscapes garden with water fountains, swimming pool, gymnasium with club house, children play area, amphitheatre with party lawn, Jogging Track, Meditation Center, ample car parking, basket ball court, external camera for security checks, temple.

PROJECT “ARIHANT ARSHIYA”

This residential project named as “Arihant Arshiya” is situated at Khalapur, Khopoli. This project consists of 1600 flats approx having 23 acres land area. The construction of project is in full swing. Arihant Arshiya is a part stilt +3 storey tower comprising elegant 1RK, 1BHK, 2BHK flats. The project is having internal & external amenities such as swimming pool, library, children play area, health club, gymnasium, landscape garden, indoor game room, power backups for lifts, Ganesh temple, complex owned shuttle bus service.

PROJECT “ARIHANT ANMOL”

This is a residential project located at Jouveli Badlapur (E). Anmol project consist of 650 flats having 7 acres land area. The land has been conveyed in the name of Arihant Superstructures Limited. The construction is in full swing. The project has internal & external amenities such as intercom facility, granite top kitchen platform swimming pool, library, children play area, health club, gymnasium, landscape garden, indoor game room, power backups for lifts.

PROJECT “ARIHANT AMISHA”

This residential project named as “Arihant Amisha” situated at Wawanje Taloja, Panvel. This project consists of 700 flats having 20 acres land area. The construction of the project is started in full swing. The project has various amenities such as intercom facility, air conditioner in each flat, Ganesh Temple, Swimming Pool, Health Club with Gymnasium & Steam Room, Community hall, cum social activity center & library, external camera for security check, air conditioner in each flat, beautiful landscaped garden etc.

PROJECT “ARIHANT ALOKI”

This residential project named as “Arihant Aloki” situated at Bhisegaon Karjat (W). This project consists of 232 flats having 5 acres land area. The project is just launched. Arihant Aloki is a stilt +4 storey tower comprising elegant 1BHK & 2BHK flats. The project has internal & external amenities such as intercom facility, granite top kitchen platform, burner gas hob & chimney, swimming pool, Ganesh temple, children play area, health club, gymnasium, landscape garden, indoor game room, power backups for lifts.

SUBSIDIARIES:

During the year under review,

- a) Arihant Technoinfra Private Limited and Arihant Aashiyana Private Limited have become the subsidiaries of the Company w.e.f. 17th September, 2012. Arihant Aashiyana Private Limited is engaged in the business of construction and real estate activities and Arihant Technoinfra Private Limited is engaged in the business of production of AAC Block.
- b) Adeshwar Realty Private Limited, Arihant Abode Limited, Arihant Vatika Realty Private Limited and Arihant Gruhnirman Private Limited continued to be the subsidiaries of the Company.

All the subsidiary companies are non-material, non-listed subsidiary companies as defined under Clause 49 of the Listing Agreements entered into with the stock exchanges. A statement pursuant to Section 212(2) of the Companies Act, 1956 relating to the subsidiary companies is attached to the accounts.

In accordance with the General Circular No. 2/2011 dated 08th February, 2011, under Section 212(8) of the Companies Act, 1956 issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss account and other documents of the subsidiary are not being attached with the Balance Sheet of the Company. However, the financial information has been annexed and disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual Accounts of the subsidiary companies and the related details information to any member of the company who is interested in obtaining the same. The annual accounts of the subsidiary companies will be kept open for inspection at the Registered Office of the company and that of the respective subsidiary companies. The consolidated financial statement presented by the company includes the financial results of the subsidiary companies.

Details of the subsidiaries and their business operations during the year under review are covered in the Management’s Discussion and Analysis Report.

LISTING:

The Equity Shares of the Company are listed at the Bombay Stock Exchange Limited (BSE). The Company has paid the applicable listing fees to the above stock exchange up to date. The Company’s Equity Shares are also traded in the dematerialised segment for all investors and the Company has entered into agreements with the Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for custodial services.

CASH FLOW STATEMENT:

In conformity with the provisions of Clause 32 of the Listing Agreement with the Stock Exchanges, the cash flow statement for the year ended 31st March, 2013 is annexed hereto.

BOARD OF DIRECTORS:

Your Board of Directors comprise of eminent, experienced and reputed Individuals of the Industry. During the year under review, there has been no change in the composition of the Board of Directors from the previous Annual General Meeting, till the current one.

The current composition of the Board of Directors is as follows:

Sr. No	Name of the Director	Designation on the Board
1	Mr. Ashok B. Chhajer	Chairman and Managing Director
2	Mr. Nimish Shah	Whole-time Director
3	Mr. Dinkar Samant	Whole-time Executive Director
4	Mr. Virendra Kumar Mital	Non Executive Independent Director
5	Mr. Dinesh Chandra Babel	Non Executive Independent Director
6	Mr. Vinayak Nalavde	Non Executive Independent Director

On account of the requirement of Section 255 of the Companies Act, 1956 and the Articles of Association, Mr. Vinayak Nalavde and Mr. Dinesh Chandra Babel are liable to retire by rotation at the ensuing Annual General meeting and being eligible, offer themselves for reappointment. The Board recommends their reappointment.

COMMITTEE OF THE BOARD OF DIRECTORS:

In pursuance of the Clause 49 of the Listing Agreement, the Company is required to have certain mandatory committees. In addition to those, the Company has certain non-mandatory Committee of the Board of Directors. The details of the Committee of Directors as on 31.03.2013 are as follows:

Name of the Committee	Current Constitution of the Committee	
Audit Committee	1	Mr. Dinesh Chandra Babel (Chairman)
	2	Mr. Virendra Kumar Mital
	3	Mr. Vinayak Nalavde
	4	Mr. Dinkar Samant
Remuneration Committee	1	Mr. Vinayak Nalavde (Chairman)
	2	Mr. Dinesh Chandra Babel
	3	Mr. Virendra Kumar Mital
Shareholders Grievance Committee	1	Mr. Virendra Kumar Mital (Chairman)
	2	Mr. Dinesh Chandra Babel
	3	Mr. Vinayak Nalavde
Executive Committee <i>(Non Mandatory Committee)</i>	1	Mr. Ashok Chhajer (Chairman)
	2	Mr. Nimish Shah
	3	Mr. Dinkar Samant
Share Transfer Committee	1	Mr. Ashok Chhajer (Chairman)
	2	Mr. Nimish Shah
	3	Mr. Dinkar Samant
Business Planning & Development Committee <i>(Non Mandatory Committee)</i>	1	Mr. Ashok Chhajer (Chairman)
	2	Mr. Vinayak Nalavde
	3	Mr. Dinesh Babel

The Company Secretary is the Secretary for all mandatory Committees.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) that in preparation of the annual accounts for the financial year ended 31st March, 2013, the appropriate accounting standards have been followed;
- (ii) that Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the accounts for the financial year ended 31st March, 2013 on a going concern basis.

AUDITORS :

M/s T. N. Gala & Associates, Chartered Accountants, being the Statutory Auditors of the Company, who retire at the conclusion of this Annual General Meeting, have showed their unwillingness to be re-appointed as the Statutory Auditor of the Company.

The Special Notice u/s 190 of the Companies Act, 1956 has been received by the Company from a member of the Company, recommending the appointment of M/s Kailash Chand Jain & Co, Chartered Accountants, Mumbai as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

M/s Kailash Chand Jain & Co. Chartered Accountants, will be appointed as Statutory Auditors of the Company subject to approval of the members in the ensuing Annual General Meeting.

The company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under section 224(1B) of the Companies Act, 1956 and they are not disqualified for the appointment within the meaning of section 226 of the Act.

AUDITORS REPORT:

The Notes to Accounts referred to in the Auditor's report are self-explanatory and do not require any further comments.

INTERNAL 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

FIXED DEPOSIT:

The Company has not invited or accepted any fixed deposits during the year under review pursuant to section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975.

UTILIZATION OF PROCEEDS OF RIGHTS ISSUE AND PREFERENTIAL ISSUE:

The company has raised Rs. 1646.40 lacs by way of Rights Issue in the financial year 2011-12. However, an amount of Rs 606.38 lacs was kept in fixed deposit; pending utilization. The whole amount has been utilized as per the object of the Right Issue in the financial year 2012-13.

CORPORATE GOVERNANCE:

The Company adheres to sound Corporate Governance practices, which enables to maintain transparency and serve the long-term interest of the Shareholders. The Management Discussion and Analysis Report as well as report on Corporate Governance as of 31st March 2013 are attached hereto as a part of this Annual Report.

The Company is committed to maintain the highest standards of Corporate Governance. The Directors adhere to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the stipulations prescribed. The Company has implemented several best Corporate Governance practices as prevalent in the country. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of this Report.

The requisite Certificate from **M/s. D. A. Kamat & Co., Practising Company Secretaries**, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is attached to this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

During the year under review your Company has been involved in the Corporate Social Responsibility activity. You will be happy to know that your company has donated Rs. 20 lacs approx. towards construction of school and welfare activities of the students in Navi Mumbai region. A pre-primary school has also been set up on construction site in Jodhpur, Rajasthan for the

education of children of construction labourers. The Company is also constructing an auditorium in MBM Engineering College at Jodhpur at the estimated cost of Rs. 10 lacs for the benefit of engineering college students. The management continues to fulfill its social responsibility towards society on an ongoing basis in whatever best possible manner.

PARTICULARS OF EMPLOYEES:

During the financial year 2012-13, no employee of the Company has been paid remuneration in excess of prescribed limit under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

INVESTORS' RELATION AND GRIEVANCES

Investors' relations have been cordial during the year. As a part of compliance, the Company has formed Shareholders' and Investors' Grievance Committee to deal with the issues relating to investors. During the year under review, the company has received one (1) complaint/grievance which was resolved by the company. Thus, there were no investors' grievances pending as on 31st March, 2013. A confirmation to this effect has been received from the Company's Registrar and Share Transfer Agent.

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 the Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:

The particulars as prescribed under Section 217(1) (e) read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are set out in the **Annexure 'A'** forming part of this report.

PERSONNEL:

The Company is professionally managed and has very cordial relationship with all its employees. Highly qualified and experienced personnel from the field of engineering, finance and administration & sales assist the top level management. Your Directors wish to place on record their appreciation for the co-operation and support received from employees towards the growth and prosperity of your Company and look forward to their continued support.

ACKNOWLEDGEMENTS:

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.

**By Order Of The Board,
Arihant Superstructures Limited**

Sd/-

**Ashok Chhajer
Chairman & Managing Director**

Place: Navi Mumbai

Date: 13th August, 2013

ANNEXURE A

Information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 forming part of Directors' Report for the year ending March 31, 2013

1. Conservation of energy:

Your Company consumes minimum energy and strives to reduce energy consumption in the buildings developed by the Company. Your Company is conscious about its responsibility to conserve energy, power and other energy sources wherever possible. We emphasize towards a safe and clean environment and continue to adhere to all regulatory requirements and guidelines. The construction team under the able guidance of expert engineers of the Company continuously strives and devises various means to conserve energy and identify methods for the optimum use of energy.

2. Research and Development:

The Company has undertaken Research and Development activity in Development of Technology in the area of construction with an aim to construct with optimum cost, while maintaining highest standard of quality in our structures.

3. Technological absorption:

Your Company has not imported any technology. However, we believe and use information technology extensively in all spheres of our activities to improve efficiency levels.

4. Foreign Exchange Earnings and Outgo:

There was no foreign exchange earnings and outflow during the period under review.

**By Order Of The Board,
Arihant Superstructures Limited**

Sd/-

**Ashok Chhajer
Chairman & Managing Director**

Place: Navi Mumbai

Date: 13th August, 2013

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY

The Company adheres to good corporate practices and is constantly striving to better them and adopt emerging best practices. It is believed that adherence to business ethics and commitments to corporate social responsibility have enabled the Company to achieve its goal of building India through maximizing value for all its stakeholders. By combining ethical values with the business acumen, strengthening of professional resources with national interests and core business with emerging business, the Company maintains its legendary status of respected Real Estate Development Company. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming India's most valuable Real Estate Company, while upholding the core values of excellence, integrity, responsibility, quality and customer services, which are fundamental to the Arihant. In this pursuit, the Company's philosophy is led by strong emphasis on human values, individual dignity and adherence to honest, ethical and professional conduct. This enables customers and all stakeholders to be partners in the Company's growth and prosperity. The Company continuously endeavors to improve-upon on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation, fostering a healthy growth and development of human resources to take the Company forward. Keeping in view the Company's size, complexity of operations and corporate tradition, the Corporate Governance framework is based on the following main principles:

- Strategic supervision by the Board of Directors of appropriate composition, size, varied experience and commitment to discharge their responsibilities;
- Ensuring timely flow of information to the Board and its Committees for meaningful and focused discussions in the meeting;
- Independent verification of the Company's financial reporting;
- A sound system of internal control to mitigate the risks;
- Timely and balanced disclosure of all material information to all the stakeholders;
- Compliance with applicable laws, rules, guidelines and regulations;
- Transparency and accountability; and
- Equitable and fair treatment to all its stakeholders including employees, customers, vendors, shareholders and investors.

BOARD OF DIRECTORS

The Board of Directors (the Board), an apex body formed by the shareholders, serve and protect the overall interests of stakeholders; provides and evaluates the strategic directions of the Company; formulates and reviews management policies and ensure their effectiveness. As of 31st March 2013, the Chairman & Managing Director managed the business of the Company under the overall supervision and guidance of the Board.

COMPOSITION

The Board represents an optimum mix of professionalism, knowledge and experience. As on 31st March 2013, the total strength of the Board is 6 directors with an Executive Chairman. The Board comprises of 3 Independent Directors (50%) and 3 Executive Directors (50%).

During the year Mr. Varaprasad Atluri resigned as a Director of the Company w.e.f. 4th August 2012. Mr. Dinkar Samant was appointed as Additional Whole-time Executive Director of the Company w.e.f. 4th August 2012. Mr. Dinkar Samant was regularized as a Whole time Executive Director of the company at the meeting of the members held on 22nd September, 2012.

The Company has benefited from the professional expertise of the Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges

Board Meetings

The meetings of the Board are held at the Registered Office of the Company at 302, Persipolis Building, Plot No 74, Sector 17, Vashi, Navi Mumbai 400703. During the financial year 2012-13, there were 6 Board meetings held and the gap between two board meetings did not exceed four months. The dates on which the Board meetings were held are as follows:

19th April, 2012, 8th May, 2012, 31st May, 2012, 04th August, 2012, 30th October, 2012 and 04th February, 2013.

The Board meets at least once in every quarter to review the quarterly results and other items on the agenda. Additional meetings are held, when necessary. The draft minutes of the proceedings of the Board of Directors/Committees are circulated in advance and the comments, if any, received from the Directors are incorporated in the minutes in consultation with the Chairman. The Company has an effective post meeting follow up, review and reporting mechanism for the decisions taken by the Board/Committees. The Company Secretary prepares the agenda notes, minutes, etc. of the meeting(s) in consultation with the Chairman of the Board for ensuring compliance with all applicable provisions of the Companies Act, 1956 and allied laws, rules, regulations and guidelines.

Composition and Attendance

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and in last Annual General Meeting (AGM) and the number of Directorships and Committee Chairmanships/Memberships held by them in other companies as on 31st March, 2013 are given herein below.

Name of Directors	Category	No. of Board Meetings Held in Financial Year 2012-2013 (No. of Meeting Attended)	Board Meeting	Last AGM	No. of Directorship in other companies [#]	No. of Committee Positions held in other public limited companies
			Chairman	Director	Chairman	Member
Mr. Ashok Chhajer	Chairman & Managing Director	6(6)	Yes	Nil	1	Nil
Mr. Virendra Mital	Independent Non-Executive	6 (6)	Yes	Nil	2	Nil
Mr. Nimish Shah	Whole-time Director	6 (6)	Yes	Nil	Nil	Nil
Mr. Dinesh Babel	Independent Non-Executive	6 (6)	Yes	Nil	2	Nil
Mr. Varaprasad Atluri ¹	Non Independent Non-Executive	3(2)	No	Nil	Nil	Nil
Mr. Dinkar Samant ²	Whole-time Director	3(3)	Yes	Nil	Nil	Nil
Mr. Vinayak Nalavde	Independent Non-Executive	6(4)	Yes	Nil	1	Nil

¹ Mr. Varaprasad Atluri has resigned from the Board with effect from 4th August, 2012.

² Mr. Dinkar Samat was appointed on the Board with effect from 4th August, 2012, as an Additional Whole-time Executive Director.

[#]Excludes private i.e. company which is neither a subsidiary nor a holding company of a public company, foreign, unlimited liability companies and companies registered under Section 25 of the Companies Act, 1956.

##Represents Chairmanship/Membership of Audit Committee and Shareholders'Investor' Grievance Committee (excluding Arihant Superstructures Limited) has been considered.

Notes:

1. The Directorship/Committee Membership is based on the latest disclosures received from Directors and as per details available on the portal of Ministry of Corporate Affairs.
2. None of the Directors is a Member of the Board of more than 15 companies in terms of Section 275 of the Companies Act, 1956.
3. None of the Directors is a Member of more than 10 Committees and Chairman of more than 5 Committees, across all companies in which he is a Director.

RESUME OF DIRECTORS PROPOSED TO BE RE-APPOINTED

The brief resume of Directors retiring by rotation and seeking re-appointment is appended in the notice for convening the Annual General Meeting.

COMMITTEES OF THE BOARD

(i) Audit Committee

Composition

As on 31st March 2013, the Audit Committee of the Board is headed under the stewardship of Mr. Dinesh Babel, an Independent Non-Executive Director. Mr. Dinesh Babel has vast, varied, diverse and enriched experience in Financial Management, Corporate affairs, Accounting, Costing and Audit matters.

During the year Mr. Varaprasad Atluri resigned from the membership of the Committee, on account of his resignation from the Board of Directors. Mr. Dinkar Samant was appointed as a member of the Audit Committee. The other members of the re-constituted committee are Mr. Dinesh Babel, Mr. Virendra Mital and Mr. Vinayak Nalavde. All the members have requisite financial, accounting and management experience. The composition of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement.

