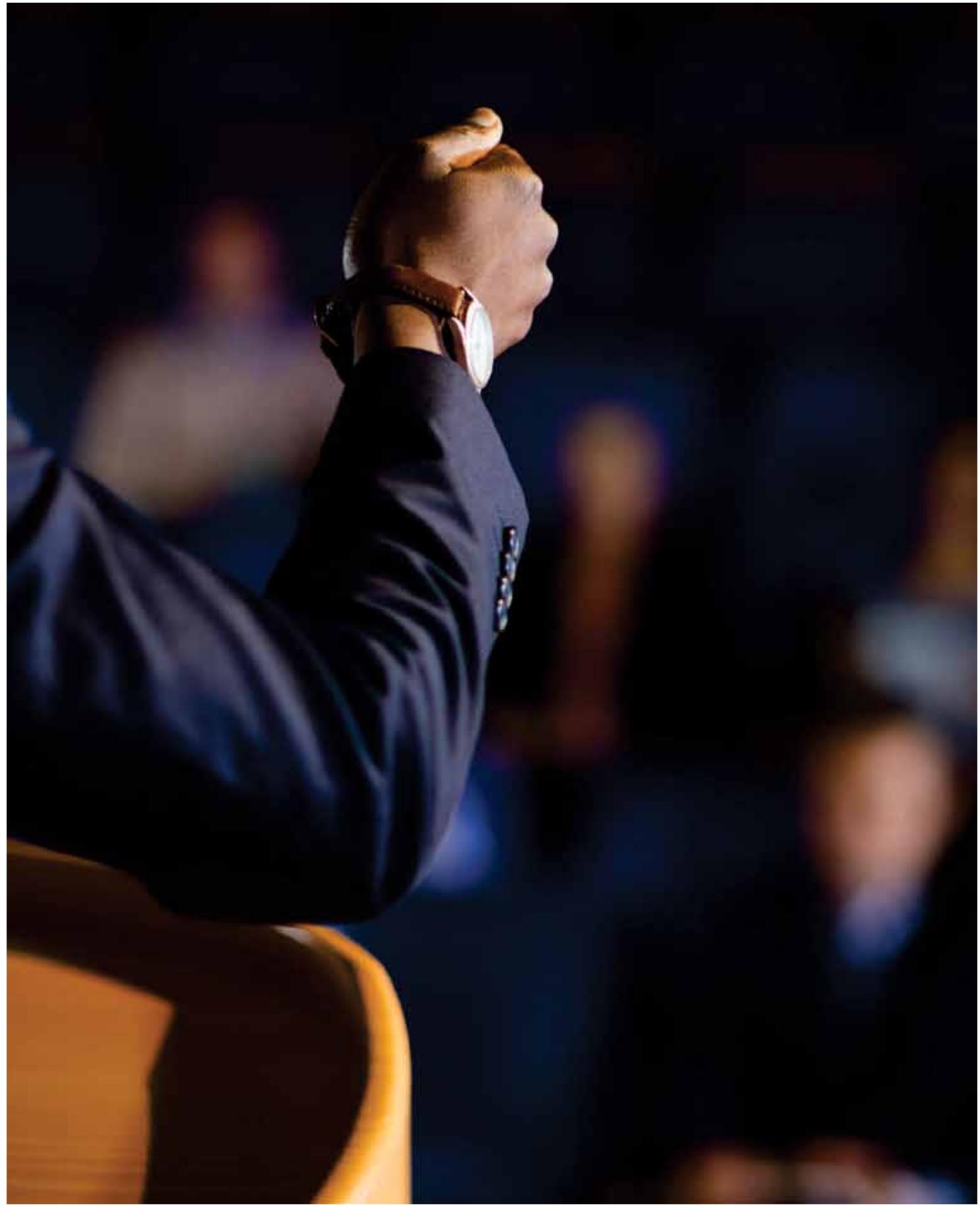


# RECALIBRATE AND REDEFINE



**ARIHANT**  
SUPERSTRUCTURES LTD.  
CONTINUING STABILITY

ANNUAL REPORT 2019 - 2020



# *Chairman's Speech*

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## *Dear Shareholders,*

Financial Year 2019-20 was a difficult year for the Indian Real Estate Industry due to a challenging macro-economic environment. Sales for the sector dropped to historic lows, inputs costs increased due to abolishing of input tax credit, severe liquidity crisis due to NBFC defaults and piling up of inventory due to weak homebuyer sentiments added to the somber mood. However we at Arihant have sold 874 units amounting to INR 3.25 billion worth of Inventory in FY20.

While the end of the year saw significant disruption due to the lockdown at the end of Q4 FY20, I'm happy to share that we, at Arihant are prepping up to revamp our operations across all verticals smoothly while eyeing on strategic growth in a few regions. We see this situation as deferment in demand as we find strong interest in our all projects and we hope that should translate into sales velocity over a period of time from homebuyers once lockdown is lifted over completely and we revert to normal economic activity.

Since inception, we have witnessed many such business cycles and have emerged stronger each time. Our focus remains on normalizing our operations in a timely manner and achieve the same level of activity as was Pre-Covid-19. Our delivery has been consistent over the past years and we have successfully delivered 918 nunits amounting to 7,45,522 Sq. Ft. Resuming construction activity is the key to normalizing operations and generating cash flows as we follow the 'percentage of completion' method.

Going forward, we aim to maintain our position in Navi Mumbai & Jodhpur, Rajasthan. We are quite hopeful on the affordable housing front wherein we have performed extremely well & delivered projects over the past two decades. We are currently looking to acquire smaller projects to the tune of 250-1000 units where we can have Quick Churn and speed-up the development. We are conceptualizing new designs with 'Work from Home' with a proper office area inside the apartment. Post Covid-19, we expect to see a shift of homebuyers from densely populated areas to emerging markets with newer infrastructures & better connectivity whilst providing spacious homes at an affordable price. We have successfully transformed our marketing & sales efforts through digital & social media which is already giving encouraging results.

Our first priority has been to ensure that our workforce is safe. Lots of laborers remained at our construction sites throughout the lockdown, and we provided them meals and sanitized living conditions. For our employees, we've maintained salary levels and bonuses, and avoided any layoffs.

Navi Mumbai – MMR and Jodhpur, Rajasthan will continue to be "PREFERRED CITY" for living as robust INFRASTRUCTURE is getting created which will boost CONNECTIVITY making them great liveable cities.

## *Chairman's Speech*

I would like to draw your attention on the following salient pointers for Arihant :

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

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

**Ashok Chhajer**  
Chairman & Managing Director  
Arihant Superstructures Limited

### REVENUE DRIVERS

- Presence in hot spot regions
- To add more projects in the affordable housing segment.
- DM model to drive revenue.
- To add smaller sized projects in future for Quicker churn
- Events planned throughout the year to boost sales

### BUSINESS DEVELOPMENT

- Acquisition of 2.5 acres of Land complete for launch of Arihant 4Anaika
- Acquisition of 2 acres of Land for Arihant 5Anaika
- Acquisition of 2 acres of Land for a forthcoming project in Taloja

### TOTAL UNITS LAUNCHED – 390 UNITS AMOUNTING TO 284,349 SQ. FT.

- Launch of Arihant 4Anaika – 258 Units (November, 2019)
- Launch of Arihant Aloki – 132 Units (March, 2020)

### TOTAL NET SALES: 874 UNITS AMOUNTING TO INR 3.25 BN.

- MMR/Navi Mumbai: 774 units sold (658,360 sq. ft.)
- Jodhpur: 100 units sold (116,150 sq. ft.)

### TOTAL HOMES DELIVERED: 918

### UNITS EQUIVALENT TO 745,522 SQ. FT.

- Arihant Anshula Phase I: Occupancy Certificate Received
- Arihant Aloki Phase I: Occupancy Certificate Received
- Arihant Arshiya Phase 3: Occupancy Certificate Received
- Arihant Anchal: Part-Occupancy Certificate Received
- Arihant Aangan: Occupancy Certificate Received

### AWARDS

We received the "Developer of the Year, 2019 – Affordable Housing" Award, from Zee Business

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## CONTACT INFORMATION

AS ON AUGUST 01, 2020

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### BOARD OF DIRECTORS

*Ashok Chhajer* - Chairman & Managing Director

*Nimish Shah* - Whole-Time Director

*R.N. Bhardwaj* - Independent Director

*Sangeeta Chhajer* - Woman Director

*Virendra Mital* - Independent Director

*Divya Sameer Momaya* - Woman Independent Director

### CHIEF FINANCIAL OFFICER

*Deepak Lohia*

### INTERNAL AUDITOR

*Anjani Goyal & Co.**Anjani Goyal & Co.*

Shop No.-36, Plot No. 93, Near D-Mart, B-401, B Wing,  
Pritam Park, Koparkhairne, Navi Mumbai-400709 Thakur  
Complex, Kandivali East, Mumbai-400101

### SECRETARIAL AUDITOR

*D. A. Kamat & Co.*

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

### LISTING

*Bombay Stock Exchange Limited*

*National Stock Exchange of India Limited*

### COMPANY SECRETARY & COMPLIANCE OFFICER

*Govind Rao*

### STATUTORY AUDITOR

*Kailash Chand Jain & Co.*

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

### BANKERS

*The Federal Bank Limited*

*ICICI Bank Limited*

*HDFC Bank Limited*

### REGISTRAR & TRANSFER AGENT

*Adroit Corporate Services Pvt.Ltd.*

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

 *A Lifestyle Project*

**ARIHANT CLAN  
AALISHAN**  
— KHARGHAR ANNEXE —

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



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

Artist's Impression

 *A Lifestyle Project*

**ARIHANT  
ASPIRE**

— PALASPE - PANVEL —

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



सच में कुछ बदल रहा है  
**Changing™**  
Lifestyle

BY ARIHANT HOMES

# ARIHANT ALOKI

KARJAT EAST  
NEAR RAILWAY STATION

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



Phase I MahaRERA No. P52000004014

Artist's Impression

ARIHANT SUPERSTRUCTURES LIMITED

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

**ARIHANT  
AAROHI**

KALYAN - SHIL ROAD

STILT+13 STOREY TOWER  
2 & 3 BHK RESIDENCES



Artist's Impression

Phase II MahaRERA No. P51700015328

सब में फैला रहा है  
**Changing™  
Lifestyle**  
BY ARIHANT HOMES

**ARIHANT  
ARSHIYA**

KHOPOLI - NEW TOWN, NEAR IMAGICA

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



Phase II MahaRERA No. P52000002342

Artist's Impression

ARIHANT SUPERSTRUCTURES LIMITED

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

**ARIHANT  
ANMOL**  
BADLAPUR - EAST

STILT+12 STOREY TOWERS  
SPACIOUS 1 & 2 BHK RESIDENCES



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

# ARIHANT ANSHULA

TALOJA PHASE II  
NEAR METRO STATION

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



MahaRERA No. P52000009246

Artist's Impression

ARIHANT SUPERSTRUCTURES LIMITED

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

# ARIHANT **ANAIKA**

TALOJA PHASE II  
NEAR METRO STATION

1, 2 & 3 BHK RESIDENCES



Artist's Impression

Phase I MahaRERA No. P52000001869

सब में कुछ बदल रहा है

Changing  
Lifestyle

BY ARIHANT HOMES

ARIHANT  
**AMISHA**  
TALOJA  
NEAR PANVEL

STILT+4 STOREY BUILDING  
SPACIOUS 1 & 2 BHK RESIDENCES



Phase I MahaRERA No. P52000008203

Artist's Impression

ARIHANT SUPERSTRUCTURES LIMITED

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

# ARIHANT ADITA

JODHPUR  
NEAR DPS CIRCLE

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

ACTUAL PHOTOGRAPH

साथ में कुछ बदल रहा है

Changing™  
Lifestyle

BY ARIHANT HOMES

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

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



Artist's Impression

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

**ARIHANT  
ANCHAL**  
JODHPUR  
NEAR DALI BAI CIRCLE

G+7 STOREY TOWERS  
SPACIOUS 2 BHK RESIDENCES



Artist's Impression

RAJRERA NO. RAJ/P/2017/322

## Recalibrate and Redefine

The year 2020 is unprecedented. The optimism that prevailed during the second half of 2019 was marred by COVID-19 pandemic. Most of the business segments were caught off guard. Real estate is no exception. The plans that real estate stakeholders drafted as part of the revival strategy turned futile overnight. Post-February 2020, every passing day has been throwing up newer challenges.

Rating agencies revised growth outlook periodically during the first few months of 2020 in line with the fast-changing scenarios. As per CRISIL India, GDP would see a minus five growth in the fiscal year 2021. This, according to CRISIL, is India's fourth recession since Independence, first since liberalisation and, perhaps, the worst to date. In the past 69 years, India witnessed recession in fiscals 1958, 1966 and 1980. However, this time the country is believed to have less insulation to the current recession.

COVID-19 dealt a heavy blow to real estate as this segment was already grappling with challenges such as inventory overhang, liquidity issues (NBFC crisis), subdued demand and spiraling costs. The impact was clearly visible with home sales plummeting in the sector overall. According to Knight Frank report, homes sales declined by 54% on a year-on-year basis in the first half of the calendar year 2020. New home launches, too, showed a decline of 46% in the same period.

The crippling disruption in demand, however, is unveiling a significant opportunity for both the developers and the buyers. For first-time home buyers, there is a certain degree of hope towards cost reduction and the time to choose a property according to specific needs. The buyer is in a position to take advantage of the lowest interest rates at this point.

As per the Indian Brand Equity Foundation, the real estate sector in India is expected to grow to US\$ 9.30 billion from US\$ 1.72 billion in 2019. Real estate sector in India is expected to reach a market size of US\$ 1 trillion by 2030 from US\$ 120 billion in 2017 and contribute 13 per cent to the country's GDP by 2025.

### A Paradigm shift in housing

In the past few years, what the real estate market witnessed was a mismatch in supply and demand. To elaborate, though there was demand, the price remained high, which made it unaffordable for consumers. Secondly, the available properties were not matching their preferences. This resulted in piling up of inventories. The developers were holding on to the price levels intending to recover the high construction costs, as well as the interest costs build up, which resulted in a slowdown in the real estate market.

However, in 2019 there were green shoots visible with the advent of RERA. This spurred industry consolidation, improved transparency between the developer and buyer, and a drop in interest rates.

Government initiatives such as 'Affordable Housing' and 'House for All' along with smart city projects accelerated the momentum for developers.

In July 2020, under the Special Window for Affordable and Mid Income Housing (SWAMIH), the government-sanctioned Rs 8,767 crore for 81 stressed residential projects. This fund will enable the completion of almost 60,000 homes spread across a mix of markets, including large cities in India.

The government has sanctioned 1.2 crore houses under the Pradhan Mantri Awas Yojana (Urban).

The government has also taken supportive steps to revive the real estate segment with initiatives such as Alternative Investment Funds (AIF). To revive the stalled housing projects in the country, the government approved the setting up of Rs 25,000 crore AIF.

Another initiative taken by the government created Affordable Housing Fund (AHF) in National Housing Bank (NHB) with an initial corpus of Rs 10,000 crore using priority sector lending shortfall of banks/financial institutions for micro-financing of the HFCs.

The market regulator, SEBI, has approved the Real Estate Investment Trust (REIT) platform to invest in the Indian real estate market. It would create an opportunity worth Rs 1.25 trillion in the coming years.

### **Best time to buy?**

In India, there is still a wide gap when it comes to the basic need for ‘housing’. It is a fact that the country will continue to see higher demand in the housing segment, especially in the affordable category. ‘House for All’, or the PMAY segment, will see more traction in the coming years. If you go by the past available data, it is indicated the country has housing shortage to the tune of 25 million units.

The affordable housing segment, which gained significant traction over the last few years, may also take a hit by COVID-19, though to a lesser extent. The outbreak will affect part of the affordable housing’s target audience. With limited income and unemployment fears, some buyers of affordable housing may defer purchase decisions, leading to an estimated 1-2% rise in unsold stock within this segment in 2020.

The pandemic and the lockdown however, has triggered the necessity of owning a house. Those who are living in rented accommodation have now realised the need for buying a property. Owning a property gives the required safe and secure feeling in such cases. However, the uncertainty over pay cuts and job losses might delay the decision for some.

For many of the first-time home buyers, according to real estate analysts, this is the best time to take the plunge. The current market is going to be the buyer’s market. The reasons are price correction, better options at a lower price, plenty of offers from the developers and the existing low interest rates. Price correction may not be that large as, according to experts, it had already hit the bottom in the past few years. Especially in the affordable housing segment, the prices are equivalent to value of land + cost of construction + a reasonable return to the developer, thus leaving hardly any scope for major correction. The said price correction in India could be in the range of 7-12%. However, there could be pockets where one would see significant price dips, for instance, slow-moving luxury inventories.

The best part is that owning a property, in the Indian psyche, is considered the best and tangible investment in addition to the security it provides.

According to a survey conducted by ANAROCK, 68 per cent of consumers (first-time buyers) have decided to buy houses.

### **Does one have to live in the city?**

‘Work From Home’ (WFH) will continue to be part of the new world order. The pandemic has forced people to rethink about the necessity of choosing to live in crowded cities. A less crowded, environmentally-friendly residential area is climbing up the priority graph now. This offers a massive opportunity for developers in such locations. In other words, the demand for housing options in the peripherals of the cities would increase considerably as commuting feasibility has moved down on the priority charts.

Technology has enabled the essential infrastructure for working from home. Smart city initiative by the government would accelerate this, and would result in a spike in demand for gated community living spaces. As per ANAROCK survey, 48% of the people are having a rethink on buying a property in the city, and are looking for options of a less crowded living space because of WFH.

Infrastructure and connectivity, both in terms of road and the Internet, have improved in the past few years. This is an enabler for consumers to move to distant locations in the new normal.

Along with the gated community, eventually, there will be a spike in sustainable living community spaces. Green living space has already been factored in the demand list of most of the consumers. The young generation or the majority of the buyers is looking for sustainability as part of their lifestyle. Sustainability in terms of water, power, environment are the three major factors. Thanks to the increasing awareness about protection of the environment, and drawing resources without impacting the environment is increasingly becoming acceptable.

Green technology is something the developers/builders, as well as home buyers have been supporting in the recent past. The developers have been adaptive and continue to procure eco-friendly raw materials. Remember, smart homes are the way forward which is a sustainable model.

## Consumer preferences

The pandemic has recalibrated housing demands. With WFH becoming the essential ingredient of the new normal, consumers are looking for ‘utility convertible spaces’ as part of the housing. It means space that can be used as a working space while opting to work from home. In simple words, buyers are looking for a property that gives them the extra space that can be used for office work or properties with more bedrooms.

In the redefined housing needs, the utility space (office space) can be part of the home, in urban and semi-urban areas it could be part of the common area facility in housing societies, or it can be part of the community neighbourhood.

Millennials have redefined their preferences when it comes to buying a house. Co-living spaces were on top of the chart for these buyers in comparison to the rented space. According to the Knight Frank report, “In India, the co-living concept is gaining widespread acceptance, and though the concept is novel, it’s here to stay. This trend is giving impetus to an organised rental market in cities such as Bengaluru, NCR and Pune in the same way as co-working spaces did for shared office space.” Of late, the luxury second homes have become the first homes for many of these millennial in the pandemic environment.