Terms of Reference

The terms of reference of Audit Committee are in accordance with Section 292A of the Companies Act, 1956 and the guidelines set out in Clause 49 of the Listing Agreement. The Audit Committee is entrusted with the responsibility to supervise the Company's financial control and reporting process and inter-alia perform the following functions:

1. Overseeing financial reporting process and disclosure of financial information, to ensure that the financial statements are correct, sufficient and credible;
2. Recommending appointment and removal of the statutory auditors, fixation of audit fee and approval for payment of any other services;
3. 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;
4. Reviewing with the management and the statutory and internal auditors, the adequacy of internal control systems and recommending improvements to the management;
5. 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;
6. Discussion with internal auditor on any significant findings and follow-up thereon;
7. 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;
8. 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;
9. 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.;
10. Reviewing the Company's financial and risk management policies;
11. Reviewing the uses/applications of funds raised through public offerings; and
12. To perform such other function(s) as may be delegated by the Board from time to time.

Meetings and Attendance

During the year 2012-13 four meetings of the Audit Committee were held on 08/05/12, 04/08/12, 30/10/12 and 04/02/13

Members	No of Meetings held during their tenure	No. of Meetings Attended
Mr. Dinesh Babel	4	4
Mr. Virendra Mital	4	4
Mr. Vinayak Nalavde	4	2
Mr. Varaprasad Atluri ¹	2	1
Mr. Dinkar Samant ²	2	2

¹ Mr. Varaprasad Atluri has resigned from the Committee with effect from 4th August, 2012.

² Mr. Dinkar Samant was admitted as a member with effect from 4th August, 2012.

Minutes of the meetings of the Audit Committee are approved by the Chairman of the Committee in its next meeting and are noted and confirmed by the Board in its next meeting. The Company Secretary acts as the Secretary to the Audit Committee.

The Chairman of the Audit Committee was present at the last Annual General Meeting.

(ii) Shareholders'/Investors' Grievance Committee

Composition

The Committee comprises of 3 Directors, under the Chairmanship of Mr. Virendra Kumar Mital. The other members of the Committee are Mr. Vinayak Nalavde and Mr. Dinesh Babel. All the members of the committee are Independent Non-executive Directors.

The Company Secretary of the Company acts as Secretary to the Committee.

Terms of Reference

1. 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.
2. The Committee reviews performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services.

Meetings and Attendance

During the year 2012-13 four meetings of the Shareholders'/Investors Grievances Committee were held on 08/05/12, 04/08/12, 30/10/12 and 04/02/13

Members	No of Meetings held during their tenure	No. of Meetings Attended
Mr. Virendra Kumar Mital	4	4
Mr. Dinesh Chandra Babel	4	4
Mr. Vinayak Nalavde	4	2

Minutes of the meetings of the Shareholders'/ Investors' Grievance Committee are approved by the Chairman of the Committee in its next meeting and are noted and confirmed by the Board in next meeting.

Compliance Officer

Mr. Rushabh Desai, Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreement with Stock Exchanges

Redressal of Investor Grievances

The Company's policy is to address all complaints, suggestions and grievances expeditiously and to send/issue replies at earliest except in case of dispute over facts or other legal impediments. During the year under review, one (1) investors' complaint was received and resolved. There was no pending complaint and/or requests for share transfer, dematerialization etc., as on 31st March, 2013.

(iii) Share Transfer Committee

Composition

As on 31st March, 2013, the Share Transfer Committee comprised of 3 Directors. Mr. Ashok Chhajer is the Chairman of the committee. During the year Mr. Varaprasad Atluri resigned from the membership of the Committee on account of his resignation from the Board of Directors. Mr. Dinkar Samant was appointed as a member of the Committee. The other member of the Committee is Mr. Nimish Shah.

Terms of Reference

The Committee oversees and reviews all matters connected with transfer of physical securities and also interalia approves issue of duplicate, split of share certificates, etc.

Meetings and Attendance

During the year under review, no meeting of Share Transfer Committee was held.

(iv) Remuneration Committee

Composition

As on 31st March 2013, Remuneration Committee comprises of three Independent Non-Executive Directors. Mr. Vinayak Nalavade, Independent Non-Executive Director, acts the Chairman of the Committee. The other members of the Committee are Mr. Virendra Mital and Mr. Dinesh Babel, Independent Directors.-

Terms of Reference

1. Determining Remuneration Policy of the Company;
2. 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) including their relatives;
3. Framing policies and fixation of compensation including salaries, incentives, bonuses, promotions, benefits, stock options and performance targets for executives of the Company; and
4. Formulation of the detailed terms and conditions of stock options, granting of administration and superintendence thereof.
5. Ensuring due compliance with the provisions pertaining to the Managerial Remuneration and Remuneration to the Board of Directors, as per the compliances of the Companies Act, 1956.

Remuneration Policy

The Remuneration Policy of the Company for managerial personnel is primarily based on the following criteria:

- Performance of the Company;
- Success, potential and performance of individual managers; and
- External competitive environment.

The Company's remuneration policy is based on three tenets: pay for responsibility, performance, potential and growth. Individual performance pay is determined by business performance of the business unit and the group as a whole clubbed with performance of individuals measured through the annual appraisal process.

Meetings and Attendance

During the year 2012-13 one meeting of the Remuneration Committee was held on 04/08/2012.

Members	No of Meetings held during their tenure	No. of Meetings Attended
Mr. Vinayak Nalavde	1	0
Mr. Virendra Mital	1	1
Mr. Dinesh Babel	1	1

Directors' Remuneration

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) to its Executive Directors (given below) based on the recommendations of the Remuneration Committee as per remuneration policy of the Company, within the ceilings fixed by the shareholders. The sitting fees paid to the Board of Directors is Rs. 20,000/- per Board Meeting and Rs. 5,000/- per Committee Meeting.

Details of remuneration for the year ended 31st March 2013

(I) Non-Executive Directors

Name of the Director	Sitting Fees paid (Rs.)
Mr. Vinayak Nalavde	Rs 1,00,000/-
Mr. Dinesh Babel	Rs 1,65,000/-
Mr. Virendra Mital	Rs 1,65,000/-
Mr. Varaprasad Atluri *	Nil

*Resigned on 4th August 2012

(II) Managing Director and Executive Directors

Name of Director	Salary and Allowance (Rs.)	Service Contract
Mr. Ashok Chhajer, Managing Director	2,00,000/- p.m.	5 yrs. w.e.f 15.01.2009
Mr. Nimish Shah, Whole-time Director	2,50,000/- p.m.	5 yrs. w.e.f 13.04.2010
Mr. Dinkar Samant, Whole-time Director	2,70,833/- p.m	5 yrs. w.e.f 04.08.2012

During the financial year, there was no pecuniary relationship or transaction between the Company and its Non-Executive Directors. The Company has not granted any stock options to any of its Non-Executive Directors.

(a) Equity Shares held by Directors as on 31st March 2013

Except as stated below, none of the Directors hold Equity Shares in the Company:

Name of the Director	No. Of shares
Mr. Ashok Chhajer	28151306 ^

^ There was an increase in equity share holding of the Director, as during the year, the Company has issued Equity Shares to its shareholders on Rights basis.

CODE OF CONDUCT

The Code of Conduct (the Code) as adopted by the Board is a comprehensive Code to ensure good governance and to provide for ethical standards of conduct on matters including conflict of interest, acceptance of positions of responsibility, treatment of business opportunities and the like. The Code is applicable to all the Directors and Senior Management Personnel of the Company including its subsidiaries. An Annual affirmation has been obtained from all members of the Board and Senior Management Personnel as on 31st March, 2013. In terms of Clause 49 of the Listing Agreement, a declaration signed by the Managing Director is annexed at the end of the Report.

SUBSIDIARY MONITORING FRAMEWORK

The subsidiaries of the Company namely are Arihant Abode Limited, Arihant Vatika Realty Private Limited, Adeshwar Realty Private Limited, Arihant Gruhnirman Private Limited, Arihant Technoinfra Private Limited and Arihant Aashiyana Private Limited. During the year under review, Arihant Technoinfra Private Limited and Arihant Aashiyana Private Limited have become the subsidiaries of the Company w.e.f. 17th September, 2012. The subsidiaries are managed by their respective Boards having rights and obligations to manage such companies in the best interest of their stakeholders. As a majority shareholder, the Company monitors and reviews the performance of such companies' inter-alia, by the following means:

- a) Financial Statements, in particular, the investments made by the unlisted subsidiary companies, have been reviewed periodically by the Audit Committee;
- b) Minutes of the meetings of the unlisted subsidiary companies are placed before the Company's Board, periodically;
- c) Statements containing significant transactions and arrangements entered into by the unlisted subsidiary companies are periodically placed before the Board of Directors; and
- d) None of the unlisted company is material subsidiary in terms of Clause 49 of the Listing Agreement.

ANNUAL GENERAL MEETINGS

- (a) Location, date and time of last three Annual General Meetings (AGM) and Special Resolutions passed thereat:**

YEAR	LOCATION	DAY, DATE & TIME	SPECIAL RESOLUTION
2009-2010	Hotel Royal Orchid Central Grazia, Plot L-3, Sector-19, Palm Beach Road, Vashi, Navi Mumbai – 400705	Friday 17 th September, 2010 At 10.00 a. m.	Yes
2010-2011	Hotel Royal Orchid Central Grazia, Plot L-3, Sector-19, Palm Beach Road, Vashi, Navi Mumbai – 400705	Wednesday 03 rd August, 2011 At 05.00 p.m.	Yes
2011-2012	Hotel Royal Orchid Central Grazia, Plot L-3, Sector-19, Palm Beach Road, Vashi, Navi Mumbai – 400705	Saturday 22 nd September, 2012 At 06.00 p.m.	Yes

- (b) Resolution passed through Postal Ballot during the year**

A Postal Ballot Notice dated 04th August 2012 along with accompanying documents, as detailed below, was dispatched to Shareholders under speed post. A calendar of events along with Board Resolution was submitted to the Registrar of Companies, Mumbai, Maharashtra. The Board appointed Mr. Sudhir Kamath, Practicing Company Secretary, as Scrutinizer to conduct the Postal Ballot process in a fair and transparent manner. The procedure prescribed under Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 has been followed for the Postal Ballot conducted during the year for the resolutions mentioned herein under. The result of the Postal Ballot was announced on 17th September 2012 at the Registered Office and was also published in Free Press Journal (English) & Navshakti (Regional – Marathi) Details of voting pattern were as under:

Sr. No.	Description of Resolution	No. of valid postal Ballot forms	No. of Shares	Percentage of Total Paid-up Capital
I.	Special Resolution to make Investments, to give guarantee or provide security in connection with a loan under section 372A of the Companies Act, 1956	14	3,09,39,399	75.17%

DISCLOSURES

- a) Material Contracts/Related Party Transactions**

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 Schedule XIV to the Accounts in the Annual Report. All related party transactions are negotiated at arms' length basis and are only intended to further the interest of the Company. The Board has received disclosures from key management personnel relating to material, financial and commercial transactions where they and / or their relatives have personal interest.

- b) Compliances**

The Company has complied with applicable rules and regulations prescribed by Stock Exchanges, SEBI or any other statutory authority relating to the capital markets. All returns/Reports were filed within stipulated time with Stock Exchanges/ other authorities.

MEANS OF COMMUNICATION

The Company regularly intimates information like quarterly financial results and media releases on significant developments in the Company.

The financial results are normally published in Economic Times (English & Gujarati), Free Press Journal (English), Navshakti (Marathi), and Navbharat Times (Hindi). Annual Report containing inter-alia Audited Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report, Management Discussion & Analysis Report and Corporate Governance

Report including information for the Shareholders and other important information is circulated to the members and others entitled thereto.

Website and Exclusive Designated e-mail id

The Company's website 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. All investors are requested to avail this facility.

GENERAL SHAREHOLDERS' INFORMATION

a) Annual General Meeting

Day : Thursday
 Date : 26th September, 2013
 Time : 05.00 p.m.
 Venue : Four Points by Sheraton Plot No. 39/1, 6 to 15,
 Sector 30A, Vashi, Navi Mumbai, Maharashtra,
 India - 400 701

b) Financial Calendar (Tentative)

Financial Year 1st April, 2013 to 31st March, 2014

Adoption of Quarterly Results by last week of the month of the quarter ended:

Quarter ended	Latest by
30th June, 2013	14 th August, 2013
30th September, 2013	14 th November, 2013
31st December, 2013	14 th February, 2014
31st March, 2014	By end of May, 2014*

*Instead of publishing quarterly unaudited financial results, the Company may also opt to publish Audited Annual Accounts by 30th May, 2014.

c) Book Closure Dates

From 20th September, 2013 to 26th September, 2013 (both days inclusive)

d) Dividend Payment Date

The Final Dividend, if declared, shall be paid/credited to the Shareholders on or before 26th October, 2013.

e) Liquidity of Shares

The equity shares of the Company are listed on the Bombay Stock Exchange Limited (BSE), P. J. Tower, Dalal Street, Mumbai - 400 001. The shares of the Company are currently traded under the T group. The Company has paid the listing fees to BSE for 2013-14.

f) (i) ISIN Demat No. : INE643K01018 (Fully paid)

(ii) Stock Code : Bombay Stock Exchange (BSE) - 506194

g) Corporate Identification Number (CIN): L51900MH1983PLC029643

h) Registrar and Share Transfer Agent (RTA)

Adroit Corporate Services Pvt Ltd,

19/20, Jaferbhoy Industrial Estate,
 1st Floor, Makwana Road, Marol Naka,
 Mumbai 400059

i) Share Transfer Mechanism

The share transfers received in physical form are processed through Registrar and Share Transfer Agent (RTA), within seven days from the date of receipt, subject to the documents being valid and complete in all respects. The share certificates duly endorsed are returned immediately to the shareholders by RTA. The details of transfers/transmission so approved, is placed before the Share Transfer Committee for its confirmation. Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, Certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company, certificates for timely dematerialization of the shares as per SEBI (Depositories and Participants) Regulations, 1996 and a Secretarial Audit Report on Reconciliation of the Share Capital of the Company obtained from a Practicing Company Secretary have been submitted to The Bombay stock exchange within stipulated time.

j) Market Price Data:

The Equity Shares of the Company were traded on the Bombay Stock Exchange during the year 2012-2013.

Month	High Price	Low Price
Apr-12	85.00	47.05
May-12	52.90	39.90
Jun-12	44.40	32.60
Jul-12	52.50	37.00
Aug-12	42.00	37.50
Sep-12	42.50	37.00
Oct-12	44.50	38.45
Nov-12	43.45	37.00
Dec-12	47.00	42.00
Jan-13	50.50	38.00
Feb-13	60.85	47.00
Mar-13	53.00	47.40

i) Share Ownership Pattern as on 31st March, 2013

Sr. No.	Category	No. Of shares held	%age
1.	Promoters and Promoter Group	30417468	73.90
2.	Foreign Institutional Investors	0	0
3.	NRIs & Foreign Nationals	3	0
4.	Mutual Funds & UTI	0	0
5.	Banks, Fls & Insurance Companies	0	0
6.	Bodies Corporate	6,99,235	1.70
7.	Public	1,00,40,985	24.40
8	Others- Clearing Member	2300	0.00
	TOTAL	4,11,59,991	100

ii) Distribution of equity Shareholding as on 31st March 2013

Shares	No. of Shareholders	% of total Shareholders	Number of Shares	% of total no. of Shares
I – 5000	475	74.1	208187	0.51
5001 – 10000	11	1.72	94098	0.23
10001 – 20000	24	3.74	370467	0.9
20001 – 30000	33	5.15	828521	2.01
30001 – 40000	22	3.43	740103	1.8
40001 – 50000	14	2.18	622248	1.51
50001 – 100000	36	5.62	2906912	7.06
100000 & above	26	4.06	35389455	85.98
TOTAL	641	100	41159991	100

The Company has no dividend of the past years which are required to be transferred to the Investor and Education Protection Fund. Dividend had been declared by the Company for the year 2011-2012 in the Annual General Meeting held on 22nd September, 2012 some amount has not been claimed by the shareholders of the Company and the amount has been transferred to Unpaid Dividend Account.

k) 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 31st March, 2013, 41,107,499 Equity Shares (constituting 99.88 %) were in dematerialized form.

l) Address for Investor Correspondence

For transfer/dematerialization of shares, payment of dividend on shares and any other queries relating to the shares.

Adroit Corporate Services Pvt Ltd,

19/20, Jaferbhoy Industrial Estate, 1st Floor,
Makwana Road, Marol Naka, Mumbai 400059
Telephone: 022-28594060/022-40052115
Fax: 022 - 28503748
Email: info@adroitcorporate.com
Website: www.adroitcorporate.com

RISK MANAGEMENT

As a part of the overall risk management strategy, the Company consistently insures its assets and operations against a wide range of risks. The Company continues to follow a suitable strategy to review and modify its risk profile by eliminating and significantly reducing key business risks. The Company has appointed a specialized agency to provide expert advice for further improvement. The framework for risk assessment and minimization thereto has been evaluated and for further improvement, services of domain experts have been engaged.

COMPLIANCE CERTIFICATE FROM THE PRACTICING COMPANY SECRETARY

Certificate from the Practicing Company Secretary, Mr. D. A. Kamat confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is annexed to this Report forming part of the Annual Report.

(xiv) Details of penalties imposed by Stock Exchange or SEBI:

No penalties have been imposed during the year 2012 – 2013.

ADOPTION OF MANDATORY AND NON- MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements and has adopted the following non-mandatory requirements of Clause 49:

- (a) **Remuneration Committee:** The Company has set-up a Remuneration Committee to commend, review remuneration of managerial personnel including their relatives. The composition of the committee and the details of meetings held and attendance of members thereat are given elsewhere in this Report. The then Chairman of the Remuneration Committee was present at the last Annual General Meeting held on 22nd September, 2012 to answer the Shareholders' queries.
- (b) The financial statements of the Company, on stand-alone basis, are **unqualified**.
- (c) **Presentations before Board/Committees:** Various presentations by Company's executives and expert agencies were made before the Audit Committee, Share transfer Committee and the Board in order to apprise the Directors about the business model of the Company, risk profile of its business, assessment of their responsibilities and suggesting ways to effectively discharge them.

CERTIFICATE FROM MANAGING DIRECTOR (CEO/CFO)

The Managing Director of your Company has issued necessary certificate pursuant to the provisions of Clause 49 of the Listing Agreement and the same is attached and forms part of the Annual Report.

The Chairman & Managing Director and Manager (Accounts) of the Company give annual certification on financial reporting and internal control to the Board in terms of Clause 49. The Chairman and Managing Director and Manager (Accounts) also give Quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement.

RECONCILIATION OF SHARE CAPITAL

The Report called Reconciliation of Share Capital issued by Practicing Company Secretary, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL, is placed before the Board on a quarterly basis. A copy of the Audit Report is submitted to the Stock Exchanges where the securities of the Company are listed.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

I hereby confirm that all members of the Board and Senior Management Personnel of the Company have affirmed compliance with Arihant Superstructures Limited Code of Conduct.

**By Order Of The Board,
Arihant Superstructures Limited**

Sd/-

**Ashok Chhajer
Chairman & Managing Director**

**Place: Navi Mumbai
Date: 13th August, 2013**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC OVERVIEW:

The Indian economy faced another challenging year in 2012-13. GDP growth slowed considerably, the Central Statistics Office (CSO) estimated a GDP growth of 5.0% for the year 2012-13. GDP and IIP growth have been at the lowest levels in the past ten years, while interest rates peaked during the year. Despite the ongoing macroeconomic volatility and geopolitical uncertainty, 2012-13 generally represented a year of stabilization within the global economy. Confidence improved as the year progressed, as central banks around the world eased monetary policy in order to support a budding economic recovery. Positive catalysts emerged across the globe, with the U.S. housing market continuing to improve and sovereign debt concerns in Europe beginning to subside. With liquidity continuing to flood the market and interest rates remaining near historic lows, the world economy ended the year poised for a return to normalcy and moderate levels of growth. On the domestic front, high interest rates, decelerating industrial production and a lack of policy reform momentum resulted in a subdued economic environment. High inflation and a tight monetary policy slowed improvement in consumer demand.

While Financial Year 2013 was challenging for the Indian economy, some key positives did emerge. The WPI headline inflation reduced to a 40-month low of 5.96% in March 2013. The moderation in WPI headline inflation and a global correction in commodity prices including that of oil and gold will benefit India's inflation and current account deficit outlook. This should support an easing of the monetary policy going forward. The Union Budget was progressive and is expected kick-start the next cycle of investments leading to an improved economic environment. Positive policy initiatives announced by the Government including foreign direct investment (FDI) in multiple sectors, easing FII investment norms and rationalization of fuel & fertilizer subsidies helped improve investor confidence and reduce the fiscal and current account deficits.

While there have been challenges, many viewed 2012-13 as the cyclical bottoming out of the domestic economy. Interest rates did soften from their peak in 2012-13 and are expected to continue to decline through 2014. WPI headline inflation saw a sharp decline during the year and has made way for monetary policy easing that should stimulate domestic consumption demand and lead to better GDP growth. Strong GDP growth, favourable demographics and a strong urbanisation trend ensure the long term fundamentals of the Indian economy remain intact. India recorded a CAGR in GDP of 7.6% for the period 2003-2013, 63% of the population is under the age of 30 and there is strong probability that India will house the world's largest consumer market by 2030.

INDUSTRY STRUCTURE AND DEVELOPMENT:

The organized segment of Indian Real estate is only about two decade old. But now to get in place true governance has become the decisive point for the sector to prosper. A plethora of regulatory issues and policy hurdles contributed towards the slowdown in both announcement as well as implementation of fresh projects in 2012-13. There has been an inordinate delay in formulating these policies and getting them approved by the respective state governments. In Rajasthan, the conversion process has come to a stand still. The conversions were stopped earlier to restructure the process by the government. Though the revised laws have been drafted but they are still to be notified. In Maharashtra, a new notification was announced with respect to mandatory EWS housing in projects. But as the status is not clear yet, the developers cannot take a decision on the future expansion plans.

The Regulatory Bill is currently trying to put a regulator in place for the sector, but the problem is that every city and town in this country has a different development control regulator. While the bill will lay down and monitor strict timelines for execution of a project (with severe penal implications for the promoter/ developer), it will do nothing to address the inevitable delay that accompanies various approvals and make these timelines impossible to adhere to. We are already required to obtain more than 50 permissions for a project which takes them more than a year to secure. Customers currently have to bear too many types of taxes levied under various heads, including stamp duty on land & building, VAT and Service Tax, External Development Charges (EDC) and Internal Development Charges (IDC) are also collected by the Government. All these regulatory issues coupled with bundles of approvals and multiple tax layers for customers make it very hard for the industry as whole to develop and sell value homes in time.

Though the residential sector has witnessed concerns of oversupply in some metro cities, demand situation at tier two cities remained buoyant. In most markets where Arihant has a presence, the prices went up without any slowdown in volumes. On a longer run, the demand for residential units in India is expected to remain strong as estimates show huge deficit in the supply of mass housing units continue and according to estimates published by Cushman and Wakefield, demand for residential units

in India is estimated to be over 7.5 million units between 2009 and 2013 - an average of 1.5 million units for each of the five years. A bulk of this demand is expected to come from middle income segment. The key drivers of this growth in demand of residential housing are discussed below First is the favorable demographic situation - large working population and rapid urbanization levels Currently, 63 percent of India's population is in the age group of 15- 59 years and only 30 per cent of India's population in urban. Both these numbers are going to increase in the future. Besides, reduction in household sizes due to preference for nuclear families and urban migration will further boost demand for housing Second factor is driven by strong and sustained growth of the economy; disposable incomes are increasing at a significant pace.

Per capita income has more than tripled from Rs. 16,700 in 2000-01 to Rs. 61,564 in 2012-13 According to research by the McKinsey Global Institute, the number of household earning over Rs. 5 lakh per annum will increase from 3.6 million in 2005 to 8.8 million in 2015. This is expected to give a considerable push to the demand for housing in the consumer segments that is our focus area. Third driver is the affordability. The rise in income opportunities and quality of jobs coupled with availability of home finance has brought down the average age of first time buyers of residential property considerably. Even as interest rates for home loans have increased significantly in the last couple of years and are now ranging between 9-10 per cent, these rates are still much lower than the highs of 18 per cent in the mid-1990s. Together, these factors have brought about a substantial increase in the affordability of a residential property. We estimate the price affordability - measured a number of years of income required to own a house - to be around 4-5 years as compared to 22 years in the mid- 1990s.

To sum up, while the longer term demand outlook remains robust and sustainable given the housing shortage the country faces, in the short term concerns remain over the prevailing uncertainties in the regulatory environment.

OPPORTUNITIES, THREATS AND RISK PERCEPTION:

Opportunities:

The Indian Housing market has been growing quite well for the past few years and it is one of the fastest growing markets in the World. Although the market was hit hard in 2008 due to severe economic crisis across the world, the market has emerged much stronger thereafter. With the entry of numerous Real Estate Developers, availability of Finance options, and rising demand for residential property, the Country's Housing Industry is witnessing tremendous growth.

Nearly 28 per cent of India's population lives in Cities and Urban Areas –a figure that is expected to rise to 40 percent by 2020. Further, Real Estate companies are coming up with various Residential and Commercial Projects to fulfill the demand for Residential and Office Properties in Tier-II and Tier-III Cities, majority of them being in Uttar Pradesh, Madhya Pradesh, Rajasthan and Haryana. The growth in Real Estate in Tier-II and Tier-III Cities is mainly due to increase in demand for organized realty and availability of land at affordable prices in these cities.

Coming of Kharghar Airport in Navi Mumbai will open new avenues and opportunities in Navi Mumbai Region.

Affordable Housing Segment accounts for the major share in the Indian Housing Industry, in terms of both Volume and Value. Apart from affordable Housing Segment, other Segments are also showing promising future prospects. Luxury and medium Housing Segment have shown a tremendous growth in the past and we anticipate that these segments will grow significantly in the coming years, on the back of various reasons discussed in our Report.

Presently, the affordable Housing is basically targeting at economically weaker class and low income groups and constitutes majority of the Indian Housing Industry, both in terms of Value and Volume. However, Medium Housing Segment is also witnessing tremendous growth, especially in Tier-I and Tier-2 Cities. Besides, luxury Housing is also expected to witness significant growth in coming years as this market segment is comparatively very small and has huge potential for further developments. As far as super luxury Housing segment is concerned, latest Industry trends and developments are skewed towards the segment. MNCs have again beginning expat employees who are provided with the luxury Housing benefits. Additionally, high net worth NRIs are also propelling demand for luxury Housing in the Country. Both these factors are expected to sustain the growth of luxury Housing segment in long run.

Threats & Risk Perception:

Timely Completion of Projects

Our ongoing and planned projects are subject to significant changes and modifications from our currently estimated management plans and timelines as a result of factors outside our control, including, among others:

- Availability of raw materials and financing;
- Increases in construction costs;
- Natural disasters;
- Reliance on third party contractors; and
- Risk of decreased market demand during the development of a project.

Volatility in prices of, or shortages of, key building materials

During periods of volatility in the price of building materials, where prices have increased significantly or unexpectedly, we may not be able to pass the increase in construction costs through to our customers, particularly as we generally aim to pre-sell a significant portion of our residential units prior to project completion, which could reduce or eliminate the profits we attain with regards to our developments.

Competition in the real estate development

The real estate development industry in India, while fragmented, is highly competitive and increased competition between real estate developers may result in higher costs for land acquisition, oversupply of properties and as low down in the approval process for new property developments by the relevant government authorities, all of which may materially and adversely affect our business, financial condition and operations.

YEAR GONE BY.....

Even in a year of tight credit and liquidity conditions, the Company took strategic initiatives to face the challenges and reiterated its leadership position in the Industry.

Changing Macro Environment

Riding piggyback on a booming economy and healthy GDP growth, Indian Real Estate Industry has been expanding at an exponential rate. Favorable demographics, rising purchasing power, professionalism in Real Estate and reforms initiated by the Government are some of the major drivers of this spectacular growth. According to Industry estimates, the Real Estate Industry in India has been growing at 33 per cent CAGR (Compounded Annual Growth Rate) and could be a \$50 billion Industry in the next four years. The upturn straddles all the major Sectors of the Industry such as commercial, residential, retail, industrial, hospitality and healthcare.

The Union Budget had nothing new to offer to the Realty Sector that is currently starved of funds and governance.

With the RBI increasing policy rates 8 times over a year, the high interest costs has further added to the worries of the debt-laden Industry. The markets haven't been kind either. While the Sensex is up 89% from the March 2009 lows, the BSE Realty Index is up just 40%. Registration data point to a distinct slowdown in key markets of Mumbai and NCR.

According to Analysts, Mumbai has an unsold inventory of 88,000 units and Sales Registration was down 22% y-o-y and 7% m-o-m in February

STRATEGY:

In order to climate the tough economic environment over the last year, Arihant Superstructures Limited adopted and implemented a strategy which allowed it to be in a relatively comfortable liquidity position, whilst it tested the right market conditions where it could attract significantly larger number of end customers. It ensured that all commitments to stakeholders, customers, financiers and employees continue to be met in time.

Additionally, the Company continued its focus on all areas and maintained tight focus on cash flows to ensure that operating cash flows met all operating requirements, including finance charges. Arihant will continue to focus on liquidity preservation and launch projects in line with market demand after adequate research of the same. Arihant plans to adopt the following steps as a part of its corporate strategy:

The focus of the Company is on timely execution and delivery of its projects to meet the timelines committed to its customers. It, thus, intends to prioritize its construction activity and construction spend with focus on conserving capital.

During the year, Arihant focused on portfolio adjustments towards liquidity preservation and de-leveraging through unlocking value from nonstrategic assets or assets which do not have any short to medium term utilization. Going forward, Arihant Intends

to focus on its key business verticals – homes, office and hospitality Property development is no longer merely constructing a building and leasing or selling it out.

The tenants of today are well versed with professionally managed buildings. This has made the developers in India appreciate the need to maintain and manage their property in a systematic manner.

After studying all the factors of the Real Estate it can be concluded that the Real Estate is a very wide concept and it is highly affected by the macro-economic factors like GDP, FDI, per capital income, Interest Rates and employment in the Nation. The most important factor in the case of Real Estate is location which affects the value and returns from the Real Estate.

FINANCIAL REVIEW 2012-13:

Revenue & Profitability

In the Financial year 2012-13, the Company has recorded Rs. 78.84 Cr. as Total Revenue against Rs. 68.83 Cr revenue from previous year however Profit After Tax is Rs. 4.91 Cr in comparison to Rs. 8.00 Cr. in the previous year. Profit before interest depreciation and tax is Rs 16.01 Cr. in comparison to Rs 16.95 Cr. in the previous year.

The Company has also focused on servicing Customer's efficiently by way of reduction in completion of Project time. This has led to greater Customer's satisfaction.

BUSINESS REVIEW 2012-13:

The Government is seeking to promote various types of Public-Private Partnerships (PPP) for realizing the goal of Affordable Housing for all'. During the year Company has entered into a new business line by establishing a plant for AAC Block in Barmer Region.

Homes

Built on a foundation of strong lineage and an established reputation, Arihant has been a trendsetter in contemporary Urban Development and Housing. These developments have always been all embracing with comprehensive solutions for eminent and quality living.

Arihant has pioneered some of the best-known Urban Housing destinations in Navi Mumbai. The product categories of the Company in Homes Segment deliver the strengths of good architecture, appropriate Designs, impressive aesthetics and safety features.

Arihant's dominant position in Indian homes segment:

- Trusted brand with superior execution track record.
- Pioneered "affordable luxury" Housing Segment.
- Complete offering of Mid-Income Homes.

Performance Financial Year 2013:

The year 2012-13 started with carrying forward the success of mid-income homes launched in Financial Year 2012. However, with the change in the overall economic environment. This was primarily due to strong customer confidence and satisfaction in buying homes on account of certainty of future incomes, coupled with a perception and anticipation of price of homes being increased. Looking at the changed scenario, Arihant revamped few of its offerings and launched new Projects in line with the expectations of customers.

Launches Financial Year 2013:

Arihant Anmol a Project at Badlapur, Maharashtra

Arihant Amisha a Project at Taloja Panvel Road, Maharashtra

Arihant Aloki a project at Karjat, Maharashtra

Arihant Arshiya a Project at Khopoli, Maharashtra

Arihant Adita a Project at Jodhpur, Rajasthan

Future Outlook

The long term scenario and the projected demand of housing units in the middle income segment, have a long way to go. Housing is a basic necessity and will remain a priority for most individuals. The process of urbanization is only starting in India and more people are expected to come to cities for work and better lives. But as the cities are growing, so are the complexities in having them developed in organized manner. So many regulatory hurdles and policy issues block infrastructure and housing development. In the short term, regulatory concerns and blockages will affect the construction and area booked figures of the company. We have highlighted some of the aspects in which we operate and think differently than the crowd. We derive comfort in our approach from the performance in the past few years and do believe that we have laid the foundations for a strong growth platform for the company. Our strong cash flows, sound balance sheet and the right approach and tools will help us stand and outgrow the short term constraints the industry faces. The changing demographic mix and the increasing income levels will continue to drive the demand for real estate across all segments in which the company operates - Middle Income Housing & Active Senior Living. With the demand for 16 million homes in the next decade, the long term outlook remains buoyant with your company positioned very well to manage the short term concerns and capitalize on the long term demand.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has internal control systems which is commensurate with the size of the operations. Adequate records and documents are maintained as required by law from time to time. Internal audit checks are conducted regularly and internal auditor's recommendations are reviewed for improving systems and procedures. The internal control system is improved and modified continuously to meet the changes in business conditions, statutory and accounting requirements.

The internal audit is carried out by independent firms of Chartered Accountants and covers the key areas of business. There is also in-house internal audit department which supplements the outsourced internal audit activity. The Audit Committee and Statutory Auditors are periodically apprised of the internal audit findings and compliances and internal auditor's recommendations are reviewed after which systems and procedures are adopted for improvement.

HUMAN RESOURCE:

Human resource in Arihant continues to be core strength and always endeavors to work towards having sound, proactive & progressive HR strategies and practices in place so as to align Company's objectives and employee aspirations. The function continues to strive towards ensuring that the HR philosophy is translated into action.

Arihant group now has a high caliber, well experienced, multifunctional team of around 100 employees across various Group Companies. Arihant continues to nurture a blend of experienced and fresh employees in its talent pool, including highly qualified professionals, both technical and non-technical. We intend to continue recruiting fresh talent to further enhance and grow our business.

Arihant recognizes that compensation is a key driver to attract and retain the right talent. Our compensation structure continues to be attractive and a benchmark in the Industry. We continue with our variable component of Pay linked to Business and Individual performance. The HR team continued to provide relevant need based training activities.

FINANCE AND CONTROL:

Real Estate firms have to increasingly depend on alternate sources of funding like NBFC, IPOs and Private Equity. Developers have also not been able to fully tap the PE route for raising funds because of high valuations. As banks do not lend for Land acquisition, Developers have been specially targeting PE funds. More so as the PE funds take less time for funding. But despite all that, it's still a challenge for Developers to raise funding as PE players are looking at risk protected deal and are averse to both making bigger investments and funding Projects beyond major Metros especially Mumbai and Delhi-NCR and in such a scenario, Realty Firms, in order to generate cash, may have to resort to price cuts or equity sales in their Projects.

Finance is always key factor in Real Estate Sector. Arihant's Finance team at the corporate level is complemented by Independent Finance Teams of various business units to ensure an effective and dynamic system of flexibility and control. This structure ensures financial propriety and accurate Reporting of business transactions, ensuring that all statutory requirements are strictly adhered to and continuously monitored. This is supported by a compliance monitoring system, an enterprise-wide MIS that identifies any deviations from compliances and prompts remedial action.