Co-working spaces that have been on the rise for the last few years would continue to see demand as the working space is not too far from the residential areas. However, commercial office space may see a dip in demand, and this could result in spiralling of utility space demand.

## Technology reshapes real estate

Smart cities and sustainable cities are two new segments that are likely to grow faster. Innovation or use of smart tech in construction would also play a vital role in the near future. Adaptation of technology and integration of artificial intelligence (AI) will bring in more efficiency in construction. Data collection and machine learning will enable the segment to enhance flexibility and efficiency.

Data analysis will come in handy for developers to enhance construction quality, identify reasons for the delay, and timely completion of projects, thus reduction in costs.

Smart homes have been on top of priorities for many of the consumers because of the enhanced security measures. This space, analysts say, would naturally see a rise in demand. Smart homes will continue to be the choice of customers. According to the latest reports, the Indian smart home market is currently valued at about US\$ 893 million and is expected to grow by leaps and bounds in the next five years.

## Rental Market

The pandemic also triggered reverse migration. As workers are forced to operate from home, the demand for rented space, both in commercial and residential, is taking a hit. This trend is likely to continue in short- and medium-term. However, analysts are still advocating investments in real estate as an investment option. This clearly shows that the rental space would yield returns in the long run.

Housing for students is another category which will continue to see an increase in demand. Global institutions in countries across the world are still far from conducting online educational courses completely. Which means the demand for rental space for students would continue.

## Luxury housing

While all traditional segments are undergoing revamp and recalibration, the luxury segment is expected to witness a shift that would include a holistic and elevated living experience, more in line with sustainable living that the developers are expected to incorporate.

A large number of buyers use luxury homes as a weekend getaway or a second home option away from the hustle and bustle of the city. These homes are becoming the first homes in the new normal. Along with the gated community development opportunity, this segment, too, is expected to see a sizeable increase in demand.

### **Moving forward**

Introduction of the regulatory framework in the real estate segment was a massive boost for the industry. This has helped correct the trust deficit between the buyers and the developers. While the reforms will redefine the segment, the steps taken by the government from time to time will eventually bring back consumer confidence.

In the redefined scenario, the residential segment would revolve around first-time buyers. The demand for large space, gated community options and utility convertible housing would see real estate developing infrastructure opportunities for IT/ITeS players.

The key driver would be ‘Housing for All’, or affordable housing. Till 2019 semi-urban cities, such as Pune, Chennai, Hyderabad, and Bangalore saw a steady rise in housing demand. However, the affordable housing segment will be the growth driver in secondary markets, such as Kolhapur, Coimbatore, Goa etc.

### **Arihant creates value**

The journey now on would clearly depend on the adaptation of technology and innovation. Arihant, which had a modest beginning in New Mumbai always believed in adapting newer technologies to deliver the best to the customer. Easy adaption and new ideas have taken Arihant brand as one of the most trusted developers in Mumbai (MMR region), Jodhpur. The number of ongoing projects in both these areas is a reflection of the trust the brand gained over the years.

Every project of Arihant carry the signature theme of our company, a house that is affordable, livable and guarantees the safety of a home.

**TABLE OF CONTENT**

S. No.	Particulars	Page No.
1	Notice	1-17
2	Report of the Directors	18-30
3	Annexures to the Report of the Directors	
	Details of related Party Transactions (AOC-2)	31
	Annual CSR Report	32-35
	Extract of Annual Return (MGT-9)	36-46
	Secretarial Audit Report	47-49
	Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo	50-51
	Corporate Governance Report	52-71
	Management Discussion and Analysis	72-77
	Management Discussion on Risks and Concerns	78-81
4	Independent Auditor's Report to the shareholders along with the Financial Statements	82-159

## NOTICE TO THE SHAREHOLDERS

**NOTICE** is hereby given that the **Thirty Seventh (37<sup>th</sup>) Annual General Meeting** of Arihant Superstructures Limited ('the Company') will be held through **Video Conferencing ("VC") or Other Audio Visual Means ("OAVM")**, on **Friday, September 11, 2020 at 11:00 AM IST** to transact the following business:

### **ORDINARY BUSINESS:**

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

To receive, consider and adopt the Audited Financial Statements (Stand-alone and Consolidated) of the Company for the Financial Year ended March 31, 2020, and the Reports of Directors ('the Board') and Auditors thereon.

### **SPECIAL BUSINESS**

#### **Item No. 02: Re-appointment of Mr. Nimish Shah (DIN: 03036904), as a Whole-time Executive Director, liable to retire by rotation and to fix his remuneration**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to the approval of Central Government, if necessary, and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions, and pursuant to the approval of the Nomination and Remuneration Committee and the Audit Committee, the approval of the Company be and is hereby accorded for the appointment of **Mr. Nimish Shah (DIN: 03036904)**, (hereinafter referred to as "the appointee") as a Whole-time Executive Director liable to retire by rotation with effect from April 13, 2020 for a period of 5 years on such terms and conditions as stated herein.

**FURTHER RESOLVED THAT** in pursuance to the provisions of Section 197, 198 and Schedule V of the Act the remuneration of Mr. Nimish Shah (DIN: 03036904), Whole-time Executive Director of the Company shall be Rs. 54,20,000/- (Rupees Fifty Four Lakhs Twenty Thousand only) per annum for a period of one year with effect from April 13, 2020 with the power to the Board of Directors to alter, revise and modify the same, within the limits specified under the provisions of the Act.

**FURTHER RESOLVED THAT**, in the event of loss or inadequacy of profits to pay the minimum remuneration payable to the appointee shall be within the limits stated in this resolution, read with the provisions of Section 198 and Part II to Schedule V to the Companies Act, 2013.

**FURTHER RESOLVED THAT** the approval of the Company be accorded to the Board of Directors (hereinafter referred to as 'Board' which term shall be deemed to include any duly constituted Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) to revise the salary, commission, benefits and perquisites payable to the appointee, not exceeding the limits laid out under the provisions of Section 197 of the Act, including any statutory modification(s) of re-enactment thereof."

#### **Item No. 03: Appointment of Mrs. Divya Sameer Momaya (DIN: 00365757) as an Independent Woman Director of the Company:**

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

**"RESOLVED THAT**, pursuant to the provisions of Section 149, 150, 152, read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and pursuant to the recommendation of the Nomination and Remuneration Committee, the consent of the Company be and is hereby accorded for the appointment of **Mrs. Divya Sameer Momaya (DIN: 00365757)**, as an Independent Director of the Company with effect from June 16, 2020 to hold office for a period of 5 (Five) consecutive years commencing from June 16, 2020 till June 15, 2025."

**Item No. 04: Appointment of Mrs. Sangeeta Chhajer (DIN: 01965110), as an Executive Director, liable to retire by rotation and to fix her remuneration:**

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

**“RESOLVED THAT**, pursuant to the provisions of Section 149, 152, 164,197,198 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, and pursuant to the recommendation of the Nomination and Remuneration Committee, the consent of the Company be and is hereby accorded for the appointment of **Mrs. Sangeeta Chhajer (DIN: 01965110)**, (hereinafter referred to as “the Appointee”) as an Executive Director, liable to retire by rotation with effect from February 12, 2020 for a period of 5 (Five) years on terms and conditions as stated herein.

**FURTHER RESOLVED THAT** in pursuance to the provisions of Section 197, 198 and Schedule V of the Act the remuneration of Mrs. Sangeeta Chhajer (DIN: 01965110), Executive Director of the Company shall be Rs. 24,00,000/- (Rupees Twenty-Four Lakhs only) per annum with the power to the Board of Directors to alter, revise and modify the same, within the limits specified under the provisions of the Act.

**FURTHER RESOLVED THAT**, in the event of loss or inadequacy of profits to pay the remuneration, the minimum remuneration payable to the appointee shall be within the limits stated in this resolution, read with the provisions of Section 198 and Part II to Schedule V to the Companies Act, 2013.

**FURTHER RESOLVED THAT** the approval of the Company be accorded to the Board of Directors (hereinafter referred to as ‘Board’ which term shall be deemed to include any duly constituted Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) to revise the salary, commission, benefits and perquisites payable to the appointee, not exceeding the limits laid out under the provisions of Section 197 of the Act, including any statutory modification(s) of re-enactment thereof.”

**Item No. 05: To discuss and consider the matter of Raising Funds through issue of Securities:**

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

**“RESOLVED THAT** pursuant to Sections 23,42, 62 and 71 and other applicable provisions, if any, of the Companies Act, 2013, if any; and the rules framed thereunder, including any amendment thereto or statutory modification(s) or re-enactment(s) thereof for the time being in force (“Companies Act, 2013”), the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (“SEBI Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the provisions of the Foreign Exchange Management Act, 1999, Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993(“FEMA Regulations”) or the Depository Receipt Scheme, 2014 as amended from time to time and such other statutes, notifications, clarifications, circulars, rules and regulations as may be applicable and relevant, as amended from time to time, issued by the Government of India (“GOI”), the Reserve Bank of India (“RBI”), Real Estate Regulatory Authority (“RERA”), the Securities and Exchange Board of India (“SEBI”), the stock exchanges where the Equity Shares of the Company are listed (“Stock Exchanges”) and any other appropriate authorities, institutions or bodies, as may be applicable and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into by the Company with each of the Stock Exchanges, and subject to such approvals, consents, permissions and sanctions, if any, of the GOI, RBI, RERA, SEBI, Stock Exchanges and any other appropriate authorities, institutions or bodies, as may be necessary and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission, and/or sanction, which may be agreed/ accepted by the Board of Directors (hereinafter referred to as the “Board” which shall be deemed to include any committee thereof, constituted or to be constituted to exercise its powers conferred by this resolution), consent of the shareholders be and is hereby accorded to the Board in its absolute discretion, to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including employees of the Company as may be permitted), with or without a green shoe option, either in India or in the course of international offering(s) in one or more foreign markets, such number of Equity Shares, Global Depository Receipts (“GDRs”), American depository receipts (“ADRs”), foreign currency convertible

bonds (“FCCBs”), non-convertible debentures with or without warrants, preference shares convertible into Equity Shares, other financial instruments convertible into Equity Shares (including warrants or otherwise, in registered form), any security convertible into Equity Shares with or without voting/special rights, securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares, including the issue and allotment of Equity Shares pursuant to a green shoe option, if any (all of which are hereinafter collectively referred to as “Securities”) or any combination of Securities, up to **Rs. 300 Crores (Rupees Three Hundred Crores only)** or equivalent thereof in one or more foreign currencies and/or Indian rupees, inclusive of such premium as may be fixed on such Securities by offering the Securities in one or more countries through public issue(s) of prospectus, private placement(s) and Qualified Institutions Placement (“QIP”) follow on offer or a combination thereof at such time or times, at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest, etc., in one or more tranches, whether Indian rupee denominated or denominated in foreign currency, to residents and/or non-residents and/or Indian and / or multilateral financial institutions/banks and/or incorporated bodies and/or individuals and/or trustees and/or stabilizing agent or otherwise, Qualified Institutional Buyers as defined under the SEBI Regulations (“QIBs”), qualified foreign investors, Foreign Institutional Investors (“FIIs”), Foreign Portfolio Investors (“FPIs”), Foreign Corporate Bodies (FCBs)/Companies/Mutual Funds/Pension Funds/Venture Capital Funds/Banks, alternative investment funds, insurance companies, to all or any other category of investors who are authorized to invest in the Securities of the Bank as per extant regulations/guidelines or any combination of the above as may be deemed appropriate by the Board in its absolute discretion and whether shareholders of the Company or not as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) either in foreign currency or equivalent Indian Rupees inclusive of such premium as may be determined by the Board, in any convertible foreign currency, as the Board at its absolute discretion may deem fit and appropriate, and as may be permitted under applicable law from time to time.

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

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

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

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

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

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

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

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

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

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

**Item No. 06: To approve the proposed Material Related Party Transactions for the Year 2020-21:**

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

**“RESOLVED THAT**, pursuant to the Regulation 2(zc) and 23(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof and any rules thereunder for the time being in force), and subject to such other approvals, sanctions, consents and permissions as may be deemed necessary and pursuant to the approval of the Audit Committee, the consent of the Shareholders be and is hereby accorded to Board of Directors of the Company for the Material Related Party Transactions proposed to be entered in the Financial year 2020-21 as per details as set out under Item no. 6 of the Explanatory Statement annexed to this Notice with Related Parties as defined under various provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and other regulations applicable to the Company.

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

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

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

**Place: Navi Mumbai**

**Date: August 04<sup>th</sup>, 2020**

**Registered Office:**

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

**NOTES:**

In view of the outbreak of the COVID-19 pandemic, Ministry of Corporate Affairs has vide Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM. National Securities Depositories Limited ('NSDL') will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained at **Note No. 18** below and is also available on the website of the Company at [www.asl.net.in](http://www.asl.net.in) .

2. The Explanatory Statement in pursuance to the provisions of Section 102 of the Companies Act, 2013, towards the Special Business proposed to be undertaken in the Annual General Meeting is attached to this Notice.
3. In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Secretarial Standard on General Meetings, the details and information of all Directors seeking appointment/ re-appointment is attached to this Notice.
4. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

The Registered office of the meeting shall be considered to be the venue for the AGM for the purpose of compliance of the regulation.

5. The Company’s Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is Adroit Corporate Services Pvt. Ltd. (hereinafter referred to as “Company’s Registrar and Transfer Agent”) 19, Jaferbhoy Industrial Estate, 1<sup>st</sup> Floor, Makwana Road, Marol Naka, Andheri (East), Mumbai – 400 059.
6. The Register of Members and Share Transfer Books (“hereinafter referred to as Book Closure”) of the Company will be closed, 05th September, 2020 to 11th September, 2020 (both days inclusive) for the purpose of holding Annual General Meeting and for determining the names of the Members eligible to attend the Annual General Meeting.
7. In accordance with, the General Circular No. 20/2020 dated May 5, 2020 issued by MCA and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by SEBI, the financial statements including Report of Board of Directors, Auditor’s report or other documents required to be attached therewith and the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depositories/Depository Participant(s).

8. Members holding Shares in Dematerialized form are requested to intimate all changes pertaining to their Bank details such as Bank account number, name of the Bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agent, to provide efficient and better services. Members holding Shares in Physical form are requested to intimate such changes to Company's Registrars and Transfer Agent.
9. Members holding Shares in Physical form are requested to consider converting their holdings to Dematerialized form to eliminate all risks associated with Physical Shares and for ease of Portfolio Management. Members can contact the Company or Company's Registrars and Transfer Agent for assistance in this regard.
10. Members holding Shares in Physical form, in identical order of names, in more than one folio are requested to send to the Company or Company's Registrars and Transfer Agent the details of such folios together with the Share Certificates for consolidating their holdings in one folio. A consolidated Share Certificate will be issued to such Members after making requisite changes.
11. In case of joint holders attending the Annual General Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
12. Members seeking any information with regard to the accounts are requested to write to the Company at an early date (i.e. not later than 7 days before Annual General Meeting), so as to enable the Management to keep the information ready at the Annual General Meeting.
13. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays and Sundays, between 11:00 a.m. to 1:00 p.m. upto the date of the Annual General Meeting.
14. As per the provisions of Section 72 of the Companies Act, 2013 the facility for making Nomination is available for the Members in respect of the Shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website [www.asl.net.in](http://www.asl.net.in)(under 'Investors' Relation Section). Members holding Shares in Physical form may submit the same to Company's Registrars and Transfer Agent. Members holding Shares in electronic form may submit the same to their respective Depository Participant.
15. Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund (IEPF):

Pursuant to Sections 123, 124 and 125 of the Companies Act, 2013 and other applicable provisions, if any, of the Act, all unclaimed / unpaid Dividend, Application money, Debenture interest and interest on Deposits as well as the principal amount of Debentures and Deposits, as applicable, remaining unclaimed / unpaid for a period of Seven Years from the date they became due for payment, in relation to the Company, Arihant Superstructures Ltd. have been transferred to the IEPF established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred prior to March 31, 2020, nor shall any payment be made in respect of such claims. Members who have not yet encashed their Dividend Warrant(s) pertaining to the Final Dividend for the Financial Year 2012-13 and onwards are requested to make their claims without any delay to Company's Registrars and Transfer Agent. Pursuant to the provisions of IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company under the 'Investors' Relation Section as also on website of the Ministry of Corporate Affairs.

The Company is under process to transfer an amount of Rs. 2249.80 for the Financial Year 2011-12, being unclaimed/ unpaid Dividend as on August 1, 2020 to IEPF under Section 124(5) read with Section 125(1) of Companies Act, 2013.

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

<b>Financial Year</b>	<b>Date of declaration of Dividend</b>	<b>Last Date for claiming unpaid/unclaimed Dividend</b>
2012-13	September 26, 2013	September 25, 2020
2013-14	September 25 2014	September 24, 2021
2014-15	September 25, 2015	September 24, 2022
2015-16	September 20, 2016	September 19, 2023
2016-17	September 30, 2017	September 29, 2024
2017-18	September 28, 2018	September 27, 2025
2018-19	September 26, 2019	September 25, 2026

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

16. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.
17. The Notice of AGM along with Annual Report for the financial year 2019-20, is available on the website of the Company at [www.asl.net.in](http://www.asl.net.in), on the website of Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

#### **PROCEDURE FOR JOINING THE AGM THROUGH VC / OAVM:**

18. The Members will be able to attend the AGM through VC / OAVM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company's AGM. The link for VC / OAVM will be available in Members login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
19. The facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis. The link shall be blocked 15 Minutes after Commencement of the AGM.
20. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or use Toll free no.: 1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) or at telephone number 022-24994360.
21. Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
22. The Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

#### **PROCEDURE TO RAISE QUESTIONS DURING ANNUAL GENERAL MEETING:**

23. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [cs@asl.net.in](mailto:cs@asl.net.in) from Friday, September 4, 2020 to Wednesday, September 9, 2020. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

#### **PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM:**

24. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice.

#### **18. REMOTE E-VOTING INSTRUCTIONS FOR ANNUAL GENERAL MEETING:**

- i. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the Annual General Meeting.

- ii. The Board of Directors has appointed CS Rachana Shanbhag, (Membership No. F8227), M/s. RHS & Associates, Practicing Company Secretaries, Mumbai as the Scrutinizers to scrutinize the voting at the Annual General Meeting and remote e-voting.
- iii. The Members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- iv. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.

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

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

- Step 1: Log-in to NSDL E-voting system at <https://www.evoting.nsdl.com/>
- Step 2: Cast your vote electronically on NSDL E-voting system.

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

- a. Visit the E-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- b. Once the home page of E-voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
- c. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
- d. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on E-voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- e. Your User ID details are given below :

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

- f. Your password details are given below:
  - i. If you are already registered for E-voting, then you can use your existing password to login and cast your vote.
  - ii. If you are using NSDL E-voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- iii. **How to retrieve your ‘Initial password’:**
  - If your email ID is registered in your DEMAT Account or with the Company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8digit client ID for NSDL account, last 8 digits of Client ID for CDSL account or folio number for Shares held in Physical Form. The .pdf file contains your ‘User ID’ and your ‘Initial password’.