Arihant has a strong Internal Audit Team that performs a pre-audit, ensuring compliance of procedures and internal controls, and plays an important role in improving checks and balances. The team is headed by a Manager - Accounts, who Reports directly to the Audit Committee consisting of majority of Independent Directors. The significant observations made in the Internal Audit Reports and their implementation status is regularly presented and reviewed by the Audit Committee of the Board.

Internal Control System of the Company has been devised through its extensive experience that ensures control over various functions in its business. The Company has adequate Internal Control Systems in place, commensurate with its size and nature of operations. The Internal Auditor, inter alia, covers all significant areas of the Company's operations and submits the Report to the Audit Committee of the Company for their review in its meetings. The performance of the Company is regularly reviewed by the Audit Committee and/or the Board of Directors to ensure that it is in consonance with the overall corporate policy and in line with pre-set objectives.

LEGAL:

It is well known that Real Estate Industry requires Legal due diligence in all its activities. This necessitates compulsory observance and compliance of all the applicable laws as may be applicable to Company's business in various areas from time to time. This is where the role of Company's Legal Department comes into play. It has to constantly ensure that all Projects - at pre-construction as well as post construction stages - get completed with due compliance and strict observance of Laws both at the Central and at the State level. The Company employs dedicated Legal Professionals who believe in corporate ethos that blends talent, creativity, professionalism, dedication with corporate governance.

INFORMATION TECHNOLOGY:

In today's era of modern technology, Information Technology plays a very vital & significant role in any organization's growth. Arihant IT function takes care of all the IT-related aspects across the group (including all Business Units), from infrastructure Management to procurement of Industry specific standard software and their implementation, implementation of advanced technological products that are reviewed from time-to-time.

Outlook

The IT team of Arihant intends to focus on the following areas going forward:

- Implementation of ERP system all across the Company and its functions.
- Project compliances monitoring (Pre Construction, Construction, Post Construction) implement a robust Work-Flow System which will enable Top Management review of compliance status as well as storage of all relevant documents in a repository.
- Customer interaction to be a key – we intend to establish improved Customer Relationship Management.
- More on-line Management Information System through Business Intelligence modules.
- Extension of Automated Attendance System and Digital Video Surveillance Systems.

Cautionary Statement

Estimates and expectations stated in this Management Discussion and Analysis may be "forward-looking statement" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to your Company's operations include economic conditions affecting demand / supply and price conditions in the Domestic and International Markets, changes in the Government Regulations, Tax Laws, other Statutes and other incidental factors.

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

ARIHANT SUPERSTRUCTURES LIMITED

We have examined the compliance of the conditions of Corporate Governance by **Arihant Superstructures Limited** for the year ended on 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of the condition of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

Sd/-

D. A. Kamat

Company Secretary
PCS No. 4965

Place: Mumbai
Date: 13th August, 2013

C.E.O./C.F.O. Certification

To,
The Board of Directors
Arihant Superstructures Limited

We, Ashok Chhajer, Managing Director and Ravindra Parikh, Manager (Accounts) of Arihant Superstructures Ltd to the best of our knowledge & belief certify that:

- (A) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2013 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
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting

Sd/-

Ashok Chhajer
Chairman & Managing Director

Sd/-

Ravindra Parikh
Manager (Accounts)

Navi Mumbai , 11th May, 2013

Independent Auditor's Report

To the Shareholders

Arihant Superstructures Limited

Report on the Financial Statements

We have audited the accompanying Financial Statements of **ARIHANT SUPERSTRUCTURES LIMITED** ('the Company') which comprise the Balance Sheet as at 31st March 2013, the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in the accordance with Accounting Standard referred in sub-section (3C) of section 211 of the Companies Act of 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of Financial Statements.

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

Opinion

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

- i. in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2013;
- ii. In the case of the Statement of Profit & Loss, of the profit for the year ended on that date.
- iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirement

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a Statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act ,we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper Books of Account, as required by Law have been kept by the Company so far as appears from our examination of books;
 - c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the Books of Account;
 - d) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standards referred in sub - section (3C) of the section 211 of the Companies Act, 1956; and
 - e) On the basis of the written representations received from the Directors as on 31 March 2013 and taken on record by the Board of Directors, and none of directors is disqualified as on 31 March 2013 from being appointed as Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For T N Gala & Associates
Chartered Accountants
FRN: 102951W

Sd/-
Talakchand N. Gala
Proprietor
MRN: 41186

**Annexure to the Auditors' Report of
ARIHANT SUPERSTRUCTURE LIMITED,
on the Financial Statements for the year ended March 31, 2013**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Financial Statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- 1 a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Fixed Assets;
- b) Fixed Assets have been physically verified by the Management. In our opinion, the frequency of verification of the Fixed Assets is reasonable having regards to the size of the Company and nature of its Assets. No material discrepancies were noticed on such verification.
- c) In our opinion, a substantial part of Fixed Assets has not been disposed off during the year.
- 2 a) The management has conducted physical verification of inventory at reasonable intervals.
- b) The procedures of physical verification of Inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) As per the explanation provided by the management the Company is maintaining proper records of Inventory and no discrepancies were noticed on verification between physical inventories and book records.
- 3 a) The Company has granted unsecured loans to its six Subsidiary Companies. The maximum balance outstanding during the year was Rs. 8,663.27 Lakhs and year end balance of such loans amounted to Rs.7,478.70 Lakhs.
- b) In our opinion, the rate of interest, and other terms and conditions of such loans are *prima facie* not prejudicial to the interests of the Company.
- c) The receipts of Principal amounts and Interest have been as per stipulations.
- d) There is no amount overdue in respect of loans granted to Companies, Firms or other Parties listed in the register maintained under Section 301 of the Act.
- e) The Company has taken loans from one entity covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year was Rs. 2,657.07 Lakhs and the year-end balance was Rs. 2,485.56 Lakhs.
- f) In our opinion, the rate of interest and other terms and conditions for such loans are *prima facie*, not prejudicial to the interest of the Company.
- g) In respect of loans taken, the company is regular in repaying the principal amounts and interest as per the terms and conditions agreed.
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of property. During the course of our audit, no major weakness has been noticed in the internal controls.
- 5 a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b) Such transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6 In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.

- 7 In our opinion, the Company has an adequate Internal Audit System commensurate with its size and the nature of its business.
- 8 We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 9 According to the information and explanations given to us in respect of statutory dues:
 - a) Undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty Excise Duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities. No undisputed amounts payable in respect thereof were outstanding at the year end for a period of more than six months from the date they became payable.
 - b) There are no amounts in respect of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and cess that have not been deposited with the appropriate authorities on account of any dispute
- 10 The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- 11 The Company has not defaulted in repayment of dues to a Financial Institution or a Bank or Debenture holders during the year.
- 12 The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4 (xii) of the Order are not applicable.
- 13 In our opinion, the Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund/ Society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.
- 14 In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- 15 In our opinion, the terms and conditions on which the Company has given guarantees for loans taken by others from Banks or Financial Institutions are not prejudicial to the interest of the Company.
- 16 According to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.
- 17 On the overall examination of the Balance Sheet, in our opinion no funds raised on short-term basis have been used for long-term investment.
- 18 The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act during the year.
- 19 No debentures have been issued during the year. Accordingly the provisions of clause 4 (xix) of the order is not applicable.
- 20 We have verified the end use of money raised by right issue from the draft prospectus filed with SEBI, the offer document and as disclosed in the notes to the financial statements.
- 21 No fraud on or by the Company has been noticed or reported during the period covered by our audit.

**For T N Gala & Associates
Chartered Accountants
FRN: 102951W**

**Sd/-
Talakchand N. Gala
Proprietor
MRN: 41186**

BALANCE SHEET AS AT 31 MARCH 2013

(Amount in Rs.)

	Notes	<u>31-Mar-13</u>	<u>31-Mar-12</u>
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	41,15,99,910	27,43,99,940
(b) Reserves and surplus	4	22,99,28,309	16,29,71,245
		64,15,28,219	43,73,71,185
2 Non-current liabilities			
(a) Long-term borrowings	5	50,18,27,536	28,65,430
(b) Deferred tax liabilities (Net)	6	10,09,621	4,55,476
(c) Long-term provisions	7	7,11,359	1,00,000
		50,35,48,516	34,20,906
3 Current liabilities			
(a) Short-term borrowings	5	14,22,17,416	37,82,76,034
(b) Trade payables	8	3,23,99,862	2,28,02,611
(c) Other current liabilities	8	40,76,33,252	33,99,65,200
(d) Short-term provisions	7	10,58,57,895	8,30,19,421
		68,81,08,425	82,40,63,266
TOTAL		1,83,31,85,160	1,26,48,55,357
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	2,46,18,524	2,22,64,575
(ii) Intangible assets	10	17,77,933	17,40,089
(b) Non-current investments	11	7,11,000	5,40,000
(d) Long-term loans and advances	12	70,46,69,212	34,40,86,439
		73,17,76,669	36,86,31,103
2 Current assets			
(a) Current investments	14	6,60,293	2,02,97,990
(b) Inventories	15	60,77,41,088	37,38,40,444
(c) Trade receivables	13	7,84,05,082	7,03,16,851
(d) Cash and cash equivalents	16	1,37,33,655	13,13,22,439
(e) Short-term loans and advances	12	19,94,44,401	8,61,18,581
(f) Other current assets	13	20,14,23,972	21,43,27,949
		1,10,14,08,491	89,62,24,254
TOTAL		1,83,31,85,160	1,26,48,55,357

See accompanying notes to the financial statements

As per our report of even date

For T N Gala & Associates

Chartered Accountants

FRN: 102951W

Talakchand N. Gala

Proprietor

MRN: 41186

Place: Navi Mumbai

Date: 11.05.2013

For & on behalf of the board

Sd/-

Mr. Ashok Chhajer

Chairman & MD

Sd/-

Mr. Rushabh Desai

Company Secretary

Sd/-

Mr. Nimish Shah

Whole Time Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 2013

(Amount in Rs.)

	Notes	31-Mar-13	31-Mar-12
Income			
Revenue from operations	17	69,70,11,505	64,54,09,435
Other income	18	8,74,02,481	4,29,36,451
Total Revenue		<u>78,44,13,986</u>	<u>68,83,45,886</u>
Expenses			
Cost of construction, land and development expenses	19	72,79,59,977	63,42,47,245
Purchases of Stock-in-Trade	20	4,79,40,000	45,00,000
Changes in inventories of finished goods, incomplete projects (WIP) and Stock-in-Trade	21	(23,39,00,644)	(19,66,01,692)
Employee benefits expense	22	2,54,22,838	1,67,16,627
Finance costs	23	8,67,04,610	4,84,59,188
Depreciation and amortization expense	9	33,25,594	28,01,264
Other expenses	24	5,44,14,928	5,99,02,739
Total expenses		<u>71,18,67,303</u>	<u>57,00,25,371</u>
Profit / (Loss) before exceptional and extraordinary items and tax		7,25,46,683	11,83,20,515
Exceptional items		-	-
Profit / (Loss) before extraordinary items and tax		7,25,46,683	11,83,20,515
Extraordinary Items		-	-
Profit / (Loss) before tax		7,25,46,683	11,83,20,515
Tax expense:			
Current tax		2,29,08,034	3,89,51,987
Deferred tax		5,54,145	(6,74,130)
Profit / (Loss) for the period		<u>4,90,84,504</u>	<u>8,00,42,658</u>
Earnings per equity share:	25		
(1) Basic		1.21	2.92
(2) Diluted		1.21	2.92
(3) Basic & Diluted EPS (As Restated)			2.18

See accompanying notes to the Financial Statements

As per our report of even date

For T N Gala & Associates

Chartered Accountants

FRN: 102951W

Talakchand N. Gala

Proprietor

MRN: 41186

Place: Navi Mumbai

Date: 11.05.2013

For & on behalf of the board

Sd/-

Mr. Ashok Chhajer

Chairman & MD

Sd/-

Mr. Rushabh Desai

Company Secretary

Sd/-

Mr. Nimish Shah

Whole Time Director

Place: Navi Mumbai

Date: 11.05.2013

CASH FLOW STATEMENT FOR THE YEAR ENDED

	(Amount in Rs.)	
	<u>31-Mar-13</u>	<u>31-Mar-12</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	7,25,46,683	11,83,20,515
Add: Non cash items		
Depreciation & amortisation	33,25,594	28,01,264
Gratuity provision	6,11,359	1,00,000
Preliminary expenses w/off	-	53,03,114
Non operating expenses		
Less: <u>Non operating incomes</u>		
Dividend income	-	(2,75,152)
Gain on Sale of Investment	(19,34,400)	-
Profit from investment	(6,26,054)	(1,02,477)
Interest income	(7,91,89,244)	(2,69,89,327)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE	<u>(52,66,061)</u>	<u>9,91,57,937</u>
(Accrue)/ decrease in trade & other receivable	(70,29,93,491)	(33,49,79,638)
Increase/ (decrease) in current liabilities & provision	13,64,53,980	(7,37,57,472)
CASH GENERATED FROM OPERATIONS	<u>(57,18,05,571)</u>	<u>(30,95,79,173)</u>
Less: Tax paid net of refunds	-	(1,95,115)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	<u>(57,18,05,571)</u>	<u>(30,97,74,288)</u>
Extra ordinary income / expenditure		
CASH FLOW AFTER EXTRAORDINARY ITEMS	<u>A</u>	<u>(57,18,05,571)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase of fixed assets)	(57,17,387)	(22,89,461)
(Purchase) / sale of investments	1,94,66,697	6,53,280
Dividend income	-	2,75,152
Gain on sale of Investment	19,34,400	
Profit from investment	6,26,054	1,02,477
Interest income	7,91,89,243	2,69,89,327
NET CASH USED FOR INVESTING ACTIVITIES	<u>B</u>	<u>9,54,99,008</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	13,71,99,970	-
Increase/(decrease) in secured loan	43,93,33,233	(23,65,527)
Share issue expenses	-	-
Proceeds from share premium	2,74,39,994	-
Dividend & dividend distribution tax	(95,67,434)	(95,99,230)
Increase/(decrease) in unsecured loans	(23,60,58,617)	23,90,99,534
NET CASH FROM FINANCING ACTIVITIES	<u>C</u>	<u>35,83,47,145</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>A+B+C</u>	<u>(11,79,59,419)</u>
CASH AND CASH EQUIVALENTS (OPENING BALANCE)		10,33,50,371
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)		(1,46,09,048)
		<u>(11,79,59,419)</u>
		<u>(5,69,08,736)</u>

As per our report of even date

For T N Gala & Associates

Chartered Accountants

FRN: 102951W

Talakchand N. Gala

Proprietor

MRN: 41186

Place: Navi Mumbai

Date: 11.05.2013

For & on behalf of the board

Sd/-

Mr. Ashok Chhajer

Chairman & MD

Sd/-

Mr. Rushabh Desai

Company Secretary

Sd/-

Mr. Nimish Shah

Whole Time Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

1 CORPORATE INFORMATION

Arihant Superstructures Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged primarily in the business of Real Estate Development, Trading in Real Estate and Construction Contracts. The operations of the Company span in all aspects of real estate development, from the identification and acquisition of land, planning, execution, construction and marketing of projects.

2 BASIS OF PREPARATION

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year

2.1 Summary of significant accounting policies

a Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b Tangible fixed asset

Fixed assets, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs and directly attributable cost for bringing the asset to its working condition or the intended use.

Depreciation on fixed assets is calculated on a Straight-Line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher.

c Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed five years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds five years, the company amortizes the intangible asset over the best estimate of its useful life.

d Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

e Impairment of assets

The company assesses once in three years whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

depreciation) had no impairment loss been recognized for the asset in prior years.

f Investments

Investments are classified into long-term and current investments. Investments intended to be held for not more than a year, are classified as current investments. All other investments are classified as long-term investments.

Long-term investments are stated at cost less permanent diminution in value, if any. Current investments are stated at lower of cost and market value.

g Inventories

i. Construction materials and consumables

The construction materials and consumables are valued at lower of cost or net realisable value. The construction materials and consumables purchased are treated as consumed and added in work-in-progress.

ii. Incomplete Project / Construction work-in-progress

The Incomplete Projects / construction work-in-progress is valued at lower of cost or net realisable value.

(a) For projects where revenue is recognized

Cost includes cost of land, development rights, rates and taxes, construction costs, borrowing costs, other direct expenditures, allocated overheads and other incidental expenses."

(b) For projects where revenue is not recognized

Cost includes direct expenses, construction costs, rates and taxes, borrowing costs, other direct expenditures, allocated overheads and other incidental expenses except land & development rights which is treated as other assets"

iii. Finished stock of completed projects (ready units)

Finished stock of completed projects and stock in trade of units is valued at lower of cost or market value.

h Revenue recognition

(i) Projects commenced before 1 April 2012

During the year, the Company has followed the "Percentage Completion Method" of accounting as per the Guidance Note on Accounting for Real Estate Transactions issued by The ICAI. The revenue / income from real estate sales is recognized as revenue when there is no significant uncertainty exists regarding the realization and it is not unreasonable to expect ultimate collection. Revenue under this method is recognised in proportion to the actual project cost incurred as against the total estimated cost of the project under construction, subject to completion of construction work to a certain reasonable level depending on the type of the project.

(ii) Projects commenced on or after 1 April 2012

"Effective 1 April 2012, in accordance with the ""Guidance Note on Accounting for Real Estate Transactions (Revised 2012)""(Guidance note) all projects commencing on or after the said date or projects where revenue is recognised for the first time on or after the above date, construction revenue on such projects have been recognised on percentage of completion method provided the following thresholds have been met:

(a) all critical approvals necessary for the commencement have been obtained;

(b) the expenditure incurred on construction and development costs is not less than 25 per cent of the total estimated construction and development costs;

(c) at least 25 per cent. of the saleable project area is secured by agreements with buyers; and

(d) at least 10 per cent. of the agreements are realised at the reporting date in respect of such contracts.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

Share of Profit / Loss from Partnership Firm / Limited Liability Partnership (LLP) / Association of Person (AOP) is accounted in respect of the financial year of the firm / LLP / AOP, ending on or before the Balances Sheet date, on the basis of their Audited / Unaudited Accounts, as the case may be.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

i Foreign currency transactions

Foreign currency transactions are recorded in the reporting currency (indian rupee) by applying to the foreign currency amount the exchange rate between the reporting currency and foreign currency on the date of such transaction.