- If your email ID is not registered, your ‘Initial password’ is communicated to you on your Postal address.
- g. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - i. Click on “Forgot User Details/Password” (If you are holding shares in your DEMAT Account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - ii. Physical User Reset Password” (If you are holding Shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - iii. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your DEMAT Account Number/Folio Number, your PAN, your name and your registered address.
- h. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
  - i. Now, you will have to click on “Login” button.
- j. After you click on the “Login” button, Home page of e-Voting will open.

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

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

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

The instructions for Members for e-voting on the day of the AGM are as under:

- (a) The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- (b) Only those Members, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
- (c) Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- (d) For details of the person who may be contacted for any assistance connected with the facility for e-voting on the day of the AGM, please refer Note No. 23 above.

#### 23. General Guidelines for Shareholders:

Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly Authorized Signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [shanbhagrchana1@gmail.com](mailto:shanbhagrchana1@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

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

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

#### 24. Other Instructions

- i. The e-voting period commences on **Monday, September 7, 2020 (9:00 AM IST)** till **Thursday, September, 10, 2020 (5:00 PM IST)**. During this period, Members holding Shares either in Physical form or in Dematerialized form, as on the cut-off date i.e. **September 4, 2020**, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
- ii. The voting rights of Members shall be in proportion to their Shares in the Paid-up Equity Share Capital of the Company as on the cut-off date i.e. **September 4, 2020**. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, as well as voting at the Meeting through polling paper.
- iii. Any person, who acquires Shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding Shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting vote. If you forget your password, you can reset your password by using “Forgot User Details / Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- iv. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses who are not in the employment of the Company and make, not later than three days of conclusion of the Meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the result of the voting forthwith.
- v. The result declared along with the Scrutinizer’s Report shall be placed on the Company’s website viz. [www.asl.net.in](http://www.asl.net.in) and on the website of NSDL viz. [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited, Mumbai where the Shares of the Company are listed.

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

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

**Place: Navi Mumbai  
Date: August 04<sup>th</sup>, 2020**

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

## **EXPLANATORY STATEMENT TO THE ANNUAL GENERAL MEETING NOTICE**

**(Under Section 102 of Companies Act, 2013)**

**Item No. 02:**

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

Accordingly, the Nomination and Remuneration Committee has reviewed and recommended the reappointment of Mr. Nimish Shah as a Whole-time Executive Director of the Company, liable to retire by rotation, for the period of 5 years with effect from April 13, 2020 on the terms and conditions and remuneration as stated herein. The Company has received a Notice U/s 160 of the Companies Act, 2013 proposing the appointment of Mr. Nimish Shah. Further, Mr. Nimish Shah has declared that he is eligible as per Part I to Schedule V of the Act to be appointed as Whole-time Executive Director.

Considering the profile and the scope of work being handled by Mr. Nimish Shah and the prevalent standards in the industry for payment of professional Directors of such experience, the Board, on the recommendation of the Nomination and Remuneration Committee proposes the remuneration of Mr. Nimish Shah at Rs. 54,20,000/- (Rupees Fifty Four Lakhs Twenty Thousand only) for a period of 1 year from April 13, 2020. The said remuneration, if approved would be within the limits set out under Section 197 read with the Schedule V to the Act for the time being in force.

Your Directors recommend passing of the Resolutions at Item No. 02 of the Notice as a Special Resolution.

A draft of the Agreement proposed to be entered into with Mr. Nimish Shah for his appointment will be available for the inspection of the members at the Registered Office of the Company between 11:00 am to 1:00 pm on all working days, except Saturday and Sunday till the date of AGM.

Apart from Mr. Nimish Shah, who would be interested in his appointment and remuneration, none of the other Directors, Key Managerial Personnel (“KMP”) of the Company and relatives of the Directors and KMP are, in any way, concerned or interested, financially or otherwise, in this items of businesses. The statement of additional information required to be disclosed as per Schedule V of the Act is attached at the end of this Explanatory Statement and must be read with the part of this Notice.

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

**Item No. 03:**

The Board of Directors on recommendation of nomination and remuneration committee appointed, pursuant to the provisions of Section 149 and 161(1) of the Act Mrs. Divya Sameer Momaya (DIN: 00365757) as an Additional Woman Director, in the Independent Category of the Company with effect from June 16, 2020.

In terms of the provisions of Section 161(1) of the Act, Mrs. Divya Sameer Momaya would hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mrs. Divya Sameer Momaya for the office of Independent Director of the Company.

Mrs. Divya Sameer Momaya is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as an Independent Director.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an Independent Director on its Board. As per the said Section 149, an Independent Director can hold office for a term up to 5 (five) consecutive years on the Board of a company and she shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mrs. Divya Sameer Momaya that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mrs. Divya Sameer Momaya possesses appropriate skills, experience and knowledge, inter alia, in the field of finance, legal consultancy and stakeholder relations.

In the opinion of the Board, Mrs. Divya Sameer Momaya fulfills the conditions for her appointment as an Independent Director as specified in the Act and the Listing Agreement. Mrs. Divya Sameer Momaya is independent of the management of the Company.

Brief resume of Mrs. Divya Sameer Momaya, nature of her expertise in specific functional areas and names of companies in which she holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the Corporate Governance Report forming part of the Annual Report. Her brief profile is also available on the website of the Company.

Keeping in view her vast expertise and knowledge, it will be in the interest of the Company that Mrs. Divya Sameer Momaya is appointed as an Independent Director.

Copy of the letter for appointment of Mrs. Divya Sameer Momaya as an Independent Director setting out the terms and conditions is available on the website of the Company under the Corporate Governance Section.

This Statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Save and except Mrs. Divya Sameer Momaya and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 03 of the Notice. The Board recommends the Ordinary Resolution set out at Item No. 03 of the Notice for approval by the shareholders.

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

**Item No. 04:**

The Board of Directors on the recommendation of the Nomination and Remuneration Committee had appointed Mrs. Sangeeta Chhajer (DIN:01965110) as an Additional Woman Director on the Board of Directors of the Company in their Meeting held on February 11, 2020. Mrs. Sangeeta Chhajer is a promoter of the Company and holds 60,70,000 (Sixty Lakhs Seventy Thousand Only) equity shares as on the date of this Notice by herself.

The Nomination and Remuneration Committee has reviewed and recommended the appointment of Mrs. Sangeeta Chhajer as an Executive Director of the Company, liable to retire by rotation, for the period of 5 years with effect from February 11, 2020 on the terms and conditions and remuneration as stated herein. The Company has received a Notice U/s 160 of the Companies Act, 2013 proposing the appointment of Mrs. Sangeeta Chhajer as an Executive Director.

Considering the profile and the scope of work to be handled by Mrs. Sangeeta Chhajer and the prevalent standards in the industry for payment of Executive Directors, the Board, on the recommendation of the Nomination and Remuneration Committee proposes the remuneration of Mrs. Sangeeta Chhajer at 24,00,000/- (Rupees Twenty Four Lakhs only). The said remuneration, if approved would be within the limits set out under Section 197 read with the Schedule V to the Act for the time being in force.

Your Directors recommend passing of the Resolutions at Item No. 04 of the Notice as a Special Resolution.

A draft of the Agreement proposed to be entered into with Mrs. Sangeeta Chhajer for her appointment will be available for the inspection of the members at the Registered Office of the Company between 11:00 am to 1:00 pm on all working days, except Saturday and Sunday till the date of AGM.

Apart from Mrs. Sangeeta Chhajer, who would be interested in his appointment and remuneration, and Mr. Ashok B Chhajer, Chairman & Managing Director (by virtue of being her spouse), none of the other Directors, Key Managerial Personnel ("KMP") of the Company and relatives of the Directors and KMP are, in any way, concerned or interested, financially or otherwise, in this items of businesses. The statement of additional information required to be disclosed as per Schedule V of the Act is attached at the end of this Explanatory Statement and must be read with the part of this Notice.

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

### **Item No. 05:**

Pursuant to the Provision of Section 23, 42, 62 and 71 and other applicable provisions of the Companies Act, 2013 and applicable Regulations of Securities and Exchange Board of India and subject to all other concerned authorities approvals, the Company had obtained the consent of the Shareholders in the Annual General Meeting held on 26<sup>th</sup> September, 2020 for raising capital not exceeding Rs. 300 Crores through issue of eligible Securities of the Company to meet the funding requirement and Business objective of the Company.

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

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

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

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

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

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

considering the proposed resolution is an enabling resolution following disclosure are not provided:

- (a) Proposal of promoter/promoter group/Director/KMP to subscribe the offer.
- (b) Identify of natural person who are ultimate beneficial owners of share capital & change in control, if any.

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

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

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

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

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

The Board recommends the resolution for approval of the shareholders as a Special Resolution. None of the Directors and Key Managerial Personnel(s) of the Company or their relatives are directly or indirectly concerned or interested in this Resolution.

**Item No. 06:**

The Company proposes to enter into certain business transactions with its Subsidiary Companies, Directors and Key Managerial Personnel and Entities in which Directors and KMPs / Relatives of Directors and KMPs have significant influence, for Year 2020-21 which are of value exceeding 10% of the Annual Consolidated Turnover of the Company. The details of such transactions are mentioned below:

Sr. No.	Nature of Transactions	Pricing Mechanism	Justification for Arm's Length Price	Maximum Amount of Transactions on group level (In Rs. Crores)	Related Party and Relationship
1	Sale, purchase or supply of goods or materials	Market Price as applicable to 3 <sup>rd</sup> parties	The agreements for sale, purchase or supply shall be at the same rate at which it is provided to unrelated parties	75	Mentioned in Attached Annexure A
2	Selling or otherwise disposing of, or buying of property	Market Price as applicable to 3 <sup>rd</sup> parties	The agreements for sale, purchase or supply shall be at the same rate at which it is provided to unrelated parties	200	Mentioned in Attached Annexure A
3	Leasing of property	Market Price as applicable to 3 <sup>rd</sup> parties	The agreements for leasing shall be at the prevalent market rates	2	Mentioned in Attached Annexure A
4	Availing or rendering of any services	Market Price as applicable to 3 <sup>rd</sup> parties	The agreements for availing or rendering services shall be at the same rate at which it is provided to unrelated parties	200	Mentioned in Attached Annexure A
5	Giving loan, guarantee and security	Not Applicable	Such loans, guarantees and security shall only be provided for the principal business activities of the Company in the Ordinary Course of Business.	500	Only to companies which are subsidiaries or associates. No loan, guarantee or security is proposed for any Director, promoter or individual related thereof
6	Loan and advances given by Director to the Company	Market Price as applicable to 3 <sup>rd</sup> parties	Any loan obtained from a Director shall be accompanied by a declaration stating that the same is not from the borrowed funds of the Director. Further, the rate of interest at which such loan is obtained shall be at par with the interest rates charged by Banks/ Financial Institutions.	300	Mr. Ashok Chhajer, Mrs. Sangeeta Chhajer (Chairman & Managing Director/ Promoter/ KMP)
			Total	1277 Cr	

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

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

**\*Relatives means:**

**1. As per section 2(77) of Companies Act, 2013 “relative” with reference to any person, means anyone who is related to another, if-**

- I. They are members of HUF;
- II. They are husband and wife; or
- III. One person is related to the other in such manner as may be prescribed.

**2. As per Companies (Specification of definitions details) Rules, 2014**

A person shall be deemed to be relative of another, if he or she is related to another in the following manner, namely:-

- I. Father
- II. Mother
- III. Son
- IV. Son's Wife
- V. Daughter
- VI. Daughter's Husband
- VII. Brother
- VIII. Sister

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

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

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

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

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

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

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

**This information forms a part of the Notice and Explanatory Statement for the 37<sup>th</sup> Annual General Meeting:**

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

<b>Name</b>	<b>Mr. Nimish Shah (DIN: 03036904)</b>	<b>Mrs. Sangeeta Chhajer (DIN: 01965110)</b>	<b>Mrs. Divya Sameer Momaya (DIN: 00365757)</b>
<b>Age</b>	<b>45</b>	<b>45</b>	<b>41</b>
<b>Qualification</b>	Mr. Nimish Shah is a B. E. (Civil) from University of Bombay.	Mrs. Sangeeta Chhajer is under graduate.	Ms. Divya Momaya is a qualified Company Secretary.
<b>Experience</b>	Having more than 17 years of experience in construction and related activities. He is actively involved in all the activities of engineering includes detailed Planning and Execution, Project Estimations, Infrastructure and Site organization of the projects. He was Involved in several turnkey projects of Water supply and Sewerage Scheme for Govt. of Maharashtra and successfully commissioned them.	She is the former Director of Material Subsidiaries of Arihant Superstructures Limited i.e. Arihant Aashiyana Private Limited & Arihant Vatika Realty Private Limited. She is having a rich experience nearly a decade in the field of Administration and Banking department. Her versatile portfolio gives her the extra niche over her contemporaries as her Dynamic profile covers all spectrums.	Ms. Divya Momaya is a young and dynamic Company Secretary and the founder of D S Momaya & Co. Practicing Company Secretary Firm with nearly 16 Years of experience and has been into whole time Company Secretarial Practice for more than 12 years. She was IPO team member of Bombay Stock Exchange.  She is also founder of MMB ADVISORS PRIVATE LIMITED where she trains and groom Independent Directors, Women Directors, Executive Directors and making Directors Board Ready.
<b>No. of Shares held</b>	<b>NIL</b>	<b>60,70,000</b>	<b>NIL</b>
<b>Terms &amp; Conditions</b>	The appointment of Mr. Shah was approved by the Shareholders in the AGM held on September 25 2015 for a period of Five Years as Whole-Time Executive Director of the Company. He is liable to retire by rotation.  His remuneration is subject to approval on an annual basis.	Term of 5 years, subject to retirement by rotation.	As per the Appointment Letter dated June 19, 2020.
<b>Remuneration Last Drawn</b>	<b>54,20,000 P.A.</b>	<b>24,00,000 P.A.</b>	<b>-</b>
<b>Remuneration sought to be paid</b>	<b>54,20,000 P.A.</b>	<b>24,00,000 P.A.</b>	<b>-</b>

Name	Mr. Nimish Shah (DIN: 03036904)	Mrs. Sangeeta Chhajer (DIN: 01965110)	Mrs. Divya Sameer Momaya (DIN: 00365757)
Number of Board Meetings attended during the Financial Year 2019-20	4	1	-
First Date of Appointment	April 13, 2010	February 11, 2020	June 16, 2020
Date of Appointment in current terms	April 13, 2020	February 11, 2020	June 16, 2020
Relationship with other Directors/ Manager/ Key Managerial Personnel	NIL	Spouse of Mr. Ashokkumar Bhanwarlal Chhajer (DIN: 01965094), Chairman & Managing Director of the Company. She is also a Promoter of the Company.	NIL
Directorships held in other Companies in India	NIL	1. ARIHANT PARADISE REALTY PRIVATE LIMITED. 2. ARIHANT DWELLCONS PRIVATE LIMITED	1. MOTILAL OSWAL FINANCIAL SERVICES LIMITED. 2. MMB ADVISORS PRIVATE LIMITED
Membership on the Committee Board of other Companies	NIL	NIL	NIL

## DIRECTORS REPORT

Dear Members,

The Board of Directors are pleased to present the Annual Report of your Company; Arihant Superstructures Limited (the “Company” or “ASL”) along with the Audited (Stand-alone and Consolidated) Financial Statements for the Financial Year ended March 31, 2020.

### **FINANCIAL PERFORMANCE**

The financial performance of the Company for the Financial Year ending on March 31, 2020 is summarised as below:

(Rs. in lakhs)

Particulars	Standalone		Consolidated	
	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19
Sales and Other Income	6119.47	7062.21	23762.19	24284.48
Profit before Interest, Depreciation & Tax	(143.30)	232.37	1557.95	2272.60
Interest	-	-	-	-
Depreciation	-	-	-	-
Profit/ (Loss) before Tax	(143.30)	232.37	1557.95	2272.60
Provision for Tax	(1.76)	(10.16)	452.78	439.68
Profit/ (Loss) after Tax	(141.54)	242.53	1105.17	1832.97
Profit/(Loss) for the Year	(141.54)	242.53	1105.17	1832.97
Add: Balance of Profit and Loss Account	-	-	-	-
Share of Minority	-	-	-	-
Profit carried to the Balance Sheet	(141.54)	242.53	1105.17	1832.97

The Financial Statements have been prepared on accrual basis in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and the provisions of the Companies Act, 2013.

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

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

### **COMPANY PERFORMANCE OVERVIEW**

During the year under review, the revenue from operations of the company, decreased from Rs. 24284.48 (Twenty Four Thousand Two Hundred & Eighty Four Only) in FY 2018-19 to Rs. 23762.19 Lakhs (Rupees Twenty Three Thousand Seven Hundred Sixty Two Lakhs only) in FY 2019-20 on a consolidated basis. The revenue from operations on a stand-alone basis, reduced from Rs. 7062.21 Lakhs to 6119.47 Lakhs in FY 2019-20.

The profit after tax for the FY 2019-20 on a stand-alone basis was 242.53 Lakhs as against the profit after tax (141.54) Lakhs for FY 2018-19. The profit after tax for the FY 2019-20 on a consolidated basis was Rs. 1105.17 Lakhs as against the profit after tax of 1832.97 Lakhs for FY 2018-19. The increase in the consolidated profit after tax for FY 2019-20 was on account of the positive financial performance of the subsidiary companies.

### **PROJECTS AND OPERATIONS OF THE COMPANY**

**The current projects and operations of the company are as follows:**

### **Project: Arihant Aarohi**

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

### **Project: Arihant Adita**

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

### **Project: Arihant Ashray**

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

### **Project: Arihant Ayati**

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

### **Project: Arihant Anchal**

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

### **Project: Arihant Angan**

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

### **Project: Arihant Aakarshan**

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

### **Project: Arihant Arshiya**

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

**The following projects are currently being undertaken by the subsidiary companies:**

**Project: Arihant Aspire**

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

**Project: Arihant Anmol**

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

**Project: Arihant Amisha**

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

**Project: Arihant Aloki**

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

**Project: Arihant Clan Aalishan**

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

**Project: Arihant Anaika**

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

**Project: Arihant Anshula**

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

## IMPACT OF COVID-19

The country witnessed lockdown being implemented in India in the second fortnight of March 2020. There were also restrictions of varying extent across larger part of the world, due to the COVID-19 pandemic. This impacted the business operations of the Company significantly. Since June 2020, the Company started resuming operations in its construction sites and registered office after taking requisite permissions from Government authorities. By staying true to its purpose and its values, the top-most priority for the Company was to ensure the safety of its employees.

Standing by its core commitment, the Company is navigating through these unprecedeted times by building stronger and deeper relationships with consumers and its partners. The Company is supporting various Government Initiatives and helping communities around to fight the pandemic. Detailed information on the same has been included under the Management Discussion & Analysis report forming part of this Annual Report.

## TRANSFER TO RESERVES

The Company has not transferred any amount to the Reserves for the year ended March 31, 2020.

## DIVIDEND

The Board of Directors do not recommend any Final Dividend for the Financial Year 2019-20, with a view to conservation of the financial resources of the company.

## CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of the Act, Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the financial year 2019-20, together with the Auditors' Report form part of this Annual Report.