All monetary items denominated in foreign currency are converted into indian rupees at the year-end exchange rate. The exchange difference arising on such conversion and on settlement of the transactions are recognised in the statement of profit and loss. Non-monetary items in terms of historical cost denominated in a foreign currency are reported using the exchange rate prevailing on date of the transaction.

j Employee benefits

Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

Post employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.

k Taxation

Tax expense comprises current and deferred tax. Current tax is measured on the basis of taxable income determined in accordance with the provisions of Income-tax Act, 1961.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

l Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

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

m Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

n Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

o Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

3 SHARE CAPITAL

	(Amount in Rs.)	
	<u>31-Mar-13</u>	<u>31-Mar-12</u>
Authorised Shares		
6,00,00,000 (31 March 2012: 6,00,00,000) Equity Shares of Rs. 10/- each	<u>600,000,000</u>	600,000,000
1,50,00,000 (31 March 2012: 1,50,00,000) Preference shares (PS) of Rs. 10/- each	<u>150,000,000</u>	150,000,000
Issued, subscribed and fully paid-up shares		
41159991 (31 March 2012: 27439994) Equity Shares of Rs. 10/- each	<u>411,599,910</u>	274,399,940
Total issued, subscribed and fully paid-up share capital	<u>411,599,910</u>	274,399,940

a. Reconciliation of the shares outstanding at the beginning and at the end of reporting period

Equity Shares	<u>31-Mar-13</u>		<u>31-Mar-12</u>	
	<u>No.</u>	<u>Rs.</u>	<u>No.</u>	<u>Rs.</u>
At the beginning of the period	<u>27,439,994</u>	<u>274,399,940</u>	27,439,994	274,399,940
Right Issue during the period	<u>13,719,997</u>	<u>137,199,970</u>	-	-
Outstanding at the end of the period	<u>41,159,991</u>	<u>411,599,910</u>	27,439,994	274,399,940

b. Terms / rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in INR. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2013, the amount of per share dividend recognised as distributions to equity shareholders was Rs.0.20 (31 March 2012: Rs. 0.20).

During the year ended 31 March 2013, The Right issue of Equity Shares is made in the proportion of 1 share for every 2 shares held for the Project of Arihant Agrima.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the company

	<u>31-Mar-13</u>		<u>31-Mar-12</u>	
	<u>No.</u>	<u>% holding</u>	<u>No.</u>	<u>% holding</u>
Equity Shares of Rs. 10 each fully paid				
Mr. Ashok Bhanwarlal Chhajer	<u>28,151,306</u>	<u>68.39%</u>	18,200,000	66.33%
As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.				

4 RESERVES & SURPLUS

	(Amount in Rs.)	
	<u>31-Mar-13</u>	<u>31-Mar-12</u>
Securities Premium account		
Balance as per the last financial statements	<u>24,999,992</u>	24,999,992
Add: collected during the year	<u>27,439,994</u>	-
Less: amounts utilised	-	-
Closing Balance	(a) <u>52,439,986</u>	24,999,992
General Reserve		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	<u>31-Mar-13</u>	<u>31-Mar-12</u>
Balance as per the last financial statements	-	-
Add: amount transferred from surplus balance in the statement of profit and loss	-	1,017,390
Less: Utilised during the Year	-	(1,017,390)
Closing Balance	(b)	-
Surplus / (deficit) in the statement of profit and loss	(c)	67,691,145
Balance as per last financial statements	(d)	80,042,658
Profit for the Year	(d)	49,084,504
Less: Appropriations		
Proposed final equity dividend	8,231,998	8,231,998
Tax on proposed equity dividend	1,335,436	1,335,436
Current tax (earlier years)	-	195,115
Total appropriations	(e)	9,762,549
Net surplus in the statement of profit and loss	(f) = (c + d - e)	137,971,253
Total reserves and surplus	(a + b + f)	162,971,245

5 BORROWINGS

(Amount in Rs.)

	<u>Long Term</u>		<u>Short Term</u>	
	<u>31-Mar-13</u>	<u>31-Mar-12</u>	<u>31-Mar-13</u>	<u>31-Mar-12</u>
Secured Loans				
Term loan from banks (secured)	319,176,246	81,282,358	-	-
From financial institutions (secured)	3,158,123	4,718,777	-	-
Bank O/D (Federal Bank Ltd - 3695)	-	-	-	97,221,082
Unsecured Loans				
From Directors	125,000,000	-	123,556,376	199,402,759
From Body Corporates	78,000,000	-	18,661,040	81,652,193
	525,334,369	86,001,135	142,217,416	378,276,034

The above amount includes,

Less: Current maturities of disclosed under head "other current liabilities" (note 8)

Term loan from banks (secured)	22,252,580	81,282,358	-	-
From financial institutions (secured)	1,254,253	1,853,347	-	-
	23,506,833	83,135,705	-	-
Net Amount	501,827,536	2,865,430	142,217,416	378,276,034

Term Loan from Banks

Term loan from ICICI Bank is secured against land (with all the buildings and structures thereon) at admeasuring about 3949.41 sq.mts. Bearing plot no. 4, sector 24, Village Taloja, Taluka Panvel, District Thane; Term loan from HDFC Bank is secured against land bearing (i) Survey No. 27, Hissa No. 2A/1 (ii) Survey No. 27 Hissa No. 2A/2 (iii) Survey No. 27 Hissa No. 2A/3 (iv) Survey No. 25 Hiss No. 2 being at Village Koproli, Taluka Panvel, District Raigad together with construction thereon present and future.

Loan from financial institutions are secured against Vehicles.

Bank Overdraft from banks is secured against Fixed Deposits. Bank Overdraft is repayable on Maturity of Fixed Deposits.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

6. DEFERRED TAX LIABILITIES (NET)

	(Amount in Rs.)	
	<u>31-Mar-13</u>	<u>31-Mar-12</u>
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	19,69,370	16,95,993
Others	-	-
Gross deferred tax liability	19,69,370	16,95,993
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent years	9,59,749	12,40,517
Others	-	-
Gross deferred tax asset	9,59,749	12,40,517
Net deferred tax liability	10,09,621	4,55,476

7. PROVISIONS

	(Amount in Rs.)	
	<u>Long Term</u>	<u>Short Term</u>
	<u>31-Mar-13</u>	<u>31-Mar-12</u>
Provision for Gratuity	7,11,359	1,00,000
Proposed equity dividend	-	-
Provision for tax on proposed equity dividend	-	13,35,436
Provision for Tax	-	9,62,90,461
	7,11,359	1,00,000
	10,58,57,895	8,30,19,421

8 TRADE PAYABLE OTHER CURRENT LIABILITIES

	(Amount in Rs.)	
	<u>31-Mar-13</u>	<u>31-Mar-12</u>
Trade payables (refer note 29 for details of dues to micro and small enterprises)	3,23,99,862	2,28,02,611
<u>Other Current Liabilities</u>	3,23,99,862	2,28,02,611
Bookings	33,05,25,749	22,04,26,346
Current maturities of long-term borrowings (note 5)	2,35,06,833	8,31,35,705
Others		
Service tax payable	3,56,871	34,88,650
VAT Payable	-	43,834
TDS payable	32,11,365	23,83,198
Balance with Banks in current accounts (Book OD)	2,83,42,703	2,79,72,068
Other Liabilities	2,16,89,731	25,15,399
	40,76,33,252	33,99,65,200

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	<u>Particulars</u>	<u>GROSS BLOCK</u>				<u>DEPRECIATION / AMORTISATION</u>			<u>NET BLOCK</u>	
		<u>Depreciation Rate</u>	<u>Actual Cost upto 01.04.2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>As on 31.03.2013</u>	<u>Dep. Upto 01.04.2012</u>	<u>Depreciation</u>	<u>As on 31.03.2013</u>	<u>As on 31.03.2012</u>
Computer & Spare Parts	16.21%	26,85,518	77,007	-	27,62,525	6,71,512	4,41,661	11,13,173	20,14,006	16,49,352
Office Equipments	4.75%	15,22,833	4,81,614	-	20,04,447	83,794	82,371	1,66,165	14,39,039	18,38,282
Plant & Machinery	4.75%	9,34,766	5,17,508	-	14,52,274	44,508	55,827	1,00,335	8,90,258	13,51,939
Vehicle	9.50%	1,51,34,855	37,77,532	-	1,89,12,387	22,60,570	17,37,048	39,97,618	1,28,74,285	1,49,14,769
Furniture & Fixtures	6.33%	37,36,234	81,993	-	38,18,227	2,89,382	2,37,989	5,27,371	34,46,852	32,90,856
Shop	1.63%	16,44,720	-	-	16,44,720	44,585	26,809	71,394	16,00,135	15,73,326
		2,56,58,926	49,35,654	-	3,05,94,580	33,94,351	25,81,705	59,76,056	2,22,64,575	2,46,18,524
Previous Year figures		2,44,67,466	12,76,960	85,500	2,56,58,926	11,74,797	22,19,554	33,94,351	2,32,92,669	2,22,64,575

10 INTANGIBLE ASSETS

	<u>Particulars</u>	<u>GROSS BLOCK</u>				<u>DEPRECIATION / AMORTISATION</u>			<u>NET BLOCK</u>	
		<u>Amortisation Rate</u>	<u>Actual Cost upto 01.04.2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>As on 31.03.2013</u>	<u>Dep. Upto 01.04.2012</u>	<u>Amortised / Written Off</u>	<u>As on 31.03.2013</u>	<u>As on 31.03.2012</u>
Computer Software	20.00%	28,36,710	7,59,233	-	35,95,943	11,23,021	7,26,189	18,49,210	17,13,689	17,46,733
Trade Mark	20.00%	66,000	22,500	-	88,500	39,600	17,700	57,300	26,400	31,200
		29,02,710	7,81,733	-	36,84,443	11,62,621	7,43,889	19,06,510	17,40,089	17,77,933
Previous Year figures		18,04,709	10,98,001	-	29,02,710	5,80,911	5,81,710	11,62,621	12,23,798	17,40,089

There was no impairment loss on the fixed assets on the basis of review carried out by the management in accordance with AS 28 'Impairment of Assets'.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

11. NON-CURRENT INVESTMENTS

	(Amount in Rs.)	
	<u>31-Mar-13</u>	<u>31-Mar-12</u>
Investment in equity instruments (unquoted)		
Investment in Subsidiary		
30,000 (31 March 2012: 30,000) Equity shares of Rs. 10 each fully paid-up in M/s. Arihant Abode Ltd	3,00,000	3,00,000
6,000 (31 March 2012: 6,000) Equity shares of Rs. 10 each fully paid-up in M/s. Arihant Vatika Realty Pvt Ltd	60,000	60,000
10,000 (31 March 2012: 10,000) Equity shares of Rs. 10 each fully paid-up in M/s. Adeshwar Realty Pvt Ltd	1,10,000	1,10,000
6,000 (31 March 2012: 6,000) Equity shares of Rs. 10 each fully paid-up in M/s. Arihant Gruhnirman Pvt. Ltd	60,000	60,000
6,000 (31 March 2012: 0) Equity shares of Rs. 10 each fully paid-up in M/s. Arihant Aashiyana Pvt. Ltd	1,05,000	-
6,000 (31 March 2012: 0) Equity shares of Rs. 10 each fully paid-up in M/s. Arihant Technoinfra Pvt. Ltd	66,000	-
Other Investments		
5% (31 March 2012: 5%) share in the partnership firm M/s. Aksh Realty LLP	10,000	10,000
	7,11,000	5,40,000

12 LOANS & ADVANCES

	(Amount in Rs.)	
	<u>Long Term</u>	<u>Short Term</u>
	<u>31-Mar-13</u>	<u>31-Mar-12</u>
Security deposit		
Secured, considered good	-	-
Unsecured, considered good	4,20,23,107	3,00,75,566
Loan and advances to related parties (Refer note 26)		
(Unsecured, considered good)		
M/S. Adeshwar Realty Pvt. Ltd	12,50,00,000	9,27,871
M/S. Arihant Abode Ltd	31,12,89,546	28,21,48,029
M/S. Arihant Aashiyana Pvt Ltd	18,58,86,260	-
M/S. Arihant Gruhnirman Pvt Ltd	24,53,818	-
M/S. Arihant Technoinfra Pvt Ltd	74,38,481	-
M/S. Arihant Vatika Realty Pvt Ltd	3,00,00,000	3,09,34,973
Advances recoverable in cash or kind		
Unsecured considered good		1,41,44,247
Other loans and advances		1,61,19,536
Balances with statutory/government authorities	-	9,91,59,025
Prepaid expenses	-	3,39,124
Loans to employees	5,78,000	-
	70,46,69,212	34,40,86,439
	19,94,44,401	8,61,18,581

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

13. TRADE RECEIVABLES AND OTHER ASSETS

	(Amount in Rs.)	
	<u>31-Mar-13</u>	<u>31-Mar-12</u>
Trade receivable		
Unsecured, considered good unless stated otherwise		
Other receivables Outstanding for a period within six months from the date they are due for payment	7,84,05,082	7,03,16,851
	7,84,05,082	7,03,16,851
Others		
Interest accrued on fixed deposits	-	36,47,088
Land Cost	20,14,23,972	21,06,80,861
	20,14,23,972	21,43,27,949

14 CURRENT INVESTMENTS

	(Amount in Rs.)	
	<u>31-Mar-13</u>	<u>31-Mar-12</u>
Investment in Mutual Fund		
Birla Mutual Fund	-	2,00,00,000
Current portion of long-term investments (valued at cost)		
Arihant Aksh Realty LLP	6,60,293	2,97,990
	6,60,293	2,02,97,990

15 INVENTORIES

	(Amount in Rs.)	
	<u>31-Mar-13</u>	<u>31-Mar-12</u>
Incomplete Projects (WIP) (refer note 21)	59,82,95,510	36,94,02,912
Traded goods (flats)	94,45,578	44,37,532
	60,77,41,088	37,38,40,444

Incomplete Projects (WIP) is valued at cost, whereas other inventories are valued at lower of cost and net realisable value

16 CASH & BANK BALANCES

	(Amount in Rs.)	
	<u>31-Mar-13</u>	<u>31-Mar-12</u>
Current		
Cash and cash equivalents		
Balance with banks		
Balance with Banks in current accounts	1,26,85,792	11,16,981
Cash on hand	10,47,863	18,85,128
	1,37,33,655	30,02,109
Deposits with original maturity for more than 3 months but less than 12 months	-	12,83,20,330
	-	12,83,20,330
	1,37,33,655	13,13,22,439

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

17 REVENUE FROM OPERATIONS

	(Amount in Rs.)	
	<u>31-Mar-13</u>	<u>31-Mar-12</u>
Sale of products		
Manufactured finished/unfinished goods	64,12,79,347	55,69,88,310
Traded goods	5,57,10,700	8,55,71,125
Other operating revenue	21,458	28,50,000
	69,70,11,505	64,54,09,435
Details of product sold		
Manufactured finished /unfinished goods sold		
Arihant Arham	22,94,37,321	33,69,03,764
Arihant Abhilasha	13,00,32,955	17,99,29,215
Arihant Adita	14,61,76,713	-
Arihant Amodini	13,56,32,358	4,01,55,331
	64,12,79,347	55,69,88,310
Traded goods sold		
Arihant Abhilasha Flats	5,57,10,700	8,55,71,125
	5,57,10,700	8,55,71,125
Other operating revenue		
Contract Income	-	-
Sale of Dombivali Land	-	28,50,000
Discount Received	21,458	-
	21,458	28,50,000
	69,70,11,505	64,54,09,435

18 OTHER INCOME

	(Amount in Rs.)	
	<u>31-Mar-13</u>	<u>31-Mar-12</u>
Interest income on		
Bank deposits	56,48,712	1,55,69,495
Loans	7,81,57,436	2,67,49,361
Others	10,31,808	2,39,966
Dividend income on Current investments	-	2,75,152
Gain on saleof Current Investments	19,34,400	-
Other non-operating income	6,30,126	1,02,476
	8,74,02,482	4,29,36,451

19 COST OF CONSTRUCTION, LAND AND DEVELOPMENT EXPENSES

	(Amount in Rs.)	
	<u>31-Mar-13</u>	<u>31-Mar-12</u>
Land Cost	1,92,75,421	11,45,62,110
Purchases	39,46,52,119	31,42,83,444
Direct Expenses	31,40,32,437	20,54,01,691
Contract Expenses	-	-
	72,79,59,977	63,42,47,245

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	<u>31-Mar-13</u>	<u>31-Mar-12</u>
<u>Details of Land Cost</u>		
Arihant Abhilasha Land	-	(64,89,000)
Arihant Amodini Land	-	12,10,51,110
Arihant Adita Land	1,92,75,421	-
	1,92,75,421	11,45,62,110
<u>Details of Purchases</u>		
Arihant Abhilasha	4,36,68,970	8,17,38,951
Arihant Arham	14,00,30,488	14,62,88,914
Arihant Amodini	6,29,53,149	2,12,05,910
Arihant Adita	8,89,38,602	2,94,57,250
Arihant Agrima	3,98,63,840	3,55,70,787
Arihant Arohi	63,89,945	-
Arihant Ayati	1,28,07,125	21,632
	39,46,52,119	31,42,83,444
<u>Details of Direct Expenses</u>		
Arihant Abhilasha	3,26,18,497	4,40,43,522
Arihant Amodini	3,72,05,203	1,64,57,190
Arihant Arham	8,16,51,368	8,11,82,828
Arihant Adita	7,24,65,604	2,10,23,640
Arihant Agrima	6,69,50,666	4,12,30,364
Arihant Arohi	1,26,30,424	10,66,885
Arihant Ayati	1,05,10,675	3,97,262
	31,40,32,437	20,54,01,691

20 PURCHASE OF STOCK IN TRADE

(Amount in Rs.)

	<u>31-Mar-13</u>	<u>31-Mar-12</u>
Flats	4,79,40,000	45,00,000
	4,79,40,000	45,00,000

21 (INCREASE) / DECREASE IN INVENTORIES

(Amount in Rs.)