## SUBSIDIARY COMPANIES

The Company has 4 (four) unlisted subsidiaries, the details of which are stated below:

Name of the Material Subsidiaries	Name of Non-Material Subsidiaries
Arihant Aashiyana Private Limited	Arihant Abode Limited
Arihant Vatika Realty Private Limited	Arihant Gruhnirman Private Limited

A statement containing the salient features of financial statements of subsidiaries of the Company in the prescribed Form AOC – 1 forms a part of Consolidated Financial Statements in compliance with Section 129 (3) and other applicable provisions, if any, of the Act read with Rules.

In accordance with Section 136 of the Act, the audited financial statements, including the CFS and related information of the Company and the financial statements of each of the subsidiary and associate companies, are available on our website. The necessary disclosures in respect of the material subsidiaries are displayed under the Corporate Governance website of the company.

## BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors comprise of eminent and experienced professionals in the Industry. The current composition of the Board of Directors are as follows:

No	Name of Director (DIN)	Designation
1	Mr. Ashok B Chhajer (DIN: 01965094)	Chairman & Managing Director
2	Mr. Nimish Shah (DIN: 03036904)	Whole-time Director
3	Ms. Sangeeta Chhajer (DIN: 01965110)	Additional Non-Executive Director
4	Mr. Virendra Mital (DIN: 00376830)	Independent Director
5	Mr. R N Bhardwaj (DIN: 01571764)	Independent Director
6	Ms. Divya Momaya (DIN: 00365757)	Additional Independent Director

### Changes in the composition of the Board of Directors

The following changes occurred during FY 2019-20 till the date of this Report:

No	Name of Director (DIN)	Details of change	Date of change
1	Mrs V R Iyer (DIN: 05242960)	Resignation	December 8, 2019
2	Late Mr. Vinayak V Nalavde (DIN:02047436)	Death	February 8, 2020
3	Ms. Sangeeta Chhajer (DIN: 01965110)	Appointment	February 12, 2020
4	Mr. Nimish Shah (DIN: 03036904)	Re-appointment	April 13, 2020
5	Ms. Divya Momaya (DIN: 00365757)	Appointment	June 16, 2020

The Board places on record, its appreciation for the services of Mrs. V R Iyer and Late Mr. Vinayak V Nalavde, during their tenure with the Board.

### Appointment and Re-appointment at the AGM

During the year, Ms Sangeeta Chhajer (DIN: 01965110) was appointed as an Additional Non-Executive Director of the Company with effect from February 12, 2020. Ms. Divya Momaya (DIN: 00365757) was appointed as an Additional Independent Director for a period of 5 (five) years, with effect from June 16, 2020. Both Ms. Sangeeta Chhajer and Ms. Divya Momaya hold office in terms of Section 161(4) of the Companies Act, 2013, till the date of this Annual General Meeting.

The term of Mr. Nimish Shah (DIN: 03036904), Whole-time Director ended on April 13, 2020. The Nomination & Remuneration Committee and Board of Directors recommended his re-appointment for a period of 5 (five) years with effect from April 13, 2020. In terms of the provisions of Section 196(4) of the Companies Act, 2013, the re-appointment of Mr. Nimish Shah is required to be approved by the members in the Annual General Meeting.

The above appointments and re-appointments are recommended by the Nomination & Remuneration Committee of the Board, in line with the Nomination & Remuneration Policy of the Company. The company has received Notices under Section 160 of the Companies Act, 2013, proposing the above appointments. The details of the Directors, including their terms and remuneration as required under the Companies Act, 2013 and Secretarial Standards are attached to the AGM Notice. The Board recommends the appointment of the above Directors.

Considering the members consent is sought for the re-appointment of Mr. Nimish Shah, there are no Directors liable to retire by rotation at the forthcoming Annual General Meeting.

### Declaration of Independent Directors

The Company has received the following declarations from all the Independent Directors confirming that:

- They meet the criteria of independence as prescribed under the provisions of the Act, read with the Schedules and Rules issued thereunder, as well as of Regulation 16 of the Listing Regulations.
- In terms of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, they have registered themselves with the Independent Director's database maintained by the Indian Institute of Corporate Affairs, Manesar.
- In terms of Regulation 25(8) of the Listing Regulations, they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

In terms of Regulation 25(9) of the Listing Regulations, the Board of Directors has ensured the veracity of the disclosures made under Regulation 25(8) of the Listing Regulations by the Independent Directors of the Company.

### Certificate on Disqualification of Directors

In terms of the provisions of Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained a Certificate from M/s D A Kamat & Co, Company Secretaries in respect of the non-disqualification of the Directors. This certificate forms a part of this report.

## Key Managerial Personnel

The Key Managerial Personnel of the Company, as on the date of this Report are as follows:

Name	Designation	Date of appointment
Mr. Ashok B Chhajer	Managing Director	April 1, 2011
Mr. Deepak Lohia	Chief Financial Officer	February 12, 2020
Mr. Govind Rao	Company Secretary	November 16, 2018

During the year, Mr. Pradeep Mehta, resigned as the Chief Financial Officer with effect from October 30, 2019. The Board places on record its appreciation for the services of Mr. Pradeep Mehta.

## MEETINGS OF BOARD OF DIRECTORS

The Board of Directors, during Financial Year 2019-20 met 4 (four) times. The Board of Directors meets at regular intervals to discuss the business and compliance matters of the Company. The details of the Meetings of the Board of Directors and the Committees of the Board of Directors and their respective constitution are stated in the Corporate Governance Report attached which form part of this Board's Report.

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

Mandatory Committees	Non-Mandatory Committee
Audit Committee	Executive Committee
Nomination & Remuneration Committee	Disinvestment Committee
Stakeholders' Relationship Committee	Fund raising Committee
Corporate Social Responsibility Committee	Insider Trading compliance Committee

In addition to the above, the Board has constituted a Risk Management Committee consisting of Heads of operations, finance and administration and chaired by an Independent Director.

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

During the year under review, all the recommendations made by the Committees were approved by the Board of Directors.

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

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

## VIGIL MECHANISM

The Company has a robust vigil mechanism through its Whistle Blower Policy approved and adopted by Board of Directors of the Company in compliance with the provisions of Section 177 (10) of the Act and Regulation 22 of the Listing Regulations.

The Policy also provides protection to the directors, employees and business associates who report unethical practices and irregularities. Any incidents that are reported are investigated and suitable action is taken in line with the Whistle Blower Policy. The Whistle Blower Policy of the Company can be accessed at website of the Company at [www.asl.net.in](http://www.asl.net.in)

## NOMINATION AND REMUNERATION POLICY

The salient features of the Nomination and Remuneration Policy of the Company are set out in the Corporate Governance Report which forms part of this Annual Report. The said Policy of the Company, inter alia, provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment & re-appointment of Directors on the Board of the Company and persons holding Senior Management positions in the Company, including their remuneration and other matters as provided under Section 178 of the Act and Listing Regulations. The copy of the Policy can be found under the Investors section on <http://www.asl.net.in>.

## **REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT AND EMPLOYEES**

The remuneration paid to the Directors, Key Managerial Personnel and Senior Management is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Act and Regulation 19 of the Listing Regulations.

The information required under Section 197 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ employees of the Company is set out in **Annexure – I** to this Report.

## **PERFORMANCE EVALUATION**

The Nomination and Remuneration Policy of the Company empowers the Nomination and Remuneration Committee to formulate a process for effective evaluation of the performance of Individual Directors, Committees of the Board and the Board as a whole.

The Board formally assesses its own performance based on parameters which, inter alia, include performance of the Board on deciding long term strategy, rating the composition and mix of Board members, discharging of governance and fiduciary duties, handling critical and dissenting suggestions, etc.

The parameters for the performance evaluation of the Directors include contribution made at the Board meeting, attendance, instances of sharing best and next practices, domain knowledge, vision, strategy, engagement with senior management, etc.

The Chairperson(s) of the respective Committees based on feedback received from the Committee members on the outcome of performance evaluation exercise of the Committee, shares a report to the Board.

The Independent Directors at their separate meeting review the performance of: non-independent directors and the Board as a whole, Chairperson of the Company after taking into account the views of Executive Director and non-executive directors, the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Based on the outcome of the performance evaluation exercise, areas have been identified for the Board to engage itself with and the same would be acted upon. The details of the evaluation process are set out in the Corporate Governance Report which forms a part of this Annual Report.

## **FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

All new independent directors inducted into the Board are familiarized with the operations and functioning of the Company. The details of the training and familiarization program are provided in the Corporate Governance report.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) In the preparation of the Annual Accounts, the applicable Accounting Standards had been followed and that no material departures have been made from the same.
- (b) Such Accounting Policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit and loss of the Company for that period;
- (c) Proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- (d) The Annual Accounts of the Company have been prepared on a going concern basis.
- (e) Internal Financial Controls have been laid down to be by the Company and that such internal Financial Controls are adequate and were operating effectively.
- (f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions entered into by the Company during the year under review with Related Parties were in ordinary course of business and on arm's length basis in terms of provisions of the Act. The Company's Policy on dealing with and Materiality of Related Party Transactions is available on the website of the Company at [www.asl.net.in](http://www.asl.net.in)

All transactions with related parties were reviewed and approved by the Audit Committee and are in accordance with the Policy on dealing with and materiality of Related Party Transactions and the Related Party Framework, formulated and adopted by the Company. During the year under review, the Related Policy Framework was suitably amended to give effect to the changes in the relevant provisions of law.

There are no materially significant related party transactions that may have potential conflict with interest of the Company at large. The details of the related party transactions as per Indian Accounting Standards (IND AS) - 24 are set out in Notes to the Standalone Financial Statements of the Company. The company also obtains suitable approval of the members for the materially significant related party transactions, in line with Regulation 24 of the Listing Regulations. The approval of the materially significant related party transactions for Financial Year 2020-21 is sought at the forthcoming Annual General Meeting of the Company. The same is recommended by the Audit Committee and the Board of Directors.

The Company in terms of Regulation 23 of the Listing Regulations submits within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges.

The said disclosures can be accessed on the website of the Company at [www.asl.net.in](http://www.asl.net.in). Form AOC - 2 pursuant to Section 134 (3) (h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out in the **Annexure – II** to this report.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has during the year, undertaken a CSR spend of 90,02,583/- ( Rupees Ninety Lakhs Two Thousand Five Hundred & Eighty Three Only) for Financial Year 2019-20. The unspent amount of Rs. Rs. 38,30,930/- (Rupees Thirty eight Lakhs Thirty Thousand Nine Hundred & Thirty)for Financial Year 2019-20 has been carried forward to Financial Year 2020-21. The CSR policy of the company is displayed on the website of the company on [www.asl.net.in](http://www.asl.net.in). The company is committed to undertaking its CSR responsibility and initiatives in letter and spirit and will undertake the spend towards effective causes in line with the CSR policy of the company.

The Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31st March, 2020, in accordance with Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modification(s) or re- enactment(s) thereof for the time being in force) is set out in **Annexure – III** to this report.

## EXTRACT OF ANNUAL RETURN

The extract of the Annual Return, including the shareholding pattern of the company, the remuneration of the Directors and Key Managerial Personnel, under Section 92(3) of the Companies Act, 2013, for March 31, 2020 is attached as **Annexure -IV** to this Report. The same is also uploaded on the website of the company on [www.asl.net.in](http://www.asl.net.in).

## AUDITORS AND AUDITORS' REPORT

### Statutory Auditors and their Report

The Company has appointed M/s Kailash Chand Jain & Co, Chartered Accountants (Firm Regn No. 112318W) as the Statutory Auditors for a period of 5 years, in their 35<sup>th</sup> AGM held on September 28, 2018. They hold office till the AGM to be held in 2023. The Board has received a consent and letter from the Statutory Auditors, stating their eligibility to conduct the Statutory Audit for the Financial Year 2020-21.

The Statutory Auditors' Report being self-explanatory, do not require any reply from the Board of Directors of the Company.

### Secretarial Auditors and their Report

The Company has appointed M/s D A Kamat & Co, Company Secretaries as the Secretarial Auditors of the Company for FY 2019-20 under the provisions of Section 204 of the Companies Act, 2013. The Secretarial Auditors Report for Financial Year 2019-20 is attached as **Annexure – V** to this Report.

The Secretarial Compliance Report for the financial year ended March 31, 2020, in relation to compliance of all applicable SEBI Regulations/circulars/ guidelines issued thereunder, pursuant to requirement of Regulation 24A of Listing Regulations is available on the website of the Company.

The Secretarial Auditors' Report and Secretarial Compliance Report is self-explanatory, and the comments thereon do not require any reply from the Board of Directors of the Company.

### **Cost Auditors**

The Company is not required to appoint any Cost Auditors for the Company during the year under review.

### **Internal Auditors**

The Board had appointed M/s KPMG as the Internal Auditors for FY 2019-20. The Board has appointed M/s Anjani Goyal & Co, Chartered Accountants as the Internal Auditors for Financial Year 2020-21. The remarks of the Internal Auditors Report are placed before the Audit Committee and Board of Directors for their review and process improvement.

### **INTERNAL FINANCIAL CONTROLS**

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.

### **RISK MANAGEMENT POLICY**

The Board of Directors in their meeting held on June 27, 2020, have constituted a Risk Management Committee consisting of the heads of finance, administration and operations of the company. The same is chaired by an Independent Director. The Risk Management Committee of the Company has been entrusted by the Board with the responsibility of reviewing the risk management process in the Company and ensuring that the risks are brought within acceptable limits.

Mitigation plans to significant risks are well integrated with functional and business plans and are reviewed on a regular basis by the senior leadership. The Company endeavours to continually sharpen its Risk Management systems and processes in line with a rapidly changing business environment. The Company, through its risk management process, aims to contain the risks within its risk appetite.

There are no risks which in the opinion of the Board threaten the existence of the Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Annual Report.

The Board of Directors of the Company, shall on the recommendation of the Risk Management Committee has developed risk management policy for the Company to articulates the Company's approach to address the uncertainties in its endeavour to achieve its stated and implicit objectives.

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

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

### **CORPORATE GOVERNANCE REPORT**

In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along with a certificate from the Auditors on its compliance is attached to this Report. The same is attached to this Report as **Annexure – VII**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis as stipulated under the Listing Regulations is presented in a separate section forming part of this Annual Report

## POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (hereinafter referred to as “Prevention of Sexual Harassment Act”), the Company has formulated a Policy on Prevention of Sexual Harassment at Workplace for prevention, prohibition and redressal of sexual harassment at workplace and an Internal Complaints Committees has also been set up to redress any such complaints received.

The Company is committed to providing a safe and conducive work environment to all of its employees and associates. The Company periodically conducts sessions for employees across the organization to build awareness about the Policy and the provisions of Prevention of Sexual Harassment Act.

No complaints of sexual harassment were received during the financial year 2019-20 by the Company.

## INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In accordance with the applicable provisions of Companies Act, 2013 (hereinafter referred to as “the Act”) read with Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as the “IEPF Rules”), all unclaimed dividends are required to be transferred by the Company to the IEPF, after completion of seven (7) years. Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for seven (7) consecutive years or more shall be transferred to the demat account of the IEPF Authority. The details relating to amount of dividend transferred to the IEPF during the FY 2019-20 and corresponding shares on which dividends were unclaimed for seven (7) consecutive years, are provided in the General Shareholders Information section of Corporate Governance report forming part of this Annual Report.

## CODE OF CONDUCT AND INSIDER TRADING REGULATIONS

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

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

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

All Directors and the designated Employees have confirmed compliance with the Code, except for the instances as reported to the Stock Exchanges in this regard.

## OTHER DISCLOSURES:

- There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2019-20 and the date of this report.
- During the year under the review, there was no change in the nature of business of the Company.
- During the year under review, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014
- The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings

- (e) The details of the Loans given, Investments made, guarantees and securities on loans given during Financial Year 2019-20 are stated in Note 06 to the Standalone Financial Statements of the Company.
- (f) The company has taken any loan from the Directors or their relatives during the year under review. Further the Company has taken the disclosure form the directors regarding the same.
- (g) There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.
- (h) The Managing Director & CEO of the Company has not received any remuneration or commission from any of the subsidiary companies.
- (i) None of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143 (12) of the Act
- (j) The Company does not have any scheme or provision of money for the purchase of its own shares by employees/ Directors or by trustees for the benefit of employees/ Directors
- (k) The Company has not issued equity shares with differential rights as to dividend, voting or otherwise
- (l) The Company has not issued any sweat equity shares to its directors or employees; and
- (m) There was no revision of financial statements and Boards report of the Company during the year under review

**APPRECIATION**

The Board of Directors place on record sincere gratitude and appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year. The Board conveys its appreciation for its customers, shareholders, suppliers as well as vendors, bankers, business associates, regulatory and government authorities for their continued support.

**By Order of the Board  
Arihant Superstructures Ltd**

**Place: Navi Mumbai**  
**Date: August 04<sup>th</sup>, 2020**

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

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

- i) **Ratio of the Remuneration of each Executive Director to the Median Remuneration of the Employees of the Company and Percentage increase in Remuneration of each Executive Director, Chief Financial Officer, Chief Executive Director and Company Secretary for the Financial Year 2019-20 as under:**

Sr . No.	Name of Director/ KMP	Designation	Ratio of Remuneration to each Director and KMP to median remuneration of Employees (on Gross)	% increase in Remuneration in FY 2019-20
1	Mr. Ashok Chhajer	Chairman & Managing Director and Chief Executive Officer	14.07:1	-
2	Mr. Nimish Shah	Whole-time Executive Director	10.42:1	-
3	Mr. Pradeep Mehta*	Chief Financial Officer	NA	NA
4	Mr. Deepak Lohia**	Chief Financial Officer	NA	NA
5	Mr Govind Rao	Company Secretary	1.20:1	NA

\*Mr. Pradeep Mehta upto 30<sup>th</sup> October, 2019.

\*\*Mr Deepak Lohia had been appointed on 12.02.2020.

Since the Remuneration of, Chief Financial Officer is only for part of the Year, the Ratio of their Remuneration to Median Remuneration and % increase in Remuneration is not comparable and hence, not stated.

- ii) **The Percentage increase in the Median Remuneration of Employees in the Financial Year: 5%.**
- iii) **The number of Permanent Employees on the rolls of Company: 9**
- iv) **Average percentile increase already made in the salaries of Employees other than the Managerial Personnel in the last Financial Year and its comparison with the percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration:**

Average percentage increase in salaries of Employees other than Managerial Personnel in the last Financial Year 2019-20 was approx. 10%. Percentage increase in Managerial Remuneration was Nil.

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

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

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

**Place: Navi Mumbai  
Date: August 12<sup>th</sup>, 2020**

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

**ANNEXURE I**

**REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT AND EMPLOYEES**

**Statement of disclosure of remuneration**

[Pursuant to Section 197 of the Companies Act, 2013 (“the Act”) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

A. Remuneration details of Directors and KMP of the Company for the financial year 2019-20 is as follows:

Name	Designation	Remuneration
Mr. Ashok B Chhajer	CMD	32.50
Mr. Nimish Shah	WTD	41.74
Ms. Sangeeta Chhajer <sup>1</sup>	Non-Executive Director	-
Mr. Virendra Mital	Independent Director	5.30
Mr. R N Bhardwaj	Independent Director	4.7
Ms. Divya Momaya <sup>2</sup>	Independent Director	-
Ms. V R Iyer <sup>3</sup>	Independent Director	3.16
Late Mr. V V Nalavde <sup>4</sup>	Independent Director	3.85
Mr. Pradeep Mehta <sup>5</sup>	Chief Financial Officer	22.97
Mr. Deepak Lohia <sup>6</sup>	Chief Financial Officer	2.27
Mr. Govind Rao	Company Secretary	5.15

**Notes:**

<sup>1</sup>. Ms. Sangeeta Chhajer is appointed with effect from February 12, 2020

<sup>2</sup>. Ms. Divya Momaya is appointed with effect from June 16, 2020

<sup>3</sup>. Ms. V R Iyer resigned with effect from December 8, 2019

<sup>4</sup>. Late Mr. V V Nalavde ceased to hold office from February 8, 2020

<sup>5</sup>. Mr. Pradeep Mehta resigned with effect from October 30, 2019

<sup>6</sup>. Mr. Deepak Lohia is appointed with effect from February 12, 2020

The increase in remuneration of employees other than the Key Managerial Personnel is considerably in line with the increase in remuneration of Key Managerial Personnel.

B. Number of permanent employees on rolls of the Company as on March 31, 2020:

	Number of Employees
Executive/Manager/Senior Management	3
Staff	3
Workmen/Sub-staff/Contractual	3

C. Affirmation that the remuneration is as per the Nomination and Remuneration Policy of the Company:

It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Nomination and Remuneration Policy of the Company.

D. The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is available on the website of the Company at [www.asl.net.in](http://www.asl.net.in)

**ANNEXURE II RELATED PARTY TRANSACTIONS (FORM AOC-2)**

**ANNEXURE III CORPORATE SOCIAL RESPONSIBILITY REPORT**

**ANNEXURE IV EXTRACT OF ANNUAL RETURN**

**ANNEXURE V SECRETARIAL AUDIT REPORT**

**ANNEXURE VI CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

**ANNEXURE VII CORPORATE GOVERNANCE REPORT**

## Annexure II

### Form No. AOC - 2

**As on the Financial Year ended 31<sup>st</sup> March, 2020**

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of Contracts/Arrangements entered into by the Company with Related Parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain Arm's Length Transactions under third proviso thereto:**

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

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

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

Name of the Related Party and Nature of Relationship	Nature of Contracts/Arrangements/ Transaction	Duration of the Contracts / Arrangements/ Transactions	Salient terms of the Contracts or Arrangements or Transactions including the value, if any (in Rs.)	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Mr. Ashok B. Chhajer	Rent Paid for premises	On-Going	Rs. 4.80 Lakhs p.a.	27 <sup>th</sup> May, 2019 and noted & reviewed on quarterly basis.	NA
Arihant Paradise Realty Private Limited	Rent Paid	Current year	Rs. 68.25 Lakhs p.a.	27 <sup>th</sup> May, 2019 and noted & reviewed on quarterly basis.	NA
Arihant Paradise Realty Private Limited	Purchase of Premises	Current year	Rs. 199.15 Lakhs	27 <sup>th</sup> May, 2019 and noted & reviewed on quarterly basis.	NA
Arihant Technoinfra Private Limited	Purchase of Premises	Current year	Rs. 46.86 Lakhs	27 <sup>th</sup> May, 2019 and noted & reviewed on quarterly basis.	NA
Arihant Technoinfra Private Limited	Labour Charges	On-Going	Rs. 100 Lakhs	27 <sup>th</sup> May, 2019 and noted & reviewed on quarterly basis.	NA
Arihant Enterprises	Services	On-Going	Rs. 100 Lakhs	27 <sup>th</sup> May, 2019 and noted & reviewed on quarterly basis.	NA

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

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

**Place: Navi Mumbai  
Date: August 12<sup>th</sup> , 2020**

**Annexure III****CORPORATE SOCIAL RESPONSIBILITY REPORT****as on the Financial Year ended on 31<sup>st</sup> March, 2020**

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

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

**Philosophy:**

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

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

**Objectives:**

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

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

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

**Guiding Principles:**

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

**Education and Skill Development:**

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

**Health:**

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

**Environment:**

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

**National Heritage, Art and Culture:**

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

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

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

### **Rural Developments:**

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

### **2. Composition of \*CSR Committee as on 31<sup>st</sup> March, 2020:**

Members	Designation
Mr. Virendra Mital	Chairman
Mr. Ashok Chhajer	Member
Mr. Nimish Shah	Member

\* Mr. Nimish Shah has been appointed as the member of the Committee w.e.f. 11<sup>th</sup> February, 2020.

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

Net Profits	Amount (INR)
For FY 2016-17	40,27,90,344.00/-
For FY 2017-18	15,81,79,213.00/-
For FY 2018-19	2,32,04,996.00/-
Total	58,41,74,553.00/-
Average of the Net Profit of Last 3 Years	19,47,24,851.00/-
2% of Net Profit of A	38,94,497.00/-

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

The Prescribed CSR liability for Financial Year 19-20 was Rs. 38,94,497.00/- (Rupees Thirty Eight Lakhs Ninety Four Thousand Four Hundred & Ninety Seven Only).

Further unspent CSR liability till financial year 2018-19 of Rs. 89,39,016.00/- (Rupees Eighty Nine lakhs Thirty Nine Thousand & Sixteen only) was carried forward to Financial Year 2019-20.

Accordingly, total prescribed CSR budget for Financial Year 2019-20 was Rs. 1,28,33,513.00/- (Rupees One Crore Twenty Eight Lakhs Thirty Three Thousand Five Hundred & Thirteen only).

### **5. Details of actual CSR spent during the Financial Year 2019-20:**

- a) The total amount spent on the CSR activities during the Financial Year: Rs. 90,02,583.00/- (Rupees Ninety Lakhs Two Thousand Five Hundred only).
- b) Details of unspent Amount, if Any: Rs. 38,30,930.00/- (Rupees Eighty Eight Thousand Thirty Nine Lakhs Sixteen Only).

c) Manner in which the amount was spent:

Date	Organization Name	Activities Undertaken for CSR	Items cover under schedule VII of the Companies Act, 2013	Amount approved & spent (In Rs.)
02/05/2019	Indian Society of U3A	Donation to Trust	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	51,000/-
20/06/2019	MahavirRahat Kendra	Donation to Trust	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	1,85,000/-
20/12/2019	Amit Civil Construction	Rural Development by construction of Road at Ghot	Rural development projects	3,64,140/-
01/01/2020	Jain International Trade organization	Donation to Trust	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	1,00,000/-
04/02/2020 to 15/02/2020	ACC Limited (A)	Supply for village infrastructures and swachhbharat sewerage system (ekatpada work)	Rural development projects	29,84,657/-
05/02/2020	Mahavir International	Donation to Trust	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	1,51,000
15/02/2020	Amit Civil Construction	Rural Development by construction of Road at Ghot	Rural development projects	7,75,000/-
29/02/2020	Gian Automobile (A)	Diesel For Rural Development By Construction Of Road At Ghot	Rural development projects	34,496/-
28/02/2020	Yash Construction	Village Infrastructure Work. Kuthari Village Rural Development	Rural development projects	28,000/-
01/03/2020	Aegis Technology	For Village Infrastructures And Swachhbharat Sewerage System	Rural development projects	86.788/-
01/03/2020	Safeness Quotient Limited	Road Safety EquipmentsPur For Village Infrastructures	Rural development projects	28,969/-

Date	Organization Name	Activities Undertaken for CSR	Items cover under schedule VII of the Companies Act, 2013	Amount approved & spent (In Rs.)
03/03/2020	Om Enterprise	Rural Development by construction of Road at Koynaville	Rural development projects	10,00,000/-
08/03/2020	Shri MarutiMandir Trust (Palaspe)	Donation to Trust	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	7,00,000/-
21/03/2020	Amit Civil Construction	Rural Development by construction of Road at Ghot	Rural development projects	2,00,000/-
25/03/2020	Yash Construction	Village Infrastructure Work. Kuthari Village Rural Development Work	Rural development projects	10,00,000/-
28/03/2020	Ex-gratia payment is made to temporary /casual workers/ daily wage workers over and above the disbursement of wages, specifically for the purpose of fighting COVID 19.	Ex-gratia payment is made to temporary /casual workers/ daily wage workers over and above the disbursement of wages, specifically for the purpose of fighting COVID 19.	For the purpose of fighting COVID 19.	13,13,533/-
			<b>Total</b>	90,02,583/-

6. **In case the Company has failed to spend 2% of the average net profit of the last 3 financial years or any part thereof, the Company shall provide the reasons for not spending the amount:** the Company not found any suitable opportunity to spent entire CSR amount, hence the CSR Committee in its Meeting held on 01<sup>st</sup> August, 2020 has decided to carry forward the unspent amount to next Financial Year.-
7. **Responsibility statement of the CSR Committee:** The CSR Committee hereby confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and CSR policy of the Company.

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

Place: Navi Mumbai  
Date: August 12<sup>th</sup>, 2020

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

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

**Annexure IV**

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

**As on the Financial Year ended on 31<sup>st</sup> March, 2020**

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

**I. REGISTRATION AND OTHER DETAILS:**

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

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

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

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

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

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

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

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):****i. Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
(1) Indian										
a) Individual/HUF	18207552	0	18207552	44.24	18207550	0	18207550	44.24	0.00	
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00	
c) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00	
d) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00	
e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00	
f) Directors	12309147	0	12309147	29.91	12379147	0	12379147	30.11	0.20	
<b>Sub Total : A(1)</b>	<b>30516699</b>	<b>0</b>	<b>30516699</b>	<b>74.14</b>	<b>30586697</b>	<b>0</b>	<b>30586697</b>	<b>74.31</b>	<b>0.17</b>	
(2) Foreign										
a) NRI - Individuals	0	0	0	0.00	0	0	0	0.00	0.00	
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00	
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00	
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00	
<b>Sub Total : A(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	
<b>Total Shareholding of Promoters</b>	<b>30516699</b>	<b>0</b>	<b>30516699</b>	<b>74.14</b>	<b>30586697</b>	<b>0</b>	<b>30586697</b>	<b>74.31</b>	<b>0.17</b>	
(A)=(A)(1) + (A)(2)										
<b>B. Public Shareholding</b>										
(1) Institutions										
a) Mutual Funds	2042675	0	2042675	4.96	1912826	0	1912826	4.65	-0.32	
b) Banks/FI	0	0	0	0.00	5	0	5	0.00	0.00	
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00	
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00	
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00	
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00	
g) FIIs	70775	0	70775	0.17	0	0	0	0.00	-0.17	
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00	
i) Any Other (Specify)										
i-1) Foreign Portfolio Investors	310277	0	310277	0.75	267731	0	267731	0.65	-0.10	
<b>Sub Total : B(1)</b>	<b>2423727</b>	<b>0</b>	<b>2423727</b>	<b>5.89</b>	<b>2180562</b>	<b>0</b>	<b>2180562</b>	<b>5.30</b>	<b>-0.59</b>	
(2) Non - Institutions										
a) Bodies Corporates										
ai) Indian	2951230	0	2951230	7.17	2070916	0	2070916	5.03	-2.14	
aii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00	
b) Individuals										

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
bi) Individual Shareholders holding nominal share capital upto Rs. 1 Lakh	1449337	52060	1501397	3.65	1329268	51860	1381128	3.36	-0.29
bii) Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh	3544810	0	3544810	8.61	3840319	0	3840319	9.33	0.72
c) Any Other (Specify)									
c-1) Investor Education And Protection Fund	250	0	250	0.00	250	0	250	0.00	0.00
c-2) Non Resident Indians (Individuals)	118943	0	118943	0.29	1007142	0	1007142	2.45	2.16
c-3) Directors	479	0	479	0.00	480	0	480	0.00	0.00
c-4) Directors Relatives	90123	0	90123	0.22	90123	0	90123	0.22	0.00
c-5) Clearing Member	12333	0	12333	0.03	2374	0	2374	0.01	-0.02
<b>Sub Total : B(2)</b>	<b>8167505</b>	<b>52060</b>	<b>8219565</b>	<b>19.97</b>	<b>8340872</b>	<b>51860</b>	<b>8392732</b>	<b>20.39</b>	<b>0.42</b>
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	<b>10591232</b>	<b>52060</b>	<b>10643292</b>	<b>25.86</b>	<b>10521434</b>	<b>51860</b>	<b>10573294</b>	<b>25.69</b>	<b>-0.17</b>
C. Shares held by Custodian for GDRs & ADRs									
a) Promoter & Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
b) Public	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total : (C)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Shares held by Custodian for GDRs &amp; ADRs (C)=(C)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A + B + C)</b>	<b>41107931</b>	<b>52060</b>	<b>41159991</b>	<b>100.00</b>	<b>41108131</b>	<b>51860</b>	<b>41159991</b>	<b>100.00</b>	<b>0.00</b>

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

Sl No.	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	BHAVIK ASHOKKUMAR CHHAJER	6000000	14.58	0.00	6000000	14.58	0.00	0.00
2	ASHOKKUMAR B CHHAJER	12309147	29.91	0.00	12309147	29.91	0.00	0.00
3	MEENA VIJAY RANKA	148	0.00	0.00	146	0.00	0.00	0.00
4	SANGITA A CHHAJER	6000000	14.58	0.00	6070000	14.75	0.00	0.17
5	LALITKUMAR PARASMAL BOTHRA	207404	0.50	0.00	207404	0.50	0.00	0.00
6	PARTH ASHOKKUMAR CHHAJER	6000000	14.58	0.00	6000000	14.58	0.00	0.00
	<b>TOTAL</b>	<b>30516699</b>	<b>74.14</b>	<b>0.00</b>	<b>30586697</b>	<b>74.31</b>	<b>0.00</b>	<b>0.17</b>

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

Sl No.		Name of Promoter's	As On Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>At the beginning of the year</b>	ASHOKKUMAR B CHHAJER	3/31/2019	12309147	29.91	12309147	29.91
	Date wise Increase / Decrease in Promoters Shareholding during the year		<b>NIL</b>				
	<b>At the End of the year</b>		31/03/2020	0	0.00	12309147	29.91
2	<b>At the beginning of the year</b>	MEENA VIJAY RANKA	3/31/2019	148	0.00	148	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year		24/01/2020	-1	0.00	147	0.00
			07/02/2020	-1	0.00	146	0.00
	<b>At the End of the year</b>		31/03/2020	0	0.00	146	0.00
3	<b>At the beginning of the year</b>	SANGITA A CHHAJER	3/31/2019	6000000	14.58	6000000	14.58
	Date wise Increase / Decrease in Promoters Shareholding during the year		26/07/2019	70000	0.17	6070000	14.75
			31/03/2020	0	0.00	6070000	14.75
	<b>At the End of the year</b>		3/31/2019	207404	0.50	207404	0.50
4	<b>At the beginning of the year</b>	LALITKUMAR PARASMAL BOTHRA	<b>NIL</b>				
	Date wise Increase / Decrease in Promoters Shareholding during the year		31/03/2020	0	0.00	207404	0.50
	<b>At the End of the year</b>		3/31/2019	6000000	14.58	6000000	14.58
5	<b>At the beginning of the year</b>	BHAVIK ASHOKKUMAR CHHAJER	<b>NIL</b>				
	Date wise Increase / Decrease in Promoters Shareholding during the year		31/03/2020	0	0.00	6000000	14.58
	<b>At the End of the year</b>		3/31/2019	6000000	14.58	6000000	14.58
6	<b>At the beginning of the year</b>	PARTH ASHOKKUMAR CHHAJER	<b>NIL</b>				
	Date wise Increase / Decrease in Promoters Shareholding during the year		31/03/2020	0	0.00	6000000	14.58
	<b>At the End of the year</b>		3/31/2019	6000000	14.58	6000000	14.58

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

Sl No.	For Each of the Top 10 Shareholders			No.of Shares held at the beginning of the year		Cumulative Shareholding during the year						
				Name of Shareholder's	As On Date	No. of Shares	% of total shares of the company					
1	<b>At the beginning of the year</b>  Date wise Increase / Decrease in Shareholding during the year		<b>L&amp;T MUTUAL FUND TRUSTEE LIMITED- L&amp;T EMER</b>		3/31/2019	2042675	4.96	2042675	4.96			
					05/07/2019	-21263	0.05	2021412	4.91			
					12/07/2019	-63265	0.15	1958147	4.76			
	<b>At the End of the year</b>				19/07/2019	-45321	0.11	1912826	4.65			
					31/03/2020	0	0.00	1912826	4.65			
2	<b>At the beginning of the year</b>  Date wise Increase / Decrease in Shareholding during the year		<b>ALOK HARSHAD TURAKHIA</b>		3/31/2019	70000	0.17	70000	0.17			
					08/11/2019	574994	1.40	644994	1.57			
					15/11/2019	327701	0.80	972695	2.36			
	<b>At the End of the year</b>				31/03/2020	0	0.00	972695	2.36			
3	<b>At the beginning of the year</b>  Date wise Increase / Decrease in Shareholding during the year		<b>COMFORT SECURITIES LTD - COLLATERAL ACC</b>		3/31/2019	701138	1.70	701138	1.70			
					05/04/2019	2712	0.01	703850	1.71			
	<b>At the End of the year</b>				12/04/2019	847	0.00	704697	1.71			
					19/04/2019	-580	0.00	704117	1.71			
					26/04/2019	-189	0.00	703928	1.71			
					03/05/2019	465	0.00	704393	1.71			
					10/05/2019	-566	0.00	703827	1.71			
					17/05/2019	570	0.00	704397	1.71			
					24/05/2019	3769	0.01	708166	1.72			
					31/05/2019	6691	0.02	714857	1.74			
					07/06/2019	-101781	0.25	613076	1.49			
					14/06/2019	-2371	0.01	610705	1.48			
					21/06/2019	-3372	0.01	607333	1.48			
					28/06/2019	814	0.00	608147	1.48			
					05/07/2019	5460	0.01	613607	1.49			
					19/07/2019	365	0.00	613972	1.49			
					02/08/2019	4001	0.01	617973	1.50			
					09/08/2019	3516	0.01	621489	1.51			
					16/08/2019	560	0.00	622049	1.51			
					23/08/2019	337	0.00	622386	1.51			
					30/08/2019	215	0.00	622601	1.51			
					06/09/2019	-97	0.00	622504	1.51			
					13/09/2019	325	0.00	622829	1.51			

Sl No.	For Each of the Top 10 Shareholders			No.of Shares held at the beginning of the year		Cumulative Shareholding during the year	
		Name of Shareholder's	As On Date	No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
			19/09/2019	7039	0.02	629868	1.53
			20/09/2019	-1100	0.00	628768	1.53
			27/09/2019	-574	0.00	628194	1.53
			30/09/2019	-72045	0.18	556149	1.35
			04/10/2019	33085	0.08	589234	1.43
			18/10/2019	-44370	0.11	544864	1.32
			01/11/2019	310	0.00	545174	1.32
			08/11/2019	-175447	0.43	369727	0.90
			15/11/2019	-52	0.00	369675	0.90
			06/12/2019	-169675	0.41	200000	0.49
			13/12/2019	5000	0.01	205000	0.50
			20/12/2019	-5000	0.01	200000	0.49
			03/01/2020	1125	0.00	201125	0.49
			10/01/2020	-1125	0.00	200000	0.49
			17/01/2020	288	0.00	200288	0.49
			24/01/2020	100	0.00	200388	0.49
			31/01/2020	-388	0.00	200000	0.49
			21/02/2020	280	0.00	200280	0.49
			28/02/2020	-280	0.00	200000	0.49
			20/03/2020	1	0.00	200001	0.49
			27/03/2020	53	0.00	200054	0.49
			31/03/2020	-54	0.00	200000	0.49
4	At the beginning of the year  Date wise Increase / Decrease in Shareholding during the year  At the End of the year	IL AND FS SECURITIES SERVICES LIMITED	3/31/2019	630150	1.53	630150	1.53
			05/04/2019	-112100	0.27	518050	1.26
			26/04/2019	-7900	0.02	510150	1.24
			10/05/2019	-510000	1.24	150	0.00
			02/08/2019	-150	0.00	0	0.00
			31/03/2020	0	0.00	0	0.00
5	At the beginning of the year  Date wise Increase / Decrease in Shareholding during the year  At the End of the year	EARNEST SHIPPING AND SHIP BUILDERS LIMIT	3/31/2019	535152	1.30	535152	1.30
				NIL	NIL		
			31/03/2020	0	0.00	535152	1.30