	<u>31-Mar-13</u>	<u>31-Mar-12</u>
<u>Inventories at the end of the year</u>		
Traded Goods	94,45,578	44,37,532
Incomplete Projects (WIP)	59,82,95,510	36,94,02,912
	60,77,41,088	37,38,40,444
<u>Inventories at the beginning of the year</u>		
Traded Goods	44,37,532	7,11,16,667
Incomplete Projects (WIP)	36,94,02,912	10,61,22,085
	37,38,40,444	17,72,38,752
	(23,39,00,644)	(19,66,01,692)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	<u>31-Mar-13</u>	<u>31-Mar-12</u>
<u>Details of inventory</u>		
Traded goods - Flats	-	44,37,532
Closing Stock - Arham	<u>94,45,578</u>	-
	<u>94,45,578</u>	<u>44,37,532</u>
<u>Incomplete Projects (WIP)</u>		
Arihant Abhilasha	-	1,25,88,810
Arihant Amodini	<u>14,33,39,174</u>	13,04,89,460
Arihant Arham	<u>9,54,04,554</u>	9,07,93,338
(a)	<u>23,87,43,728</u>	<u>23,38,71,608</u>
<u>Incomplete Projects (WIP) [Revenue not recognised]</u>		
Arihant Adita	<u>13,04,68,701</u>	5,56,00,899
Arihant Agrima	<u>18,40,40,567</u>	7,72,26,060
Arihant Arohi	<u>2,00,87,254</u>	10,66,885
Arihant Ayati	<u>2,49,55,260</u>	16,37,460
(b)	<u>35,95,51,782</u>	<u>13,55,31,304</u>
(a + b)	<u>59,82,95,510</u>	<u>36,94,02,912</u>

22 EMPLOYEE BENEFIT EXPENSE

	(Amount in Rs.)	
	<u>31-Mar-13</u>	<u>31-Mar-12</u>
Salaries, wages and bonus	2,38,12,134	1,56,49,946
Contribution to provident fund	1,79,300	73,500
Gratuity expense	6,11,359	1,00,000
Software training expenses	1,42,400	-
Staff welfare expenses	<u>6,77,645</u>	8,93,181
	<u>2,54,22,838</u>	<u>1,67,16,627</u>

As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below: The Company is in process to create Employee's Group Gratuity Fund with Life Insurance Corporation of India for the benefit of employees.

A Gratuity Plan

The AS-15 stipulates that the rate used to discount post employment benefit obligation (both funded and non-funded) should be determined by reference to market yields at the Balance Sheet date on government bonds. The currency and terms of the government bonds should be consistent with the currency and estimated terms of the post-employment benefit obligation. Estimated future salary increases take account of inflation, seniority, promotion and other retirement factors, such as supply and demand in the employment market.

Reconciliation of opening and closing balance of the present value of the defined benefit obligation

	<u>31-Mar-13</u>	<u>31-Mar-12</u>
Current Service Cost	3,05,804	-
Past Service Cost	<u>4,05,555</u>	-
Benefits paid	-	-
Actuarial (gain) / loss on defined benefits obligation	-	-
Obligations at year end	<u>7,11,359</u>	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	<u>31-Mar-13</u>	<u>31-Mar-12</u>
Gratuity Provided in previous Year	1,00,000	
Net obligation in current year	<u>6,11,359</u>	
<u>Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows</u>		
Opening fair value of plan assets	-	-
Add / Less: Adjustments	-	-
Closing fair value of plan assets	-	-
<u>Amounts to be recognised in the Balance Sheet</u>		
Projected benefits obligation, at the end of the year	<u>7,11,359</u>	-
Fair value of plan assets at end of the year	-	-
Net asset / (liability) to be provided in the Balance Sheet	<u>7,11,359</u>	-
 <u>Gratuity Cost for the year</u>		
Current Service Cost	3,05,804	-
Past Service Cost	<u>4,05,555</u>	-
Expense to be recognised in the Statement of Profit and Loss	<u>7,11,359</u>	-

23 FINANCE COSTS

Interest	8,42,76,619	4,84,17,175
Bank charges	73,537	42,013
Loan borrowing costs	<u>23,54,454</u>	-
	<u>8,67,04,610</u>	<u>4,84,59,188</u>

24 OTHER EXPENSES

Selling & Distribution	1,79,06,572	2,06,97,790
Professional & Legal Fees	25,27,596	27,55,693
Rent, Rates & Taxes	12,76,267	18,42,847
Compensation	1,37,63,625	1,49,40,250
Director Remuneration	66,96,968	40,50,000
Administrative Expenses	1,10,36,030	1,43,87,924
Auditor's remuneration	<u>12,07,870</u>	<u>12,28,235</u>
	<u>5,44,14,928</u>	<u>5,99,02,739</u>
	<u>16,65,42,376</u>	<u>12,50,78,554</u>

Payment to auditor

As auditor:

Audit fee	6,46,070	5,61,800
Limited review	<u>5,61,800</u>	<u>5,54,075</u>
<u>In other capacity</u>		
Taxation matters	-	1,12,360
	<u>12,07,870</u>	<u>12,28,235</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

25 EARNINGS PER SHARE (EPS)

	<u>31-Mar-13</u>	<u>31-Mar-12</u>
The following reflects the profit and share data used in the basic & Diluted EPS computations:		
Total operations for the year		
Profit/(loss) after tax	4,90,84,504	8,00,42,658
Less : Adjustments	-	-
Net profit/(loss) for calculation of basic EPS and diluted EPS	4,90,84,504	8,00,42,658
	<u>No.</u>	<u>No.</u>
Weighted average number of equity shares for calculating basic & diluted EPS	4,04,26,546	2,74,39,994
Weighted average number of equity shares for calculating basic & diluted EPS including effect of right issue for 31.03.2012	NA	3,66,98,203
Basic & Diluted Earning per share	1.21	2.92
Basic & Diluted EPS (As Restated for rights issue)		2.18

26 RELATED PARTY DISCLOSURE

Names of related parties and related party relationship

<u>Sr</u>	<u>Name</u>	<u>Relationship</u>
1	Mr. Ashok B Chhajer	Chairman and Managing Director
2	Mr. Nimit Shah	Whole Time Director
3	Mr. Dinkar Samant	Whole Time Director
4	M/S. Arihant Abode Ltd	Subsidiary Company
5	M/S. Arihant Gruhnirman Pvt Ltd	Subsidiary Company
6	M/S. Arihant Vatika Realty Pvt Ltd	Subsidiary Company
7	M/S. Arihant Technoinfra Pvt Ltd	Subsidiary Company
8	M/S. Arihant Aashiyana Pvt Ltd	Subsidiary Company
9	M/S. Adeshwar Realty Pvt Ltd	Wholly owned Subsidiary Company
10	Mrs. Sangeeta Chhajer	Relative of KMP
11	Mrs. Meena Vijay Ranka	Relative of KMP
12	Mrs. Usha Jain	Relative of KMP
13	Mrs. Sudadevi B Chhajer	Relative of KMP

Related party transactions

a. Loans taken and repayment thereof

<u>Sr</u>	<u>Name</u>	<u>Opening</u>	<u>Loans taken</u>	<u>Repayment</u>	<u>Interest accrued (Net of TDS)</u>	<u>Amount Payable</u>
1	Mr. Ashok B Chhajer	19,94,02,759	32,09,00,000	29,77,04,645	2,59,58,262	24,85,56,376

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

b. Loans given and repayment thereof

Sr	Name	Opening	Loans Given	Repayment	Interest accrued (Net of TDS)	Amount receivable
1	M/S. Arihant Abode Ltd	28,21,48,029	4,64,00,000	4,90,00,000	3,17,41,517	31,12,89,546
2	M/S.Arihant Gruhnirman Pvt Ltd	-	22,50,000	-	2,03,818	24,53,818
3	M/S.Arihant Vatika Realty Pvt Ltd	3,09,34,973	6,25,50,000	6,12,00,000	47,14,856	3,69,99,829
4	M/S.Arihant Technoinfra Pvt Ltd	-	1,80,00,000	1,10,00,000	4,38,481	74,38,481
5	M/S.Arihant Aashiyana Pvt Ltd	-	19,58,00,000	1,70,00,000	70,86,260	18,58,86,260
6	M/S.Adeshwar Realty Pvt Ltd	9,27,871	29,20,00,000	11,22,00,000	2,30,74,305	20,38,02,176
		31,40,10,873	61,70,00,000	25,04,00,000	6,72,59,237	74,78,70,110

c. Remuneration to key managerial personnel

Sr	Name	31-Mar-13	31-Mar-12
1	Mr. Ashok B Chhajer	24,00,000	24,00,000
2	Mr. Nimish Shah	28,35,248	16,50,000
3	Mr. Dinkar Samant	14,61,720	-
		66,96,968	40,50,000

d. Rent Paid

Sr	Name	31-Mar-13	31-Mar-12
1	Mrs. Sangeeta Chhajer	4,80,000	4,80,000

e. Booking Received

Sr	Name	31-Mar-13	31-Mar-12
1	Mr Ashok B Chhajer	33,95,092	-
2	Mrs. Sangeeta Chhajer	33,95,092	-
3	Mrs. Meena Vijay Ranka	12,12,532	-
4	Mrs. Usha Jain	5,82,016	-
5	Mrs. Sudadevi B Chhajer	4,85,013	-
		90,69,745	-

27 CONTINGENT LIABILITIES

The Company has guaranteed borrowings (Term Loan) of one of its subsidiary Company, M/S Arihant Technoinfra Private Limited for Rs. 16,60,00,000/-

28 UTILIZATION OF MONEY RAISED THROUGH RIGHT / PREFERENTIAL ISSUE OF EQUITY SHARES

During the year ended 31 March 2013, the company has raised Rs. 164,639,964/- through Right issue of equity shares for the Purpose of Project Arihant Agrima , the details of utilization of proceeds raised through right issue.

	31-Mar-13	31-Mar-12
Unutilized amount at the beginning of the year	-	2,21,99,932
Add: Raising of funds	16,46,39,964	-
Less: amount utilized for the purpose of issue during the year	16,46,39,964	2,21,99,932
Unutilized amount at the end of the year (parked in fixed deposits with Bank)	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

29 There are no suppliers who are registered as micro, small or medium enterprises under “The Micro, Small and Medium Enterprises Development Act, 2006” as at March 31, 2013.

30 EXPENDITURE IN FOREIGN CURRENCY

	<u>31-Mar-13</u>	<u>31-Mar-12</u>
Travelling, Conveyance, business promotion expenses	52,014	1,67,431
	52,014	1,67,431

31 SEGMENT INFORMATION

The Company operates in a single business and geographical segment i.e. “Construction and Allied Activities” within India. Accordingly, no separate disclosures for primary business and secondary geographical segment are required as per AS 17 issued by ICAI.

- 32** There are no commitments outstanding as on the Balance Sheet date.
- 33** In the opinion of the management; current assets, loans, advances and deposits are approximately of the value stated, if realised in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.
- 34** Balances of certain sundry debtors, sundry creditors, loans and advances are subject to confirmations / reconciliation and consequential adjustments, if any. The management does not expect any material difference affecting the current year's Financial Statements on such reconciliation / adjustments.
- 35** Previous year figures have been regrouped and rearranged wherever necessary to confirm with the current year presentation.

As per our report of even date

For T N Gala & Associates
Chartered Accountants
FRN: 102951W

Talakchand N. Gala
Proprietor
MRN: 41186

Place: Navi Mumbai
Date: 11.05.2013

For & on behalf of the board

Sd/-
Mr. Ashok Chhajer
Chairman & MD

Sd/-
Mr. Nimish Shah
Whole Time Director

Sd/-
Mr. Rushabh Desai
Company Secretary

Place: Navi Mumbai
Date: 11.05.2013

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors Arihant Superstructures Limited

We have audited the accompanying consolidated Financial Statements of **ARIHANT SUPERSTRUCTURES LIMITED** ('the Company') and its subsidiaries, which comprise the consolidated Balance Sheet as at 31st March 2013, the Consolidated Statement of Profit & Loss and the consolidated Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated Financial Statements that give a true and fair view of the consolidated financial position, financial performance and consolidated cash flows of the Company in the accordance with accounting principle generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Financial Statements based on our audit. We conduct our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirement and plan and perform the audit to attain reasonable assurance about whether the consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Financial Statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated Financial Statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of consolidated Financial Statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated Financial Statements give a true and fair view in conformity with the accounting principle generally accepted in India:

- i. in the case of the consolidated Balance Sheet, of the state of affairs of the company as at 31st March, 2013;
- ii. In the case of the consolidated Statement of Profit & Loss, of the profit for the year ended on that date; and
- iii. In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For T N Gala & Associates
Chartered Accountants
FRN: 102951W

Talakchand N. Gala
Proprietor
MRN: 41186

Place: Navi Mumbai
Date: 11.05.2013

BALANCE SHEET AS AT 31 MARCH 2013

(Amount in Rs.)

	Notes	31-Mar-13	31-Mar-12
I EQUITY AND LIABILITIES			
I Shareholders' funds			
(a) Share capital	3	411,599,910	274,399,940
(b) Reserves and surplus	4	110,831,311	121,742,940
		522,431,221	<u>396,142,880</u>
2 Minority Interest		519,514	457,115
3 Non-current liabilities			
(a) Long-term borrowings	5	827,255,988	2,865,430
(b) Deferred tax liabilities (Net)	6	1,138,525	505,040
(c) Long-term provisions	7	1,164,375	100,000
		829,558,888	<u>3,470,470</u>
4 Current liabilities			
(a) Short-term borrowings	5	400,488,467	719,212,429
(b) Trade payables	8	76,260,364	60,328,300
(c) Other current liabilities	8	698,419,020	345,536,437
(d) Short-term provisions	7	106,007,970	83,054,471
		1,281,175,821	<u>1,208,131,636</u>
TOTAL ASSETS		2,633,685,444	<u>1,608,202,101</u>
II ASSETS			
I Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	34,538,371	23,983,334
(ii) Intangible assets	10	1,834,972	1,740,089
(iii) Capital WIP		51,290,739	-
(b) Non-current investments	11	10,000	10,000
(c) Long-term loans and advances	12	54,123,526	30,160,566
		141,797,608	<u>55,893,989</u>
2 Current assets			
(a) Current investments	14	660,293	20,297,990
(b) Inventories	15	840,515,096	446,128,667
(c) Trade receivables	13	78,666,577	70,316,851
(d) Cash and cash equivalents	16	54,788,483	211,973,871
(e) Short-term loans and advances	12	190,047,159	162,664,166
(f) Other current assets	13	1,327,210,228	640,926,567
		2,491,887,836	<u>1,552,308,112</u>
TOTAL		2,633,685,444	<u>1,608,202,101</u>
See accompanying notes to the financial statements			-

As per our report of even date

For T N Gala & Associates

Chartered Accountants

FRN: 102951W

Talakchand N. Gala

Proprietor

MRN: 41186

Place: Navi Mumbai

Date: 11.05.2013

For & on behalf of the board

Sd/-

Mr. Ashok Chhajer

Chairman & MD

Sd/-

Mr. Rushabh Desai

Company Secretary

Sd/-

Mr. Nimish Shah

Whole Time Director

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 2013

(Amount in Rs.)

	Notes	31-Mar-13	31-Mar-12
Income			
Revenue from operations	17	706,849,021	645,838,045
Other income	18	9,470,468	16,526,489
Total Revenue		716,319,489	662,364,534
Expenses			
Cost of construction, land and development expenses	19	844,564,014	661,304,032
Purchases of Stock-in-Trade	20	47,940,000	4,500,000
Changes in inventories of finished goods, incomplete projects (WIP) and Stock-in-Trade	21	(392,122,826)	(228,574,551)
Employee benefits expense	22	40,360,669	17,855,128
Finance costs	23	99,778,607	48,496,022
Depreciation and amortization expense	9,10	3,738,766	2,918,359
Other expenses	24	77,153,823	63,920,733
Total expenses		721,413,054	570,419,723
Profit / (Loss) before exceptional and extraordinary items, minority interest and tax		(5,093,565)	91,944,811
Exceptional items		-	16,590
Profit / (Loss) before extraordinary items, minority interest and tax		(5,093,565)	91,928,221
Extraordinary Items		-	-
Profit / (Loss) before minority interest and tax		(5,093,565)	91,928,221
Tax expense:			
Current tax		23,091,518	38,987,037
Deferred tax		648,069	(675,521)
Profit / (Loss) before Minority Interest		(28,833,152)	53,616,705
Minority Interest		(50,547)	127,157
Profit / (Loss) for the period		(28,782,605)	53,489,548
Earnings per equity share:	25		
(1) Basic		(0.71)	1.95
(2) Diluted			1.95
(3) Basic & Diluted EPS (As Restated)			1.46
See accompanying notes to the Financial Statements			

As per our report of even date

For T N Gala & Associates

Chartered Accountants

FRN: 102951W

Talakchand N. Gala

Proprietor

MRN: 41186

Place: Navi Mumbai

Date: 11.05.2013

For & on behalf of the board

Sd/-

Mr. Ashok Chhajer

Chairman & MD

Sd/-

Mr. Rushabh Desai

Company Secretary

Sd/-

Mr. Nimish Shah

Whole Time Director

Place: Navi Mumbai

Date: 11.05.2013

CASH FLOW STATEMENT FOR THE YEAR ENDED

	(Amount in Rs.)	
	31-Mar-13	31-Mar-12
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	72,414,291	91,928,221
Add: Non cash items		
Depreciation & amortisation	3,738,766	2,918,359
Gratuity Provision	1,064,375	100,000
Preliminary Expenses W/off	-	5,371,912
Non Operating Expenses		
Less: Non Operating Incomes		
Dividend Income	-	(586,450)
Gain on sale of Investment	(19,334,400)	
Profit from Investment	(626,054)	(130,578)
Interest Income	(1,031,807)	(239,966)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE	56,225,171	99,361,498
(Increase)/ Decrease in Trade & Other Receivable	(1,498,386,449)	(374,676,980)
Increase/ (Decrease) in Current Liabilities & Provision	380,542,619	(10,101,635)
CASH GENERATED FROM OPERATIONS	(1,061,618,659)	(285,417,117)
Less: Tax Paid net of Refunds	(34,645)	(195,115)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	(1,061,653,304)	(285,612,232)
Extra Ordinary Income / Expenditure		
CASH FLOW AFTER EXTRAORDINARY ITEMS	A	(1,061,653,304)
CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase of Fixed Assets)	(66,166,626)	(2,289,461)
Capital Advances Granted	(10,376,554)	
(Purchase) / Sale of Investments	12,966,697	713,281
Dividend Income	-	586,450
Gain on sale of Investment	19,334,400	
Profit from Investment	626,054	130,578
Interest Income	1,031,807	239,966
NET CASH USED FOR INVESTING ACTIVITIES	B	(42,584,222)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	137,199,970	-
Increase/(Decrease) Unsecured Loan	553,547,747	340,262,247
Share Issue expenses	-	-
Proceeds from Share Premium	27,439,994	-
Dividend & Dividend Distribution Tax Paid	(9,567,434)	(9,599,230)
Increase/(Decrease) in Secured Loans	225,066,311	(2,365,527)
NET CASH FROM FINANCING ACTIVITIES	C	933,686,588
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	A+B+C	(170,550,938)
CASH AND CASH EQUIVALENTS (OPENING BALANCE)		188,055,700
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)		17,504,762
		(170,550,938)

As per our report of even date

For T N Gala & Associates
Chartered Accountants
FRN: 102951W

Talakchand N. Gala
Proprietor
MRN: 41186

Place: Navi Mumbai
Date: 11.05.2013

For & on behalf of the board

Sd/-	Sd/-
Mr. Ashok Chhajer	Mr. Nimish Shah
Chairman & MD	Whole Time Director

Sd/-
Mr. Rushabh Desai
Company Secretary

Place: Navi Mumbai
Date: 11.05.2013

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

1 CORPORATE INFORMATION

Arihant Superstructures Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged primarily in the business of Real Estate Development, Trading in Real Estate and Construction Contracts . The operations of the Company span in all aspects of real estate development, from the identification and acquisition of land, planning, execution, construction and marketing of projects.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) and comply with the Accounting Standard (AS)-21 'Consolidated Financial Statements' notified under the Companies (Accounting Standard) Rule 2006. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year

2.1 Summary of significant accounting policies

a Principles of Consolidation

The Consolidated Financial Statements include the Financial Statements of M/s Arihant Superstructures Limited, the parent company (hereinafter referred to as the 'Company') and its subsidiaries (collectively referred to as the 'Group').

The Consolidated Financial Statements have been prepared on the following basis:

- i. Consolidated Financial Statements normally include Consolidated Balance Sheet, Consolidated Statement of Profit & Loss Account, Consolidated Statement of Cash Flows and Notes to the Consolidated Financial Statements and Explanatory Statements that form an integral part thereof. The Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the parent for Standalone Financial Statements.
- ii. The Consolidated Financial Statements include the Financial Statements of the Company and all its subsidiaries, which are more than 50 per cent owned or controlled as at March 31, 2013.
- iii. The Financial Statements of the parent company and the subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting unrealised profits in full. The amounts shown in respect of reserves comprise 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 reserves of the subsidiaries.

The excess of acquired portion of equity in subsidiaries over the cost of acquisition of investments in the subsidiaries is recognised in the Financial Statements as 'Capital Reserve'. Minority Interest in the net assets of Consolidated subsidiaries consists of:

- i. the amount of equity attributable to minorities at the date on which investment in subsidiary is made; and
- ii. the minorities' share of movements in equity since the date the parent and subsidiary relationship came into existence.

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances to the extent possible.

b Investments

Investments other than in subsidiaries and associates have been accounted as per the Accounting Standard (AS) 13 on 'Accounting for Investments' issued by ICAI.

c Other Significant Accounting Policy

These are set out under Note no 2.1 - Summary of Significant Accounting Policy as given in the company's Standalone / Separate Financial Statements.

3 SHARE CAPITAL

(Amount in Rs.)

	31-Mar-13	31-Mar-12
Authorised Shares		
6,00,00,000 (31 March 2012: 6,00,00,000) Equity Shares of Rs. 10/- each	600,000,000	600,000,000
1,50,00,000 (31 March 2012: 1,50,00,000) Preference shares of Rs. 10/- each	150,000,000	150,000,000
Issued, subscribed and fully paid-up shares		
411,599,910 (31 March 2012: 274,399,940) Equity Shares of Rs. 10/- each	411,599,910	274,399,940
Total issued, subscribed and fully paid-up share capital	411,599,910	274,399,940

a. Reconciliation of the shares outstanding at the beginning and at the end of reporting period

Equity Shares	31-Mar-13		31-Mar-12	
	No.	Rs.	No.	Rs.
At the beginning of the period	27,439,994	274,399,940	27,439,994	274,399,940
Preferential Issue during the period	13,719,997	137,199,970	-	-
Outstanding at the end of the period	41,159,991	411,599,910	27,439,994	274,399,940

b. Terms / rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in INR. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2013, the amount of per share dividend recognised as distributions to equity shareholders was Rs.0.20 (31 March 2012: Rs. 0.20).

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the company

	31-Mar-13	31-Mar-12		
	No.	% holding	No.	% holding
Equity Shares of Rs. 10 each fully paid				
Mr. Ashok Bhanwarlal Chhajer	28,151,306	68.39%	18,200,000	66.33%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

4 RESERVES & SURPLUS

(Amount in Rs.)

	31-Mar-13	31-Mar-12
Capital reserves	(a)	77,378
Securities Premium account		18,627
Balance as per the last financial statements	24,999,992	24,999,992
Add: collected during the year	27,439,994	-
Less: amounts utilised	-	-
Closing Balance	(b)	52,439,986
General Reserve		24,999,992
Balance as per the last financial statements	-	-
Add: amount transferred from surplus balance in the statement of profit and loss	-	1,017,390

Less: Utilised during the Year		-	(1,017,390)
Closing Balance	(c)	-	-
Surplus / (deficit) in the statement of profit and loss			
Balance as per last financial statements	(d)	96,663,986	67,751,299
Profit for the Year	(e)	(28,782,605)	53,489,548
Less: Other Adjustments		-	14,753,977
		67,881,381	106,486,871
Less: Appropriations			
Proposed final equity dividend		8,231,998	8,231,998
Tax on proposed equity dividend		1,335,436	1,335,436
Current tax (earlier years)		-	195,115
Total appropriations	(f)	9,567,434	9,762,549
Net surplus in the statement of profit and loss	(g) = (d + e - f)	58,313,947	96,724,321
Total reserves and surplus	(a + b + c + g)	110,831,311	121,742,940

5 BORROWINGS (Amount in Rs.)

	Long Term 31-Mar-13	31-Mar-12	Short Term	
			31-Mar-13	31-Mar-12
Secured Loans				
Term loan from banks (secured)	345,959,226	81,282,358		-
From financial institutions (secured)	3,735,030	4,718,777		-
Bank overdraft (secured)				97,221,082
Unsecured Loans				
From Directors	189,323,061	-	214,453,382	350,145,166
From Body Corporates	214,787,524	-	101,049,851	271,846,181
From Others	98,000,000		84,985,234	-
	851,804,841	86,001,135	400,488,467	719,212,429
Less: Current maturities of long term borrowings disclosed under head "other current liabilities" (note 8)	24,548,853	83,135,705	-	-
Net Amount	827,255,988	2,865,430	400,488,467	719,212,429

Term Loan from Banks

Term loan from ICICI Bank is secured against land (with all the buildings and structures thereon) at admeasuring about 3949.41 sq.mts. Bearing plot no. 4, sector 24, Village Taloja, Taluka Panvel, District Thane;

Term loan from HDFC Bank is secured against land bearing (i) Survey No. 27, Hissa No. 2A/1 (ii) Survey No. 27 Hissa No. 2A/2 (iii) Survey No. 27 Hissa No. 2A/3 (iv) Survey No. 25 Hiss No. 2 being at Village Koproli, Taluka Panvel, District Raigad together with construction thereon present and future.

Term Loan from Federal bank ltd. is secured against land measuring 43948.79 sq.mtr. at Khasara No. 290/190 at village Kamaipura, Bhadresh, Dist. Barmer, Rajashthan. Further secured against factory building, shed and other structure to be constructed at an estimated cost of Rs.1,317.06 lakhs.

Loan from financial institutions are secured against Vehicles. Bank Overdraft from banks is secured against Fixed Deposits. Bank Overdraft is repayable on Maturity of Fixed Deposits.

6 DEFERRED TAX LIABILITIES (NET)		(Amount in Rs.)	
		31-Mar-13	31-Mar-12
Deferred tax liability			
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting		2,257,076	1,760,126
Others		-	-
Gross deferred tax liability		2,257,076	1,760,126
Deferred tax asset			
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent years		1,118,551	1,255,086
Others		-	-
Gross deferred tax asset		1,118,551	1,255,086
Net deferred tax liability		1,138,525	505,040
7 PROVISIONS		(Amount in Rs.)	
		Long Term	Short Term
		31-Mar-13	31-Mar-12
Provision for Gratuity		1,164,375	100,000
Proposed equity dividend		-	-
Provision for tax on proposed equity dividend		-	1,335,436
Provision for Tax		-	96,440,536
		1,164,375	100,000
			106,007,970
8 TRADE PAYABLE OTHER CURRENT LIABILITIES		(Amount in Rs.)	
		31-Mar-13	31-Mar-12
Trade payables (refer note 29 for details of dues to micro and small enterprises)		76,260,364	60,328,300
		76,260,364	60,328,300
Other Current Liabilities			
Bookings		607,472,733	223,426,347
Current maturities of long-term borrowings (note 5)		24,548,853	83,135,705
Others			
Service tax payable		2,117,653	3,488,650
VAT Payable		1,098,515	43,834
TDS payable		7,819,569	4,642,037
Book OD		30,783,721	27,972,068
Other Liabilities		24,577,976	2,827,796
		698,419,020	345,536,437

9 TANGIBLE ASSETS

Particulars	GROSS BLOCK						DEPRECIATION / AMORTISATION			NET BLOCK	
	Rate of Depreciation / Amortisation upto 01.04.12	Actual Cost	Add.	Ded.	As on 31/03/2013	Dep. Upto 01.04.12	Dep for the year	Amortised / Written Off	As on 31/03/2013	As on 31/3/2012	As on 31/03/2013
Computer & Spare Parts	16.21%	3,421,562	77,007	-	3,498,569	671,512	515,712	-	1,187,224	2,750,050	2,311,345
Office Equipments	4.75%	2,058,349	745,533	-	2,803,882	131,391	114,380	-	245,771	1,926,958	2,558,111
Plant & Machinery	4.75%	934,766	1,192,918	-	2,127,684	44,508	58,246	-	102,754	890,258	2,024,930
Vehicle	9.50%	15,220,575	10,706,353	-	25,926,928	2,276,857	1,948,161	-	4,225,018	12,943,718	21,701,910
Furniture & Fixtures	6.33%	5,055,587	81,993	-	5,137,580	447,328	321,503	-	768,831	4,608,259	4,368,749
Shop	1.63%	1,644,720	-	-	1,644,720	44,585	26,809	-	71,394	1,600,135	1,573,326
		28,335,559	12,803,804	-	41,139,363	3,616,181	2,984,811	-	6,600,992	24,719,378	34,538,371
Previous Year figures		26,408,055	1,276,960	85,500	27,599,515	1,279,532	2,336,649	-	25,128,523	27,599,515	

10 INTANGIBLE ASSETS

Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BLOCK	
	Rate of Depreciation / Amortisation	Actual Cost upto 01.04.12	Add.	Ded.	As on 31/03/2013	Amortisation Upto 31.03.11	Dep for the year	Amortised / Written Off	As on 31/03/2013	As on 31/3/2012	As on 31/03/2013
Computer Software	20.00%	2,836,710	826,338	-	3,663,048	1,123,021	-	736,255	1,859,276	1,713,689	1,803,772
Trade Mark	20.00%	66,000	22,500	-	88,500	39,600	-	17,700	57,300	26,400	31,200
		2,902,710	848,838	-	3,751,548	1,162,621	-	753,955	1,916,576	1,740,089	1,834,972
Previous Year figures		1,804,709	1,098,001	-	2,902,710	580,911	581,710	1,162,621	1,223,798	1,740,089	

There was no impairment loss on the fixed assets on the basis of review carried out by the management in accordance with AS 28 'Impairment of Assets'.

11 NON-CURRENT INVESTMENTS

(Amount in Rs.)

	31-Mar-13	31-Mar-12
Other Investments		
5% (31 March 2012: 5%) share in the partnership firm M/s. Aksh Realty LLP	10,000	10,000
	10,000	10,000

12 LOANS & ADVANCES

(Amount in Rs.)

	Long Term	Short Term	
	31-Mar-13	31-Mar-12	31-Mar-13
Security deposit			
Secured, considered good	-	-	-
Unsecured, considered good	42,323,107	30,160,566	1,311,408
Advances recoverable in cash or kind			
Unsecured considered good	10,376,554		14,144,247
Other loans and advances			
Advance to creditors	845,865		262,719
Advance income-tax	-	-	99,794,352
Advance for land			72,873,733
Prepaid expenses	-	-	354,324
Loans to employees	578,000	-	15,400
Balances with statutory/government authorities	-	-	1,290,976
	54,123,526	30,160,566	190,047,159
			162,664,166

13 TRADE RECEIVABLES AND OTHER ASSETS

(Amount in Rs.)

	Short Term	31-Mar-13		31-Mar-12
Trade Receivables				
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment			-	-
Other receivables		78,666,577		70,316,851
		78,666,577		70,316,851
Others				
Interest accrued on fixed deposits		298,330		5,942,480
Land Cost		1,326,911,898		634,984,087
		1,327,210,228		640,926,567
		1,327,210,228		640,926,567

14 CURRENT INVESTMENTS

(Amount in Rs.)

	31-Mar-13	31-Mar-12
Investment in Mutual Fund		
Birla Mutual Fund	-	20,000,000
Current portion of long-term investments (valued at cost)		
Arihant Aksh Realty LLP	660,293	297,990
[Includes accumulated share of profit Rs. 1,724,044 (31 March 2012: 1,097,990)]		
	660,293	20,297,990

15 INVENTORIES

(Amount in Rs.)

	31-Mar-13	31-Mar-12
Incomplete Projects (WIP) (refer note 23)	831,069,518	441,691,135
Traded goods (flats)	9,445,578	4,437,532
	840,515,096	446,128,667

Incomplete Projects (WIP) is valued at cost, whereas other inventories are valued at lower of cost and net realisable value

16 CASH & BANK BALANCES

(Amount in Rs.)

	31-Mar-13	31-Mar-12
Current		
Cash and cash equivalents		
Balance with banks in current accounts	18,437,600	1,817,660
Cash on hand	4,480,650	3,143,481
	22,918,250	4,961,141
Other bank balances		
Recurring deposit	-	2,692,400
Deposits with original maturity for more than 3 months but less than 12 months	6,500,000	204,320,330
Deposits with original maturity in Less than 3 months	25,370,233	-
	31,870,233	207,012,730
	54,788,483	211,973,871

17 REVENUE FROM OPERATIONS

(Amount in Rs.)