SI No.	For Each of the Top 10 Shareholders			No.of Shares held at the beginning of the year		Cumulative Shareholding during the year			
				Name of Shareholder's	As On Date	No. of Shares	% of total shares of the company		
6	<b>At the beginning of the year</b>  Date wise Increase / Decrease in Shareholding during the year		SANGEETA DOSHI		3/31/2019	388145	0.94	388145	0.94
						NIL	NIL		
	<b>At the End of the year</b>				31/03/2020	0	0.00	388145	0.94
7	<b>At the beginning of the year</b>  Date wise Increase / Decrease in Shareholding during the year		AMISHA NIRAJ VORA		3/31/2019	388000	0.94	388000	0.94
					08/11/2019	-215000	0.52	173000	0.42
					15/11/2019	-173000	0.42	0	0.00
	<b>At the End of the year</b>				31/03/2020	0	0.00	0	0.00
8	<b>At the beginning of the year</b>  Date wise Increase / Decrease in Shareholding during the year		MADHUMATI PUNAMCHAND MALU		3/31/2019	277096	0.67	277096	0.67
						NIL	NIL		
	<b>At the End of the year</b>				31/03/2020	0	0.00	277096	0.67
9	<b>At the beginning of the year</b>  Date wise Increase / Decrease in Shareholding during the year		LADDERUP FINANCE LIMITED .		3/31/2019	33000	0.08	33000	0.08
					29/11/2019	49664	0.12	82664	0.20
					06/12/2019	50000	0.12	132664	0.32
					27/12/2019	25000	0.06	157664	0.38
					31/12/2019	50000	0.12	207664	0.50
					10/01/2020	-207664	0.50	0	0.00
					24/01/2020	207664	0.50	207664	0.50
					07/02/2020	-207664	0.50	0	0.00
					13/03/2020	22	0.00	22	0.00
					27/03/2020	203923	0.50	203945	0.50
	<b>At the End of the year</b>				31/03/2020	0	0.00	203945	0.50
10	<b>At the beginning of the year</b>  Date wise Increase / Decrease in Shareholding during the year		COMFORT CAPITAL PRIVATE LIMITED		3/31/2019	33000	0.08	33000	0.08
					25/10/2019	13039	0.03	46039	0.11
					08/11/2019	133381	0.32	179420	0.44
	<b>At the End of the year</b>				31/03/2020	0	0.00	179420	0.44

Sl No.	For Each of the Top 10 Shareholders			No.of Shares held at the beginning of the year		Cumulative Shareholding during the year			
				Name of Shareholder's	As On Date	No. of Shares	% of total shares of the company		
11	<b>At the beginning of the year</b>  Date wise Increase / Decrease in Shareholding during the year			NISTHA FOOD PRODUCTS PRIVATE LIMITED	3/31/2019	175000	0.43	175000	0.43
					29/11/2019	-100000	0.24	75000	0.18
					27/12/2019	-75000	0.18	0	0.00
	<b>At the End of the year</b>				31/03/2020	0	0.00	0	0.00
12	<b>At the beginning of the year</b>  Date wise Increase / Decrease in Shareholding during the year			REYNOLD SHIRTING LIMITED	3/31/2019	0	0.00	0	0.00
					06/12/2019	169675	0.41	169675	0.41
					31/03/2020	0	0.00	169675	0.41
	<b>At the End of the year</b>								
13	<b>At the beginning of the year</b>  Date wise Increase / Decrease in Shareholding during the year			ASPIRE EMERGING FUND	3/31/2019	165039	0.40	165039	0.40
						NIL	NIL		
					31/03/2020	0	0.00	165039	0.40
	<b>At the End of the year</b>								
14	<b>At the beginning of the year</b>  Date wise Increase / Decrease in Shareholding during the year			PRADIP NAVNITLAL MUCHHALA	3/31/2019	160396	0.39	160396	0.39
						NIL	NIL		
					31/03/2020	0	0.00	160396	0.39
	<b>At the End of the year</b>								

v. Shareholding of Directors and Key Managerial Personal:

Sl No.				Shareholding at the beginning of the year		Cumulative Shareholding during the year			
				Name of Shareholder's	As On Date	No. of Shares	% of total shares of the company		
1	<b>At the beginning of the year</b>  Date wise Increase / Decrease in Shareholding during the year			ASHOKKUMAR B CHHAJER	3/31/2019	12309147	29.91	12309147	29.91
						NIL	NIL	NIL	NIL
					31/03/2020	12309147	29.91	12309147	29.91
	<b>At the End of the year</b>								
2	<b>At the beginning of the year</b>  Date wise Increase / Decrease in Shareholding during the year			SANGITA A CHHAJER	3/31/2019	6000000	14.58	6000000	14.58
					26/07/2019	70000	0.17	6070000	14.75
					31/03/2020	0	0.00	6070000	14.75
	<b>At the End of the year</b>								

Sl No.		Name of Shareholder's	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
			As On Date	No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
3	At the beginning of the year	VIRENDRA KUMAR MITAL	3/31/2019	410	0.00	410	0.00
	Date wise Increase / Decrease in Shareholding during the year			NIL	NIL		
	At the End of the year		31/03/2020	0	0.00	410	0.00

#### V. INDEBTEDNESS:

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

(in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year</b>	<b>1817.52</b>	<b>6495.23</b>	-	<b>8312.75</b>
i) Principal Amount				
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	<b>1817.52</b>	<b>6495.23</b>	-	<b>8312.75</b>
<b>Total (i+ii+iii)</b>	<b>1817.52</b>	<b>6495.23</b>	-	<b>8312.75</b>
<b>Change in Indebtedness during the Financial Year</b>	-	-	-	-
- Addition	<b>291.35</b>	<b>1548.48</b>	-	<b>1839.83</b>
- Reduction	-	-	-	-
<b>Net Change</b>	<b>291.35</b>	<b>1548.48</b>	-	<b>1839.83</b>
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount	1526.17	8043.71	-	9569.88
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1526.17</b>	<b>8043.71</b>	-	<b>9569.88</b>

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

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

(in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total
		Ashok Chhajer	*Nimish Shah	
		MD	WTD	
1	Gross salary	32.50	41.74	74.24
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total
		Ashok Chhajer	*Nimish Shah	
		MD	WTD	
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
5	Others, please specify	-	-	-
<b>Total (A)</b>				
Ceiling as per the Act (@10% of the profit calculated under Section 198 of Companies Act, 2013)				

**B. REMUNERATION OF OTHER DIRECTORS:**

(in Lakhs)

Sr. No.	Particulars of Remuneration	Vinayak Nalavde	Virendra Mital	R.N. Bhardwaj	Vijaylakshmi Iyer	Sangeeta Chhajer	Total
1.	Fee for attending Board/ Committee Meetings	3.85	5.30	4.70	3.16	3.07	20.08
	Commission	-	-	--	-	-	-
	Others, please specify	-	--	-	-	-	-
<b>Total (1)</b>							
2.	Other Non-Executive Directors	-	-	-	-	-	-
	Fee for attending Board/ Committee Meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
<b>Total (2)</b>		-	-	-	-	-	-
<b>Total (B)=(1+2)</b>							
Total Managerial Remuneration						3.07	20.08

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

(in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		*Mr. Pradeep Mehta (Ex-CFO)	**Mr. Deepak Lohia (CFO)	***Mr. Govind Rao (Company Secretary)	
1	Gross salary	22.97	2.27	5.15	30.39
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		*Mr. Pradeep Mehta (Ex-CFO)	**Mr. Deepak Lohia (CFO)	***Mr. Govind Rao (Company Secretary)	Total
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	22.97	2.27	5.15	30.39

\*Mr. Pradeep Mehta resigned as a CFO on w.e.f. October 30, 2019 and Mr. Deepak Lohia was appointed as CFO with effect from February, 12th, 2020.

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

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

Ashok Chhajer  
Chairman & Managing Director  
DIN: 01965094

Place: Navi Mumbai  
Date: 4<sup>th</sup> August, 2020

**Annexure V**

To,  
The Members,  
**Arihant Superstructure Limited**  
Navi Mumbai

**Subject: Secretarial Audit Report of the Company for the Financial Year 2019-20**

We present herewith the Secretarial Audit Report for **Arihant Superstructures Limited**, for the Financial Year 2019-20 in terms of Section 204 of the Companies Act, 2013. Our report of even date is to be read along with the following:

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where-ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. In view of the restrictions imposed by the Government of India on the movement of people across India to contain the spread of Covid-19 pandemic, which led to the complete lockdown across the nation, we have relied on electronic data for verification of certain records as the physical verification was not possible.

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

**D A Kamat  
Partner  
FCS 3843  
CP 4965  
UDIN: F003843B000550831**

**Place: Mumbai  
Date: August 4<sup>th</sup>, 2020**

**FORM NO MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR APRIL 1, 2019 to MARCH 31, 2020**

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

To,

The Members,

**Arihant Superstructures Limited**

Navi Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Arihant Superstructures Limited** (hereinafter called the “Company”). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, the explanations and clarifications given to us and there presentations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the company has during the audit period covering Financial Year from April 1, 2019 to March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

I. We have examined the books, papers, minute books, forms and returns filed, reports issued by various fellow professionals and other applicable records and registers and maintained by the Company for the Financial Year from April 1, 2019 to March 31, 2020 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under
3. The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – Not applicable to the company for the period of review
  - (c) The Securities and Exchange Board (Listing and Disclosure Requirements) Regulations, 2015.
  - (d) The Securities Contracts (Regulation) Act, 1956 and the rules made there under
  - (e) SEBI (Prohibition of Insider Trading) Regulations, 2015
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client
  - (g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – Not applicable to the company for the period of review
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable to the company for the period of review

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – Not applicable to the company for the period of review
- 6. Specific Laws as mentioned hereunder:
  - (a) Real Estate (Regulation and Development) Act, 2016 and MAHARERA Rules and Rajasthan RERA Rules (as applicable to its projects)
  - (b) Building and other construction workers Act, 1996 and Building and other construction workers welfare cess Act, 1996

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent stated in this Report.

**II.** We have examined the applicable provisions of Secretarial Standards I and II as issued by the Institute of Companies Secretaries of India and notified by the Ministry of Corporate Affairs and applicable with effect from July 1, 2015.

**III.** We report that during the audit period, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above, **except for following:**

- (a) **Teenmurti Constructions Private Limited (Operational Creditor)** has filed a case under IBC, 2016 against the company with Hon'ble NCLT, Mumbai in 2018. The order of the Hon'ble Bench, NCLT is awaited on the matter.
- (b) **Non-compliance of Code of Conduct by Ms. Sangeeta Chhajer & Ashok B Chhajer (HUF), Promoters:** The Company has reported the Non-Compliance of the Code of Conduct by Ms. Sangeeta Chhajer and Ashok B Chhajer, HUF (Promoters and Promoter Group) who inadvertently purchased of 70,000 Equity Shares and 50,000 Equity Shares of the Company during the closure of the trading window on July 10, 2019 and July 12, 2019. The Insider Trading Compliance Committee in its meeting held on October 12, 2019, have issued a cautionary letter to the Promoters, since the same was a first offence by both the Promoters. The same has been intimated to SEBI on October 15, 2019.
- (c) **Transfer of Equity Shares to IEPF for Financial Year 2017-18 and 2018-19:** The company has, till date of this Report, not transferred the outstanding equity shares on which Dividend was outstanding for over 7 years with IEPF for FY 2017-18 and FY 2018-29.

**We further report that:**

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

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

Majority decision is carried through while the dissenting Members' views, if any, are captured and recorded as part of the Minutes.

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

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

**D A Kamat  
Partner  
FCS 3843  
CP 4965**

**UDIN: F003843B000550831**

**Place: Mumbai  
Date: August 4<sup>th</sup>, 2020**

**ANNEXURE VI**

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

**as on the Financial Year ended on 31<sup>st</sup> March, 2020**

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

**(A) CONSERVATION OF ENERGY:**

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

Arihant Superstructures Limited ('ASL' or the 'Company') constantly endeavors to achieve energy conservation. The following best practices are in place to achieve this objective:

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

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

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

**III. Water Preservation:**

**a. Rainwater harvesting:**

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

**b. Sewage treatment plant:**

The sewage treatment plants (STP) of total 1150 KLD capacities based on Moving Bio bed Reactor technology has been successfully commissioned in 3 of our projects in FY 2018-2019 and are also committed to install another 800 KLD capacity for next Financial year by inclusion of STP's in the sewerage design of all our ongoing & future projects. The generated waste water is treated up to the tertiary level conforming to applicable IS standards and is used for flushing of toilets and landscaping. This helps in reduction of fresh water requirement of projects by almost 40%.

We also ensure that operation & maintenance of STP's are done by efficient STP vendors for atleast initial 3 years after

installation so that it becomes an integral part of daily society maintenance affairs.

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

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

**(B) TECHNOLOGY ABSORPTION:**

**The efforts made towards technology absorption:**

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

**The benefits derived:**

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

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

**The benefits derived:**

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

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

No Technology was imported during the Year under review.

**(C) Foreign Exchange inflow and outgo during the Financial Year 2019-20:**

Foreign Exchange outgo during the Financial Year 2019-20 was Rs. 3,40,000.00/-

Foreign Exchange inflow during the Financial Year 2019-20 was NIL.

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

**Place: Navi Mumbai**  
**Date: August 12<sup>th</sup>, 2020**

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

**Annexure VII**

## **CORPORATE GOVERNANCE REPORT**

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

The Company believes that sound Corporate Governance is a key element for enhancing and retaining the trust of Investors and various other Stakeholders. As a responsible corporate citizen your Company has evolved best practices which are structured to institutionalize policies and procedures that enhance the efficacy of the Board and inculcate a culture of Accountability, transparency and Integrity across the Arihant Group as a whole. The Company has always adopted a robust governance framework which played a critical role in ensuring that we remain true to our culture and values. The highest standard of corporate governance is the base of our continued success in both the business and stakeholder relationships. It reflects in our business functions and in the manner with which we support the journey of our stakeholders.

The Company not only adheres to the prescribed Corporate Governance practices as per the Listing Regulations but is also committed to sound Corporate Governance principle and practices. This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the report contains the details of Corporate Governance systems and processes at Arihant Superstructures Ltd.

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

The Board as on 31<sup>st</sup> March 2020 comprised of Five Directors out of which Two Directors are Non-Executive Independent Directors, one Woman Director, one Chairman & Managing Director and one Whole-time Executive Director. The Managing Director and Whole-time Executive Director are responsible for the day-to-day Management of the Company subject to the supervision, direction and control of the Board of Directors. The Chairman of the Company is an Executive Director. The composition and size of the Board is reviewed periodically to ensure an optimum mix of Directors with complementary skillsets and varied perspectives for constructive debates facilitating more effective decision making. The Company understands that sound succession planning for the members of the Board and Senior Management is essential for sustained growth of the Company. However, as at 31<sup>st</sup> March 2020, the total number of Directors were less than the requisite number, on account of the untimely death of Mr. Vinayak V Nalavde. The Board has subsequently appointed Mrs. Divya Momaya as an Independent Director, thereby increasing the strength of the Board to six as on the date of this report.

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

Name of the Director [Designation] [DIN]	Number of Board Meetings held during FY 2019-20			Number of Directorships in Public Companies		Number of Committee positions held in other Public Companies*		Whether attended 31 <sup>st</sup> AGM (26.09.19)
	Held	Eligible to attend	Attended	Chairman	Member	Chairman	Member	
<b>Non-Independent Executive Directors</b>								
Mr. Ashok B Chhajer [CMD] [DIN 01965094]	4	4	4	1	1	1	1	Yes
Mr. Nimish Shah [WTD] [DIN:03036904]	4	4	4	0	0	0	0	Yes
Mrs. Sangeeta Chhajer <sup>1</sup> [Additional Executive Director] [DIN: 01965110]	4	1	1	0	0	0	0	Yes
<b>Independent Directors</b>								
Mr. Vinayak V Nalavde <sup>2</sup> DIN: 02047436	4	3	3	0	1	1	1	Yes
Mr. Virendra Mital DIN: 00376830	4	4	4	1	1	0	1	Yes
Mrs. Vijayalakshmi Iyer <sup>3</sup> DIN: 05242960	3	3	2	0	7	2	3	No
Mr. Raj Narain Bhardwaj DIN: 01571764	4	4	4	0	9	3	8	Yes

### Notes to the table:

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

1. Mrs Sangeeta Chhajer was appointed as an Additional Executive Director on 12<sup>th</sup> February 2020

2. Mr. Vinayak V Nalavde ceased to be a Director with effect from 8<sup>th</sup> February 2020 on account of his untimely demise

3. Mrs. Vijayalakshmi Iyer resigned as a Director with effect from 8<sup>th</sup> December 2019 on account of her pre-occupation and commitment outside the country. She has also issued the declaration stating that there are no other reasons for her resignation from Directorship.

Directorship held by Directors of Arihant Superstructures Limited:

Details of Directorships held in other listed entities by the Directors of the Company as at the end of FY 2020 and the Category of their Directorship are set out in the following table:

No.	Name of the Director	Name of Listed Entity	Category
1	Raj Narain Bhardwaj (DIN: 01571764)	1. Jaiprakash Associated Limited 2. Jaiprakash Power Ventures Limited 3. SBI Life Insurance Company Limited	1. Non-Executive, Independent Director 2. Non-Executive, Independent Director 3. Non-Executive, Independent Director

Based on intimations/disclosures received from the Directors periodically, none of the Directors of the Company hold memberships/Chairmanships more than the prescribed limits.

### 3. Board Procedures and Related Disclosures:

The Board of Directors have the ultimate responsibility of ensuring effective management, long term business strategy, general affairs, performance and monitoring the effectiveness of the Company's corporate governance practices. The Chairman & Managing Director reports to the Board and is in charge of the management of the affairs of the Company, executing business strategy in consultation with the Board and achieving annual long term business targets. The CMD acts as a link between the Board and the management.

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

The Board has complete access to all Company-related information. The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Chairman of the Board and the Company Secretary in consensus determine the Agenda for every meeting along with explanatory notes. The Agenda for the meetings is circulated well in advance to the Directors to ensure that sufficient time is provided to Directors to prepare for the meeting.

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

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

All material information is circulated to the Directors before the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of the Listing Regulations. The management makes concerted efforts to continuously upgrade the information available to the Board for decision making and the Board members are updated on all key developments relating to the Company. With the unanimous consent of the Board, all information which is in the nature of Unpublished Price Sensitive Information (UPSI), is circulated to the Board and its Committees at a shorter notice before the commencement of the respective meetings.

The Company Secretary attends all the meetings of the Board and its Committees and is, inter alia, responsible for recording the minutes of such meetings. The draft minutes of the Board and its Committees are sent to the members for their comments in accordance with the Secretarial Standards. Thereafter, the minutes are entered in the minutes book within 30 (thirty) days of conclusion of the meetings, subsequent to incorporation of the comments, if any, received from the Directors. The Company adheres to the provisions of the Companies Act, 2013 read with the Rules issued thereunder, Secretarial Standards and Listing Regulations with respect to convening and holding the meetings of the Board of Directors, its Committees and the General Meetings of the shareholders of the Company.

The meetings of the Board of Directors are generally held in Registered office of the Company and the company also provides video conferencing facility for Board members to attend the meetings as per their convenience. The maximum interval between any 2 (two) consecutive Board Meetings was well within the maximum allowed gap of 120 (one hundred and twenty) days. The necessary quorum was present for all the meetings.

4(Four) Board Meetings were held during the Financial Year 2019-20. The dates on which the said Meetings were held, and the attendance of Directors is as follows:

Date of Board Meeting	Number of Directors attended
27 <sup>th</sup> May 2019	6
12 <sup>th</sup> August 2019	6
13 <sup>th</sup> November 2019	6
11 <sup>th</sup> February 2020	5

The necessary quorum was present for all the Meetings.

During the Financial Year 2019-20, information as mentioned in Schedule II Part A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, has been placed before the Board for its consideration.

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

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

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

### **Equity Shares and Inter-se relationship between Directors**

Details of Equity Shares of the Company held by the Directors as on March 31, 2020 are given below:

Name	Category of Director	Number of Equity Shares
Mr. Ashok Chhajer	Non-Independent, Executive	1,23,09,147
Mrs. Sangeeta Chajjer	Non-Independent, Executive	60,70,000
Mr. Virendra Mital	Independent, Non- Executive	410

Mrs. Sangeeta Chhajer is the wife of Mr. Ashok B Chhajer. Apart from the same, there are no other inter-se relationships between the Directors.

Independent Directors – Terms of appointment, declarations, meeting and attendance:

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

The Independent Directors have provided their declaration of Independence as per Section 149 (7) of Companies Act,2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors have also confirmed that they have registered themselves for including their name in the databank of persons offering to become Independent Directors. The Board of Directors, based on the declaration(s) received from the Independent Directors, have verified the veracity of such disclosures and confirm that the Independent Directors fulfill the conditions of independence specified in the Listing Regulations and the Companies Act, 2013 and are independent of the management of the Company.

During the Financial Year 2019-20, 1 (One) Meeting of Independent Directors was held on 11<sup>th</sup> February 2020 without the presence of any Non-Independent Directors.

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

During the year, Mrs. V R Iyer has resigned from the position of Directorship with effect from 8<sup>th</sup> December 2019, on account of her pre-occupation and commitments outside the country. The company has received a confirmation from Mrs. V R Iyer, stating that there are no other material reasons other than those provided.

Attendance Record of Meetings of Independent Directors:

Name of Director	Number of Meeting held	Eligible to Attend	Number of Meeting attended
Mr. Virendra Mital	1	1	1
Mr. Raj Narain Bhardwaj	1	1	1
Mr. Vinayak V Nalavde* (Ceased to be Director from 8 <sup>th</sup> February 2020)	0	0	0

#### **Board qualification, experience and expertise:**

The Company is in the business of construction and real estate industry. The following is the list of core skills/expertise/ competencies identified by the Board of Directors, based on recommendations of the Nomination & Remuneration Committee, as required in the context of the Company's aforesaid business(es) for it to function effectively along with the names of Directors who have such skills/ expertise/ competence:

Name of Director	Business skills: Understanding of the real estate and construction industry, including regulatory and engineering requirements	Financial skills: Understanding the financial statements, financial controls, risk management, etc.	General Management Skills: Strategic thinking, decision making and protect interest of all stakeholders
<b>Mr. Ashok B Chhajer</b>	Yes	Yes	Yes
<b>Mrs. Sangeeta Chhajer</b>	Yes	-	Yes
<b>Mr. Nimish Shah</b>	Yes	-	Yes
<b>Mr. Virendra Mital</b>	Yes	Yes	Yes
<b>Mr. R N Bhardwaj</b>	Yes	Yes	Yes

#### **Board Evaluation:**

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

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

The evaluation process was facilitated by the Chairman of the Nomination and Remuneration Committee. These assessment sheets for evaluation of performance of the Directors were prepared based on various aspects which, amongst other

parameters, included the level of participation of the Directors, understanding of the roles and responsibilities of Directors, etc. The parameters for performance evaluation of Board includes composition of the Board, process of appointment to the Board of Directors, understanding the different roles and responsibilities of the Board, timeliness for circulating the board papers, content and the quality of information provided to the Board, attention to the Company's long term strategic issues, evaluating Strategic Risks, overseeing and guiding major plans of action, Acquisitions, Disinvestment, etc.

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

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

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

#### 4. Director's Remuneration:

Details of Remuneration for the Financial Year ended 31<sup>st</sup> March, 2020 are as follows: Remuneration paid to Non-Independent, Executive Directors:

Name of Director	Salary and Allowance (₹ in Lakhs)
Mr. Ashok Chhajer [Chairman & Managing Director]	32,50,000
Mr. Nimish Shah [Whole-time Executive Director]	41,74,000

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

Remuneration paid to Independent, Non-Executive Directors:

Name of Director	Sitting Fees (' in Lakhs)
Mr. Virendra Mital	5,30,000
Mr. Vinayak Nalavde	3,85,000
Mrs. Vijaylakshmi R. Iyer	3,16,000
Mr. Raj Narain Bhardwaj	4,70,000

There are no Stock Options or Commissions payable to Non-Executive/ Independent Directors of the Company. Except for the sitting fees payable to the Non-Executive Directors annually in accordance with the applicable laws, there is no pecuniary or business relationship between the Non-Executive Directors and the Company.

#### 5. Committees of the Board:

##### A. Audit Committee:

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

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

Terms of reference:

- i. Over-seeing Financial Reporting process and disclosure of Financial information, to ensure that the Financial Statements are correct, sufficient and credible;
- ii. Recommending appointment and removal of the Statutory Auditors, fixation of Audit fee and approval for payment of any other services;
- iii. Reviewing with the Management, the periodical Financial Statements including of Subsidiaries/Associates, in particular the investments made by the unlisted Subsidiaries of the Company, before submission to the Board for approval;
- iv. Reviewing with the Management and the Statutory and Internal Auditors, the adequacy of Internal Control Systems and recommending improvements to the Management;
- v. Reviewing the adequacy of Internal Audit function, approving Internal Audit plans and efficacy of the functions including the structure of the Internal Audit department, staffing, reporting structure, coverage and frequency of Internal Audit;
- vi. Discussion with Internal Auditor on any significant findings and follow-up thereon;
- vii. Reviewing the findings of any internal investigations by Internal Auditors into matters where there is suspected fraud or irregularity or failure of Internal Control Systems of a material nature and reporting the matter to the Board;
- viii. Discussion with Statutory Auditors before the Audit commences, about the nature and scope of Audit, as well as post-audit discussions to ascertain any area of concern;
- ix. Reviewing the Management Discussion and Analysis of financial condition and results of operations, statement of significant Related Party Transactions, Management letters/letter of Internal Control Weakness issued by Statutory Auditors, Internal Audit Reports etc;
- x. Reviewing the Company's Financial and Risk Management System;
- xi. Scrutiny of Inter-corporate Loans and Investments;
- xii. Reviewing any subsequent modification of transactions with the Related Parties;
- xiii. Reviewing the reasons for substantial defaults in the payments to the Depositors, Debentures holders, Shareholders (in case of non-payment of declared Dividends) and Creditors if any;
- xiv. Besides the Committee Members, Whole-time Executive Director, Chief Financial Officer and partners/other representatives of the firms of Statutory Auditors and Internal Auditors were also present at the Meetings to answer the queries raised by the Committee Members;
- xv. Establish a Vigil Mechanism for Directors and Employees to report genuine concerns in such manner as may be prescribed;
- xvi. The Chairman of Audit Committee was present at 36<sup>th</sup> Annual General Meeting of the Company held on 26<sup>th</sup> September, 2019;
- xvii. To perform such other function(s) as may be delegated by the Board from time to time;
- xviii. The Company Secretary acts as the Secretary of the Committee.

Four Audit Committee Meetings were held during the Financial Year 2019-20. These were held on 27<sup>th</sup> May, 2018, 12<sup>th</sup> August, 2019, 13<sup>th</sup> November, 2019 and 11<sup>th</sup> February, 2020.

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

Name	Category	Number of Meetings during the Financial Year 2019-20		
		Held	Eligible to Attend	Attended
*Mr. Virendra Mital (Chairperson)	Independent, Non-Executive	4	4	4
*Mr. Vinayak Nalavde	Independent, Non-Executive	4	3	3
Mr. Raj Narain Bhardwaj	Independent, Non-Executive	4	1	1
Mr. Nimish Shah	Non-Independent, Executive	4	4	4

\* Mr. Virendra Mital was appointed as Chairman of Audit Committee on 11<sup>th</sup> February 2020, in place of Mr. Vinayak Nalavde, who passed away on 8<sup>th</sup> February 2020

The Board has accepted all the recommendations of the Audit Committee during the Financial year.

#### B. Nomination and Remuneration Committee:

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

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

Terms of reference:

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

Three Nomination and Remuneration Committee Meetings were held during the Financial Year 2019-20. These were held on 27<sup>th</sup> May, 2019, 12<sup>th</sup> August, 2019 and 11<sup>th</sup> February, 2020.

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

<b>Name</b>	<b>Category</b>	<b>Number of Meetings during the Financial Year 2019-20</b>		
		<b>Held</b>	<b>Eligible to Attend</b>	<b>Attended</b>
*Mr. Raj Narain Bhardwaj (Chairperson)	Independent, Non-Executive	3	3	3
*Mrs. Vijaylakshmi R. Iyer	Independent, Non-Executive	3	2	2
*Mr. Virendra Mital	Independent, Non-Executive	3	3	3
*Mr. Vinayak Nalavde	Independent, Non-Executive	3	2	2

\*Mr. R N Bhardwaj was appointed as Chairman of Nomination and Remuneration Committee in place of Mrs. V R Iyer on account of her resignation. Further, Mr. Vinayak Nalavde ceased to be a member on account of his sad demise.

The Board has accepted all the recommendations of the Nomination & Remuneration Committee during the year.

#### C. Stakeholders' Relationship Committee:

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

Terms of reference:

- i. The Committee looks into the Redressal of Shareholders'/Investors' Complaints/ Grievances pertaining to transfer or credit of Shares, non-receipt of Annual Reports, Dividend payments and other miscellaneous Complaints/Grievances;
- ii. The Committee reviews performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of Investor services;
- iii. The Company Secretary acts as the Secretary of the Committee;
- iv. Details of Investor Complaints received and redressed during the Financial 2019-20 are as follows:

<b>Complaints at the beginning of the Year</b>	<b>Received during the Year</b>	<b>Disposed of during the Year</b>	<b>Unresolved as on 31<sup>st</sup> March, 2020</b>
Nil	Nil	Nil	Nil

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

Govind Rao

Company Secretary & Compliance Officer Arihant Superstructures Limited  
Arihant Aura, 25<sup>th</sup> Floor, B-Wing, PlotNo.13/1, TTC Industrial Area, Thane Belapur Road, Turbhe, Navi Mumbai – 400705 Tel.: 022 - 62493333 Fax: 022 – 62493334

Four Stakeholder's and Relationship Committee Meetings were held during the Financial Year 2019-20. These were held on 27<sup>th</sup> May, 2019, 12<sup>th</sup> August, 2019, 13<sup>th</sup> November, 2019 and 11<sup>th</sup> February, 2020.

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

Name	Category	Number of Meetings during the Financial Year 2019-20		
		Held	Eligible to Attend	Attended
*Mr. Virendra Mital (Chairperson)	Independent, Non-Executive	4	1	1
Mr. Raj Narain Bhardwaj	Independent, Non-Executive	4	4	4
*Mrs. Vijaylakshmi R. Iyer	Independent, Non-Executive	4	3	3
* Mr. Vinayak V Nalavde	Independent, Non-Executive	4	3	3
Mr. Nimish Shah	Non- Independent, Executive	4	1	1

\*Mr. Virendra Mital was appointed as Chairman of Stakeholder Relationship Committee in place of Mrs. Mr. Vinayak Nalavde on account of his sad demise.

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

#### D. Corporate Social Responsibility Committee:

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

The extract of the CSR Policy along with the projects undertaken by the Company during the Financial Year 2019-20 is attached to the Directors Report of this Annual Report.

Terms of reference:

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

Two Meetings of Corporate Social Responsibility Committee were held during the Financial Year 2019-20. These were held on 12<sup>th</sup> August, 2019 and 11<sup>th</sup> February, 2020.

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

Name	Category	Number of Meetings during the Financial Year 2019-20		
		Held	Eligible to Attend	Attended
Mr. Virendra Mital (Chairman)	Independent, Non-Executive	2	2	2
Mr. Vinayak Nalavde	Independent, Non-Executive	2	1	1
Mr. Ashok Chhajer	Non-Independent, Executive	2	2	2
Mr. Nimish Shah	Non- Independent, Executive	2	1	1

\* Corporate Social Responsibility committee has been reconstituted due to sad Demise of Mr. Vinayak Nalavde on 08<sup>th</sup> February, 2020.

## 6. Other Non-Mandatory Committees:

### a) Executive Committee:

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

Three Executive Committee Meetings were held during the Financial Year 2019-20. These were held on 31<sup>st</sup> July, 2019, 05<sup>th</sup> September, 2019 and 14<sup>th</sup> December, 2019.

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

<b>Name</b>	<b>Category</b>	<b>Number of Meetings during the Financial Year 2017-18</b>		
		<b>Held</b>	<b>Eligible to Attend</b>	<b>Attended</b>
Mr. Ashok Chhajer	Non-Independent, Executive	1	1	1
Mr. Nimish Shah	Non-Independent, Executive	1	1	1
Mrs. Sangeeta Chhajer	Member	1	1	1

### b) Disinvestment Committee:

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

During the Financial Year 2019-20 no Meeting of the Disinvestment Committee was held.

The Composition of Disinvestment Committee of the Company as on 31<sup>st</sup> March, 2020:

<b>Name</b>	<b>Category</b>
Mr. Virendra Mital (Chairperson)	Independent Non-Executive
Mr. Vinayak Nalavde	Independent, Non-Executive
Mr. Nimish Shah	Non-Independent, Executive
Mr. Ashok Chhajer	Non-Independent, Executive

\*Disinvestment committee has been reconstituted due to sad Demise of Mr. Vinayak Nalavde on 08<sup>th</sup> February, 2020.

### c) Insider Trading Compliance Committee

The Insider Trading Compliance Committee was constituted for the purpose of examining the non-compliance of the Insider Trading Compliances by the Directors and Senior Managerial Personnel of the Company, if any. The Committee conducts its proceedings for ensuring due compliance of the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, and for preparation and submission of the Report with Stock Exchanges and SEBI as required under the Regulations. The Composition of the Committee includes Independent Directors of the Company.

During the Financial Year 2019-20 1 (one) Meeting of the Insider Trading Compliance Committee was held on 11<sup>th</sup> October, 2019.

The Composition of Insider Trading Compliance Committee of the Company as on 31<sup>st</sup> March, 2020:

<b>Name</b>	<b>Category</b>
Mr. Virendra Mital (Chairperson)	Independent Non-Executive
Mr. Vinayak Nalavde	Independent, Non-Executive
Mr. R N Bhardwaj	Independent, Non-Executive

## 7. General Body Meeting: Annual General Meeting:

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

Year	AGM	Date	Time	Location
2017	34 <sup>th</sup> AGM	30.09.2017	12:00 Noon	Hotel, The Regenza by Tunga, Plot No 37, Sector 30A, Vashi, Navi Mumbai - 400703
2018	35 <sup>th</sup> AGM	28.09.2018	10:30 A.M.	“Arihant Aura” B-Wing plot No. 13/1, TTC Industrial Area, Thane Belapur Road, turbhe, Navi Mumbai-400705
2019	36 <sup>th</sup> AGM	26.09.2019	10:30 A.M.	Hotel, The Regenza by Tunga, Plot No 37, Sector 30A, Vashi, Navi Mumbai – 400703

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

Year	AGM	Date	Particulars of Resolution Passed
2017	34 <sup>th</sup>	30.09.2017	No Special Resolution was passed.
2018	35 <sup>th</sup>	28.09.2018	Reappointment of Mrs. Vijayalakshmi R. Iyer (DIN: 05242960) as an Independent Women Director of the Company.
2018	35 <sup>th</sup>	28.09.2018	Re-appointment of Mr. Ashok Chhajer (DIN: 01965094) as the Chairman & Managing Director of the Company.
2019	36 <sup>th</sup>	26.09.2019	Approve increase in remuneration of Mr. Nimish Shah (DIN: 03036904), Whole time Director of the Company.
2019	36 <sup>th</sup>	26.09.2019	Raise Funds through issue of Securities upto an amount not exceeding Rs. 300 Crore including premium if any.
2019	36 <sup>th</sup>	26.09.2019	Approve the proposed Material Related Party Transactions for the year 2019-20.

### c) Extra Ordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the Financial Year 2019-20.

### d) Postal Ballot:

No Resolutions passed through Postal Ballot during the Financial Year 2019-20.

## 8. Disclosures:

### a) Related Party Transaction:

None of the transactions with any of the Related Parties were in conflict with the interest of the Company. Details of transactions with Related Parties are disclosed in notes to the Accounts in this Annual Report. All Related Party transactions are negotiated at Arms' Length Basis and are only intended to further the interest of the Company. The Company has a Related Party Transaction Policy to determine the basis and means of entering into Related Party Transactions (in ordinary course of business or otherwise). The Audit Committee approves all the Related Party Transactions undertaken by the Company. Any recurring and routine Related Party Transactions are granted Omnibus Approval for every Financial Year, by the Audit Committee. However, all transactions covered under Omnibus Approval are also placed and approved subsequently by the Audit Committee. Any Material Related Party Transactions, i.e. Related Party Transactions exceeding 10% of the Consolidated Annual Turnover of the Company, are undertaken only pursuant to the approval of the Shareholders in a General Meeting/through Postal Ballot. The details of all related party transactions, including material transactions are stated in Audited Financial Statements and in Form AOC-2 which forms part of the Annual Report. The Related Party Transaction Policy is available on [www.asl.net.in](http://www.asl.net.in) for the members.

b) Compliances:

The Company has complied with all the mandatory requirements specified in SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The Company has also complied with mandatory and Non-Mandatory applicable rules and regulations prescribed by Stock Exchanges, SEBI or any other Statutory Authority relating to the Capital Markets. All returns/reports were filed with Stock Exchanges/other Authorities. The Company further strives and has obtained unmodified Audit opinion on Financial Statement for the Financial Year 2019-20. Further the Internal Auditor has access and report to Audit Committee.

c) Reconciliation of Share Capital Audit:

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

d) Code of Conduct:

The Members of the Board, Key Managerial Personnels and Senior Management have affirmed the Compliance with Code applicable to them during the Financial Year 2019-20. The Annual Report of the Company contains a Certificate by the Managing Director in terms of SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015 on the compliance declarations received from Independent Directors, Non-executive Directors, Key Managerial Personnels and Senior Management.