	31-Mar-13	31-Mar-12
Sale of products		
Manufactured (unfinished) goods	64,12,79,347	55,69,88,310
Traded goods	5,57,10,700	8,55,71,125
Other operating revenue	98,58,974	32,78,610
	70,68,49,021	64,58,38,045
Details of product sold		
Manufactured finished /unfinished goods sold		
Arihant Arham	22,94,37,321	33,69,03,764
Arihant Abhilasha	13,00,32,955	17,99,29,215
Arihant Adita	14,61,76,713	-
Arihant Amodini	13,56,32,358	4,01,55,331
	64,12,79,347	55,69,88,310
Traded goods sold		
Arihant Abhilasha Flats	5,57,10,700	8,55,71,125
	5,57,10,700	8,55,71,125

	31-Mar-13	31-Mar-12
Other operating revenue		
Sale of land	75,00,000	-
Brokerage income	2,90,550	4,28,610
Sale of rights (land)	-	28,50,000
Discount Received	21,458	-
Other operating income	20,46,966	-
	98,58,974	32,78,610
	70,68,49,021	64,58,38,045

18 OTHER INCOME

	31-Mar-13	31-Mar-12
Interest income on		
Bank deposits	5,874,134	15,569,495
Loans	-	-
Others	1,031,808	239,966
Dividend income on Current investments	-	586,450
Gain on saleof Current Investments	1,934,400	-
Other non-operating income	630,126	130,578
	9,470,468	16,526,489

19 COST OF CONSTRUCTION, LAND AND DEVELOPMENT EXPENSES

	31-Mar-13	31-Mar-12
Land Cost	25,913,871	114,562,110
Purchases	455,451,386	333,568,054
Direct Expenses	363,198,757	213,173,868
Contract Expenses	-	-
	844,564,014	661,304,032
<u>Details of Land Cost</u>		
Arihant Abhilasha Land	-	(6,489,000)
Arihant Amodini Land	-	121,051,110
Arihant Adita Land	19,275,421	-
Arihant Arshiya Land	6,638,450	-
	25,913,871	114,562,110

Details of Purchases

Arihant Abhilasha	43,668,970	81,738,951
Arihant Arham	140,030,488	146,288,914
Arihant Amodini	62,953,149	21,205,910
Arihant Adita	88,938,602	29,457,250
Arihant Agrima	39,863,840	35,570,787
Arihant Arohi	6,389,945	-
Arihant Ayati	12,807,125	21,632
Arihat Anmol	44,324,538	10,061,924
Arihant Amisha	1,850,889	-
Arihant Arshiya	7,030,372	-
Arihant Akansha	7,593,468	9,222,686
	455,451,386	333,568,054

	31-Mar-13	31-Mar-12
Details of Direct Expenses		
Arihant Abhilasha	32,618,497	44,043,522
Arihant Amodini	37,205,203	16,457,190
Arihant Arham	81,651,368	81,182,828
Arihant Adita	72,465,604	21,023,640
Arihant Agrima	66,950,666	41,230,364
Arihant Arohi	12,630,424	1,066,885
Arihant Ayati	10,510,675	397,262
Arihant Anmol	33,023,157	1,104,050
Arihant Anshula	59,100	-
Arihant Aloki	44,226	-
Arihant Amisha	2,568,014	-
Arihant Arshiya	10,431,098	-
Arihant Akansha	3,040,725	6,668,127
	363,198,757	213,173,868

20 PURCHASE OF STOCK IN TRADE

Flats	47,940,000	4,500,000
	47,940,000	4,500,000

21 (INCREASE) / DECREASE IN INVENTORIES

	31-Mar-13	31-Mar-12
Inventories at the end of the year		
Traded Goods	9,445,578	4,437,532
Incomplete Projects (WIP)	831,069,518	441,691,135
	840,515,096	446,128,667
Inventories at the beginning of the year		
Traded Goods	4,437,532	71,116,667
Incomplete Projects (WIP)	443,954,738	146,437,449
	448,392,270	217,554,116
	(392,122,826)	(228,574,551)
Details of inventory		
Traded goods - Flats	-	4,437,532
Closing Stock - Arham	9,445,578	-
	9,445,578	4,437,532
Incomplete Projects (WIP)		
Arihant Abhilasha	-	12,588,810
Arihant Amodini	143,339,174	130,489,460
Arihant Arham	95,404,554	90,793,338
(a)	238,743,728	233,871,608
Incomplete Projects (WIP) [Revenue not recognised]		
Arihant Adita	130,468,701	55,600,899
Arihant Agrima	184,040,567	77,226,060
Arihant Arohi	20,087,254	1,066,885
Arihant Ayati	24,955,260	1,637,460
Arihant Anmol	129,991,580	27,108,721

	31-Mar-13	31-Mar-12
Arihant Anshula	2,277,124	-
Arihant Aloki	2,621,863	-
Arihant Amisha	10,557,517	-
Arihant Arshiya	26,588,026	-
Arihant Akansha	60,737,898	45,179,502
(b)	592,325,790	207,819,527
(a + b)	831,069,518	441,691,135

22 EMPLOYEE BENEFIT EXPENSE

	31-Mar-13	31-Mar-12
Salaries, wages and bonus	37,911,550	16,773,361
Contribution to provident fund	179,300	73,500
Gratuity expense	1,064,375	100,000
Software training expenses	142,400	-
Staff welfare expenses	1,063,044	908,267
	40,360,669	17,855,128

23 FINANCE COSTS

	31-Mar-13	31-Mar-12
Interest	97,370,404	48,417,175
Bank charges	53,749	78,847
Loan borrowing costs	2,354,454	-
	99,778,607	48,496,022

24 OTHER EXPENSES

	31-Mar-13	31-Mar-12
Selling & Distribution	33,121,057	20,796,398
Professional & Legal Fees	3,662,221	3,523,967
Rent, Rates & Taxes	4,039,955	4,237,968
Compensation	13,763,625	14,940,250
Director Remuneration	6,696,968	4,050,000
Administrative Expenses	14,285,721	15,705,715
Auditors Remuneration	1,584,276	666,435
	77,153,823	63,920,733
	217,293,099	130,271,883

Payment to auditor

As auditor:

Audit fee	870,790	449,440
Tax audit fee	-	56,180
VAT Audit Fee	-	56,180
Limited review	561,800	554,075

In other capacity

Certification matters	151,686	
Taxation matters	-	112,360
	1,584,276	1,228,235

25 EARNINGS PER SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

	<u>31-Mar-13</u>	<u>31-Mar-12</u>
Total operations for the year		
Profit/(loss) after tax	(28,782,605)	53,489,548
Less : Adjustments	-	-
Net profit/(loss) for calculation of basic EPS and diluted EPS	<u>(28,782,605)</u>	<u>53,489,548</u>
	<u>No.</u>	<u>No.</u>
Weighted average number of equity shares in calculating basic & diluted EPS	40,426,546	27,439,994
Weighted average number of equity shares for calculating basic & diluted EPS including effect of right issue for 31.03.2012	NA	36,698,203
Basic & Diluted Earning per share	(0.71)	1.95
Basic & Diluted EPS (As Restated for rights issue)		1.46

26 RELATED PARTY DISCLOSURE

Names of related parties and related party relationship

<u>Sr No</u>	<u>Name</u>	<u>Relationship</u>
1	Mr. Ashok B Chhajer	Chairman and Managing Director
2	Mr. Nimish Shah	Whole Time Director
3	Mr. Dinker Samant	Whole Time Director
4	M/S. Arihant Abode Ltd	Subsidiary Company
5	M/S. Arihant Gruhnirman Pvt Ltd	Subsidiary Company
6	M/S. Arihant Vatika Realty Pvt Ltd	Subsidiary Company
7	M/S. Arihant Technoinfra Pvt Ltd	Subsidiary Company
8	M/S. Arihant Aashiyana Pvt Ltd	Subsidiary Company
9	M/S. Adeshwar Realty Pvt Ltd	Wholly owned Subsidiary Company
10	Mrs. Sangeeta Chhajer	Relative of KMP
11	Mrs. Meena Vijay Ranka	Relative of KMP
12	Mrs. Usha Jain	Relative of KMP
13	Mrs. Sudadevi B Chhajer	Relative of KMP

Related party transactions

a. Loans taken and repayment thereof

<u>Sr</u>	<u>Name</u>	<u>Opening</u>	<u>Loans taken</u>	<u>Repayment</u>	<u>Interest accrued (Net of TDS)</u>	<u>Amount Payable</u>
1	Mr. Ashok B Chhajer	199,402,759	320,900,000	297,704,645	25,958,262	248,556,376

b. Loans given and repayment thereof

<u>Sr</u>	<u>Name</u>	<u>Opening</u>	<u>Loans Given</u>	<u>Repayment</u>	<u>Interest accrued (Net of TDS)</u>	<u>Amount receivable</u>
1	M/S. Arihant Abode Ltd	282,148,029	46,400,000	49,000,000	31,741,517	311,289,546
2	M/S. Arihant Gruhnirman Pvt Ltd	-	2,250,000	-	203,818	2,453,818
3	M/S. Arihant Vatika Realty Pvt Ltd	30,934,973	62,550,000	61,200,000	4,714,856	36,999,829
4	M/S. Arihant Technoinfra Pvt Ltd	-	18,000,000	11,000,000	438,481	7,438,481
5	M/S. Arihant Aashiyana Pvt Ltd	-	195,800,000	17,000,000	7,086,260	185,886,260
6	M/S. Adeshwar Realty Pvt Ltd	927,871	292,000,000	112,200,000	23,074,305	203,802,176
		<u>314,010,873</u>	<u>617,000,000</u>	<u>250,400,000</u>	<u>67,259,237</u>	<u>747,870,110</u>

c. Remuneration to key managerial personnel

<u>Sr</u>	<u>Name</u>	<u>31-Mar-13</u>	<u>31-Mar-12</u>
1	Mr. Ashok B Chhajer	2,400,000	2,400,000
2	Mr. Nimish Shah	2,835,248	1,650,000
3	Mr. Dinker Samant	1,461,720	-
		<u>6,696,968</u>	<u>4,050,000</u>

d. Rent Paid

Sr	Name	<u>31-Mar-13</u>	<u>31-Mar-12</u>
I	Mrs. Sangeeta Chhajer	480,000	480,000

27 CONTINGENT LIABILITIES

The Company has guaranteed borrowings (term loan) of one of subsidiary company, M/s Arihant Technoinfra Pvt. Ltd. for Rs. 16,60,00,000/-.

28 UTILIZATION OF MONEY RAISED THROUGH PREFERENTIAL ISSUE OF EQUITY SHARES

During the year ended 31 March 2013, the company has raised Rs. 164,639,964/- through Right issue of equity shares for the Purpose of Project Arihant Agrima, the details of utilization of proceeds raised through right issue.

	<u>31-Mar-13</u>	<u>31-Mar-12</u>
Unutilized amount at the beginning of the year	-	22,199,932
Add: Raising of funds	164,639,964	-
Less: amount utilized for the purpose of issue during the year	164,639,964	22,199,932
Unutilized amount at the end of the year (parked in fixed deposits with Bank)	-	-

29 There are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2013.

30 EXPENDITURE IN FOREIGN CURRENCY

	<u>31-Mar-13</u>	<u>31-Mar-12</u>
Travelling, Conveyance, business promotion expenses	52,014	167,431
	52,014	167,431

31 SEGMENT INFORMATION

The Company operates in a single business and geographical segment i.e. "Construction and Allied Activities" within India. Accordingly, no separate disclosures for primary business and secondary geographical segment are required as per AS 17 issued by ICAI.

32 There are no commitments outstanding as on the Balance Sheet date.

33 In the opinion of the management; current assets, loans, advances and deposits are approximately of the value stated, if realised in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

34 Balances of certain sundry debtors, sundry creditors, loans and advances are subject to confirmations / reconciliation and consequential adjustments, if any. The management does not expect any material difference affecting the current year's Financial Statements on such reconciliation / adjustments.

35 Previous year figures have been regrouped and rearranged wherever necessary to confirm with the current year presentation. Previous year figures consist data of four Subsidiaries, whereas current year figures consist data of six Subsidiaries and hence cannot be comparable.

As per our report of even date

For T N Gala & Associates

Chartered Accountants
FRN: 10295IW

Talakchand N. Gala

Proprietor
MRN: 41186

Place: Navi Mumbai
Date: 11.05.2013

For & on behalf of the board

Sd/-
Mr. Ashok Chhajer
Chairman & MD
Sd/-
Mr. Nimish Shah
Whole Time Director

Sd/-
Mr. Rushabh Desai
Company Secretary

Place: Navi Mumbai
Date: 11.05.2013

Particulars of subsidiaries as at 31st March, 2013 in terms of Circular No. 51/12/2007-CL-III dt. February 08th 2011, General Circular 2/2011 issued by Government of India, Ministry of Corporate Affairs under section 212(8) of the Companies Act, 1956.

(Rs. in lacs)

Sr. No	Particulars	Name of Subsidiary					
		Arihant Abode Limited	Arihant Vatika Realty Private Limited	Aadeshwar Realty Private Limited	Gruhniarmaan Private Limited	Arihant Technoinfra Private Limited	Arihant Aashiyana Private Limited
		As of 31st March 2013	As of 31st March 2013	As of 31st March 2013	As of 31st March 2013	As of 31st March 2013	As of 31st March 2013
1	Capital	5	1	1	1	1	1
2	Reserves	2.64	0.20	0.70	0.48	-4.28	1.61
3	Total Assets	5821.90	2363	3374.70	740.12	633.73	3748.07
4	Total Liabilities	5821.90	2363	3374.70	740.12	633.73	3748.07
5	Details of Investments	0	0	0	0	0	0
6	Turnover/Other Income	0	20.47	75	2.91	0.18	2.08
7	Profit/ (Loss) before taxation	0	0	1.04	0.47	-4.34	1.51
8	Provision for taxation	1.02	0.41	0.53	0.14	0.02	0.65
9	Profit/ (Loss) after taxation	-1.02	-0.41	0.51	0.32	-4.36	0.86
10	Proposed Dividend	0	0	0	0	0	0

As per our report of even date

For T N Gala & Associates
Chartered Accountants
FRN: 102951W

Talakchand N. Gala
Proprietor
MRN: 41186

Place: Navi Mumbai
Date: 11.05.2013

For & on behalf of the board

Sd/-
Mr. Ashok Chhajer
Chairman & MD
Sd/-
Mr. Rushabh Desai
Company Secretary

Sd/-
Mr. Nimish Shah

Whole Time Director

Place: Navi Mumbai
Date: 11.05.2013

Statement in accordance with the provisions of Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

Sr. No	Particulars	Arihant Abode Limited	Arihant Vatika Realty Private Limited	Aadeshwar Realty Private Limited	Gruhnirman Private Limited	Arihant Technoinfra Private Limited	Arihant Aashiyana Private Limited
1	Date from which they became Subsidiary Company	26th March 2010	26th March 2010	21st August 2010	29th November 2011	17 th September, 2012	17 th September, 2012
2	Financial Year of the Subsidiary ended on	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013	31st March, 2013
3	Extent of interest of the Holding Company in Subsidiary Company at the end of the Financial Year						
a)	Number of Shares held	30,000 Shares	6,000 Shares	10,000 Shares	6,000 Shares	6,000 Shares	6,000 Shares
b)	Extent of Holding	60%	60%	100%	60%	60%	60%
4	Net aggregate amount of profit / losses so far as it concerns to the members of the Holding Company						
(i)	not dealt with in the Company's account						
	a) for the Financial Year ended 31st March 2013	Rs (61384)/-	Rs (24395)/-	Rs 50813/-	Rs 19399/-	Rs (261641)/-	Rs 51654/-
	b) for the previous Financial Year since it became a subsidiary	Rs 158862/-	Rs 222373/-	Rs 5516/-	Rs 9501/-	Not Applicable	Not Applicable
(ii)	dealt with in the Company's account :						
	a) for the Financial Year ended 31st March 2013	Nil	Nil	Nil	Nil	Nil	Nil
	b) for the previous Financial Years since it became a subsidiary	Nil	Nil	Nil	Nil	Nil	Nil

As per our report of even date

For T N Gala & Associates
Chartered Accountants
FRN: 102951W

Talakchand N. Gala
Proprietor
MRN: 41186

Place: Navi Mumbai
Date: 11.05.2013

For & on behalf of the board

Sd/-
Mr. Ashok Chhajer
Chairman & MD
Sd/-
Mr. Rushabh Desai
Company Secretary

Sd/-
Mr. Nimish Shah

Whole Time Director

Place: Navi Mumbai
Date: 11.05.2013

ARIHANT SUPERSTRUCTURES LIMITED

Regd. Office: 302, Persipolis Building, Plot No. 74, Sector 17, Vashi, Navi Mumbai – 400 703 Maharashtra, India,
Phone: 0122- 4111 3333 Fax: 022 2788 2946

Dear Shareholders,

Re: Green Initiative in Corporate Governance

The Ministry of Corporate Affairs (“MCA”) has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by companies and has issued circulars (No. 17/2011 dated 21.4.2011 and No.18/2011 dated 29.4.2011) stating that the service of document by a company can be made through electronic mode.

We trust that you would wholeheartedly support this initiative of the MCA in the conservation of paper and promoting a greener environment. By registering yourself with the Company for e-communication, you will be able to receive documents like the notice, including copies of the Balance Sheet, Auditors Report, Directors Report etc. through the electronic mode (subject to the terms and conditions as specified by the Ministry of Corporate Affairs or any Statutory Authority in this regard) and without loss in postal transit.

In furtherance of the above mentioned initiative of the MCA, we propose to send the above mentioned documents in electronic form, to the e-mail address provided by you and made available to us by the Depositories.

In case you desire to receive above mentioned documents in electronic form, please inform us by sending us an e-mail on 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 & on behalf of
Arihant Superstructures Limited**

Sd/-
Ashok B. Chhajer
Chairman & Managing Director

ARIHANT SUPERSTRUCTURES LIMITED

Regd. Office: 302,"Persipolis Building, Plot No. 74, Sector-17, Vashi, Navi Mumbai -400703.

Maharashtra India. Phones: 022 – 41113333 Fax :022-27882946.

Entrance Pass (To be presented at the entrance)

30th Annual General Meeting on 26th September 2013 at 5:00 p.m.

**Four Points by Sheraton Plot No. 39/1, 6 to 15, Sector 30A, Vashi,
Navi Mumbai, Maharashtra, India - 400 701**



FolioNo._____ DPIDNo._____ ClientIDNo._____

Name of Shareholder:_____

No. of Shares held _____

Signature _____

Only shareholders / proxies/representatives are allowed to attend the Meeting.

ARIHANT SUPERSTRUCTURES LIMITED

Regd. Office: 302,"Persipolis Building, Plot No. 74, Sector-17, Vashi, Navi Mumbai -400703.

Maharashtra India. Phones: 022 – 41113333 Fax :022-27882946.

PROXY FORM

I/We _____ of _____ in the district of _____ being a member(s) of the above named Company, hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____ as my/our proxy to attend and vote for me/us and on my/our behalf at the 30th Annual General Meeting of Arihant Superstructures Limited to be held on 26^d September, 2013 and at any adjournment thereof.

FolioNo._____ DPID*_____ Client ID*_____

No. of Shares held _____



Signed this _____ day of _____ , 2013 Signature _____

Affix 15
Paise
Revenue
Stamp

*Applicable for investors holding shares in electronic form.

Notes:

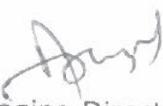
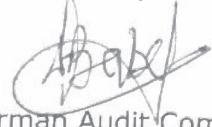
1. The Proxy need not be a member.
2. The form of proxy, duly signed across 15 paisa revenue stamp should reach the Company, not less than 48 hours before the time fixed for the meeting.



**Corporate office: 302, Persipolis Building, Plot No. 74, Sector 17, Vashi, Navi Mumbai • Tel: 022 - 41290290
• Fax: 2788 2946 • E-mail: sales@asl.net.in • www.asl.net.in • SMS "ARIHANT" on 56161 to get quick project details**

Form A

Format of Covering Letter of the Annual Audit Report to be filed with the Stock Exchanges

1.	Name of the Company:	Arihant Superstructures Limited
2.	Annual financial Statements for the year ended	31 st March 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of Observation	Not Applicable
5.	To be signed by-	<ul style="list-style-type: none"> • Managing Director <p>For Arihant Superstructures Ltd  Managing Director</p> <ul style="list-style-type: none"> • Audit Committee Chairman <p>For Arihant Superstructures Ltd  Chairman Audit Committee</p> <ul style="list-style-type: none"> • Auditor of the Company <p>For T N Gala & Associates Chartered Accountants FRN: 102951W  Talakchand N. Gala Proprietor MRN: 41186</p>