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

However, during the Financial Year 2019-20, Ms. Sangeeta Chhajer and Ashokkumar B Chhajer (HUF) have inadvertently purchased 70,000 Equity Shares and 50,000 Equity Shares on 10<sup>th</sup> July 2019 and 12<sup>th</sup> July 2019, in contravention of the Code of Conduct under the Insider Trading Regulations. The Insider Trading Compliance Committee has submitted its report and issued cautionary letter to the Promoters & Promoter group and submitted the same to SEBI.

## 9. Vigil Mechanism and Whistle Blower Policy:

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

## 10. CEO and CFO Certification

As required under Regulation 17 of the Listing Regulations, the CEO/CFO certificate for the financial year 2019-20 signed by Mr. Ashok B Chhajer, Managing Director & Mr. Deepak Lohia, CFO respectively was placed before the Board of Directors of the Company at their meeting held on 1<sup>st</sup> August 2020 and is annexed to this Report as Annexure 'B'.

## 11. Subsidiaries Companies:

The Subsidiaries of the Company are as follows:

- a) Arihant Abode Limited.
- b) Arihant Vatika Realty Private Limited.
- c) Arihant Gruhnirman Private Limited.
- d) Arihant Aashiyana Private Limited.

The Audit Committee reviews the Consolidated Financial Statements of the Company, Financial Statements of the unlisted Subsidiary Companies and the investments made by its unlisted Subsidiary Companies. The Minutes of the Board Meetings along with a report on significant developments and transactions of the unlisted Subsidiary Companies are periodically placed before the Board of Directors of the Company. The Management of the unlisted subsidiary periodically brings to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by unlisted subsidiary, if any.

The Company has appointed an Independent Director on each of its subsidiary companies.

The Company does not have any Material Listed Subsidiary Companies. However, Arihant Aashiyana Private Limited and Arihant Vatika Realty Private Limited are Material unlisted subsidiaries in Financial Year 2019-20.

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

## **12. Certificate on Disqualification of Directors:**

The Company has obtained a Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. The same is attached as Annexure “C” to this Report.

## **13. Secretarial Compliance Report:**

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. The said Secretarial Compliance report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form MR – 3 and is required to be submitted to Stock Exchanges within 60 days of the end of the financial year. The Company has obtained the same from M/s D A Kamat & Co, Company Secretaries and is available on the website of the Company.

## **14. Fees paid to Statutory Auditors:**

The total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part of during Financial Year 2019-20 is Rs. 9.73 Lacs.

## **15. Disclosure relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has formulated a Policy on prevention of Sexual Harassment in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder which is aimed at making a safe and equitable workplace for women. The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at workplace.

The details relating to the number of complaints received and disposed of during the financial year 2019-20 are as under:

No of Complaints filed during the Financial Year	0
No of complaints disposed of during the Financial Year	0
Number of complaints pending as on end of the Financial Year	0

## **16. Means of Communication:**

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

The presentations on performance of the Company are placed on the Company’s website for the benefit of the institutional investors, analysts and other shareholders immediately after the financial results are communicated to the Stock Exchanges.

The Company also conducts calls/meetings with investors immediately after declaration of financial results to brief them on the performance of the Company. These calls are attended by the Managing Director & CEO, CFO & other members of the management.

#### 17. Website and Exclusive Designated E-mail id:

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

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

#### 18. General Shareholder's Information:

##### a) Annual General Meeting:

**Day:** Friday

**Date:** 11<sup>th</sup> September 2020

**Time:** 11:00 AM IST

**Venue:** Through VC/OAVM. The Registered office of the Company shall be deemed to be the venue for the meeting.

##### b) Financial Calendar:

The Financial Calendar of the Company is from 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021.

Board Meetings for Quarterly Results:

(Tentative and subject to change)

Quarter ended	Latest by
30 <sup>th</sup> June,2020	14 <sup>th</sup> August,2020
30 <sup>th</sup> September,2020	13 <sup>th</sup> November, 2020
31 <sup>st</sup> December,2020	14 <sup>th</sup> February, 2021
31 <sup>st</sup> March,2021	21 <sup>st</sup> May,2021

##### c) Book Closure Dates:

From 5<sup>th</sup> September 2020 to 10<sup>th</sup> September 2020 (both days inclusive).

##### d) Dividend Payment Date:

Since the Board of Directors have not proposed any Dividend for the Financial Year 2019-20 at the forthcoming AGM, there are no disclosures stated therein.

##### e) Liquidity of Shares:

The Equity Shares of the Company are listed on the BSE Limited and on National Stock Exchange of India Limited. The Shares of the Company are currently traded under the B Group Category. The Company has paid the listing fees to both the Stock Exchanges for the Financial Year 2019-20 and 2020-21.

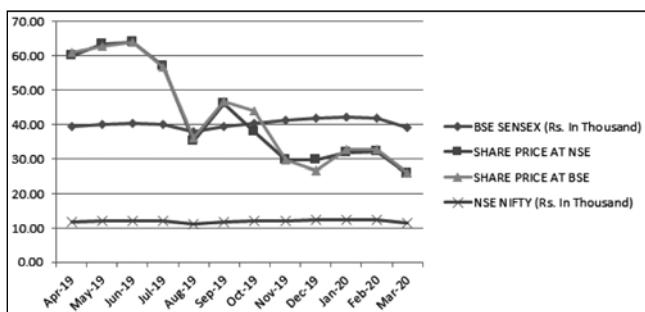
##### f) Listing of Equity Shares on Stock Exchanges:

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

**g) Stock Price Data: Share Price (in Rs)**

Month	BSE Limited		National Stock Exchange of India Limited	
	High Price	Low Price	High Price	Low Price
April 2019	61.00	52.05	60.15	50.75
May 2019	62.70	54.00	63.30	53.00
June 2019	63.90	52.20	63.95	52.50
July 2019	56.60	33.50	56.90	32.90
August 2019	36.00	28.65	35.25	28.10
September 2019	46.65	29.00	46.00	29.40
October 2019	44.00	24.65	37.85	22.85
November 2019	29.80	23.60	29.80	23.00
December 2019	26.55	21.00	26.75	21.10
January 2020	32.75	26.00	31.95	24.90
February 2020	32.60	24.70	32.20	23.50
March 2020	26.00	18.40	25.65	19.45

**Stock Performance:**



**h) Registrar and Transfer Agent (RTA): Adroit Corporate Services Private Limited**

19/20, Jaffer bhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (East) Mumbai 400059

**i) Share Transfer Mechanism:**

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

Distribution of Equity Shareholding as on 31<sup>st</sup> March, 2020:

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

### Category of Shareholders as on 31<sup>st</sup> March, 2020:

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

**j) Dematerialization of Shares:**

The Shares of the Company are in compulsory Dematerialized segment and are available for trading in depository system of both National Securities Depository Limited and Central Depository Services (India) Limited. As on 31<sup>st</sup> March, 2020 41,107,931 Equity Shares (constituting 99.87%) were in Dematerialized form.

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

Pursuant to Sections 123, 124 and 125 of the Companies Act, 2013 and other applicable provisions, if any, of the Act, all unclaimed/unpaid Dividend, Application money, Debenture interest and interest on Deposits as well as the principal amount of Debentures and Deposits, as applicable, remaining unclaimed/unpaid for a period of Seven Years from the date they became due for payment, in relation to the Company, Arihant Superstructures Ltd. have been transferred to the IEPF established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred prior to March 31, 2020 nor shall any payment be made in respect of such claims. Members who have not yet encashed their Dividend Warrant (s) pertaining to the Final Dividend for the Financial Year 2011-12 onwards are requested to make their claims without any delay to Company's Registrars and Transfer Agent. Pursuant to the provisions of IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company at [www.asl.net.in](http://www.asl.net.in).

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

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

Financial Year	Date of declaration of Dividend	Last Date for claiming unpaid/ unclaimed Dividend
2011-12	September 22, 2012	September 21, 2019
2012-13	September 26, 2013	September 25, 2020
2013-14	September 25 2014	September 24, 2021
2014-15	September 25, 2015	September 24, 2022
2015-16	September 20, 2016	September 19, 2023
2016-17	September 30, 2017	September 29, 2024
2017-18	September 28, 2018	September 27, 2025
2018-19	September 26, 2019	September 25, 2026

Further, pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the IEPF Rules, all Shares on which the Dividend has not been paid or claimed for Seven Consecutive Years or more shall be transferred to IEPF

Authority as notified by the Ministry of Corporate Affairs, in due course. In accordance with the IEPF Rules, after dispatching notices and publishing Newspaper Advertisement in this regard the Company has transferred 250 Equity Shares pertaining to Financial Year 2008-09 to the IEPF Authority. The Shareholders whose Dividend/Shares is/are will be transferred to the IEPF Authority can claim the same from the IEPF Authority by following the procedure as detailed on the website of the IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.

The complete details of the shares due for transfer to IEPF along with the manner to encash dividend and claim the shares are available on the website of the company at [www.asl.net.in/investors](http://www.asl.net.in/investors). The Company has also appointed Mr. Ashok B Chhajer, Managing Director and Mr. Govind Rao, Company Secretary as the Nodal Officer under the IEPF Rules for the company.

**l) Address for Investor Correspondence:**

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

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

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

No penalties have been imposed by Stock Exchanges or SEBI during the Financial Year 2019-20.

**n) Other disclosures:**

- The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) requiring disclosure under these Regulations.
- The Company uses the NEAPS (NSE Electronic Application Processing System) and BSE Corporate Compliance & the Listing Centre for submission of all documents and intimations to the Stock Exchanges on a regular basis.
- There are no disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large, except any as disclosed in the Financial Statements of the Company.
- In terms of Part E of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is moving towards a regime of financial statements with unmodified audit opinion and the company has received the Statutory Auditors Report for the Financial year 2019-20 with unmodified opinion.
- The Internal Auditors of the Committee report directly to the Audit Committee.
- The securities of the company are not suspended from trading on any recognized stock exchange.
- The company has not obtained any Credit Rating during the financial year and none of its securities have obtained a credit rating.
- There are no shares in DEMAT suspense account or unclaimed suspense account of the company, and hence no separate disclosures for the same are stated herein.

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

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

**Place: Navi Mumbai**  
**Date: 12<sup>th</sup> August, 2020**

## CEO & CFO CERTIFICATION

To  
 The Board of Directors  
**Arihant Superstructures Limited**

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

- (A) We have reviewed Financial Statements and the Cash Flow Statement for the Financial Year ended 31st March, 2020 and that to the best of their knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (C) We accept responsibility for establishing and maintaining Internal Controls for Financial Reporting and that we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to Financial Reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (D) We have indicated to the Auditors and the Audit committee that:
  - (i) there were no significant changes in Internal Control over Financial Reporting during the year;
  - (ii) The Company is following Accounting Policy based on Indian Accounting Standards as applicable to the Company.
  - (iii) there were no instances of fraud of which we have become aware and the involvement therein of the Management or an Employee having a significant role in the Company's Internal Control System over Financial Reporting.

**Place: Navi Mumbai**  
**Date: June 27<sup>th</sup>, 2020**

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

**Deepak Lohia**  
**Chief Financial Officer**  
**(PAN: AAIPL1119M)**

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

All the Members of the Board and Senior Management Personnel of the Company have affirmed due observance of the Code of Conduct, framed pursuant to Schedule V(D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015, in so far as it is applicable to them and there is no other Non-compliance thereof other than those stated in the Directors' Report, during the Financial Year ended 31st March, 2020.

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

**Place: Navi Mumbai**  
**Date: August 12<sup>th</sup>, 2020**

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

## CERTIFICATE ON CORPORATE GOVERNANCE

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

### Certificate on Corporate Governance

1. This Certificate is issued in terms of our engagement letter dated 9<sup>th</sup> June 2020.
2. We, D A Kamat & Co, Company Secretaries, the Secretarial Auditors of India Home Loan Ltd (the “Company”), have examined the compliance of conditions of Corporate Governance by the Company, for the financial year ended on March 31, 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (the “Listing Regulations”).
3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.
4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring Compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.
5. We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the Compliance with Corporate Governance requirements by the Company.
6. Based on our examination of the relevant records and according to the information and explanations provided to us and the presentations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C and D of Schedule V of the Listing Regulations during the Year ended March 31, 2020.
7. We state that such Compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

**D A Kamat  
Partner  
FCS 3843  
CP 4965**

**Place: Mumbai  
Date: 13<sup>th</sup> August, 2020**

**UDIN: F003843B000577856**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members

**ARIHANT SUPERSTRUCTURES LIMITED**

“Arihant Aura” 25th Floor, B-Wing, Plot No.13/1,  
TTC Industrial Area, Thane Belapur Road,  
Turbhe, Navi Mumbai Thane MH 400705

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority .

The list of Directors as at 31<sup>st</sup> March, 2020 are as follows:

No.	Name of Director	DIN	Date of appointment in the Company
1	Mr. Ashokkumar Bhanwarlal Chhajer	01965094	01/04/2011
2	Mr. Raj Narain Bhardwaj	01571764	12/08/2017
3	Mr. Virendra Kumar Mital	00376830	23/05/2018
4	Mrs. Sangeeta Chhajer	01965110	12/02/2020
5	Mr. Nimish Shashikant Shah	03036904	13/04/2010

\* Mrs. Vijayalakshmi Rajaram Iyer (DIN: 05242960) has resigned from the post of Independent Woman Director of the Company w.e.f. 08<sup>th</sup> December, 2019.

\* Shri. Vinayak Vaman Nalavde ceased to be Independent Director of the Company due his sudden untimely demise on 08<sup>th</sup> February, 2020.

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

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

**D A Kamat  
Partner  
FCS 3843  
CP 4965**

**UDIN: F003843B000550831**

**Place: Mumbai**

**Date: 13<sup>th</sup> August, 2020**

## MANAGEMENT DISCUSSION AND ANALYSIS

### Global economic overview

The global economies are facing a synchronized slowdown, resulting from a variety of factors affecting the world. The outbreak of coronavirus 2019 (COVID19) has globally disrupted people's lives, interrupted businesses and jeopardized decades of development progress. According to The World Economic Outlook (WEO) update, global economic growth has been downgraded to 2.4% in 2019, which is its slowest pace since the global financial crisis of 2008. The decline in growth is the outcome of rising trade tensions between large economies, rising uncertainty surrounding trade and geopolitical issues; along with individual macroeconomic problems such as low productivity growth in emerging economies and aging population in advanced economies. To add to the existing issues, the pandemic outbreak has worsened the economic environment. The crisis is the result of the needed containment measures that forced policymakers to take extreme steps in the form of huge fiscal stimuli to encourage economic activity. With considerable uncertainty around the world due to the pandemic, its macroeconomic fallout, and the associated impact on financial and commodity markets, the World Economic Outlook has estimated global growth to decline by 5.2% in 2020 before recovering by 4.2% in 2021.

In China, the containment efforts such as quarantine and widespread restrictions on travel, have resulted in unplanned delays in restarting factories after the Lunar New Year holiday and sharp cutbacks in many service sector activities. With the existing slowdown visible across the globe, the pandemic is expected to have severe consequences on the world economy leading to lay-offs, reduction in capex by companies and delay in discretionary purchases. The economic activity in U.S. and Eurozone economies is expected to fall sharply as these economies undertake measures to contain the outbreak.

### Source: World Bank report

### Indian economic overview

The Indian economy decelerated sharply in the fourth quarter at 3.1%, lowest in almost 17 years, after growing at 4.1% in Q3 FY20. As per the Central Statistics Office (CSO), GDP growth for FY20 stood at an 11-year low of 4.2% lower than the government projection of 5.0% in both first and second advance estimates. The country's fiscal deficit worsened to 4.59% of GDP, much beyond the targeted 3.8% of GDP and expected to worsen further with the dip in tax collection and revenue shortage due to the subsequent effects of lockdown on the economy. The core sector contracted by a record 38% in April as the lockdown hit all eight infrastructure sectors. According to the CSO, country's factory output growth contracted to 0.7% in FY20, as against expansion of 3.8% in FY19. Consumer durables output, an indicator of urban demand, contracted by 8.4% in FY20, compared with a growth of 5.5% in FY19.

According to the Asian Development Bank, India's GDP growth is projected to contract by 4.0% in FY2021 before recovering sharply to 6.2% in FY2022, on the assumption of recovery from the pandemic in the second half of 2020. With the lockdown scenario, consumption and investments are expected to be severely impacted in the first quarter. The gross fixed capital formation is likely to decline with rising risk perception and uncertainty around the pandemic. RBI has cut the repo rate by 40 bps to 4.0% in May 2020, which is the lowest ever and rolled out a range of measures to preserve financial stability and counter the economic impact of COVID19. The central bank has undertaken open market operations and US dollar-rupee swaps to ensure adequate rupee and dollar liquidity during the recent global sell-off. While there is gloom in the near term with the unprecedented situation led by the outbreak, domestic demand will rebound strongly once the pandemic passes and full economic activity resumes. The historical corporate tax cuts introduced in September 2019 are expected to encourage domestic and foreign private investments in the long run. Also, the alternative tax regime introduced in the latest budget is expected to increase household disposable income, thereby boosting private consumption, and potentially expanding the tax base. FY20 inflation stood at 4.8%, below the RBI's upper target limit and is expected to fall further in the current year with declining crude prices and a slump in domestic demand, making the rate cuts more favorable. Prices for some manufacturers are likely to increase with supply disruption and rupee depreciation. The country's exports of goods and services are expected to improve once the global economies recover from the shocks of the pandemic. While the long term outlook looks robust for the country, a prolonged COVID19 pandemic would push the global economy into deep recession and further slow Indian growth.

### Real estate industry in India

The Indian real estate sector has been trying to get back on its feet and come to terms with multiple reforms and changes brought in by demonetization, RERA, GST, IBC, NBFC crisis and the subvention scheme ban. While it was a tough task for the sector to align itself with these new regulations, the measures have been instrumental to bring transparency, accountability and fiscal discipline over the last few years.

Prior to COVID19, the real estate sector was expected to grow to USD 650 billion and contribute around 13% of India's GDP by 2025 (from around 6-7% in 2017), according to ANAROCK Research. Over-reliance on NBFC funding led to severe funding issues after the IL&FS default, wherein RBI had asked NBFCs to bring down their exposure to real estate sector. The share of NBFC loans to real estate which plunged to 46% of total credit to real estate sector in 2018-19, is expected to further comedown. Current corona virus outbreak is expected to derail the sector's growth momentum in the short term due to its impact on the overall slowing economy. According to industry estimates, 90% of the workforce employed in real estate and construction sector is engaged in the core construction activities, while the rest 10% is involved in other ancillary activities. Since majority of the workers are immigrants, labor shortage could possibly pose a major challenge for the sector post COVID19 lockdown. While the pandemic outbreak could temporarily disrupt the sector, there are certain green shoots in this adverse situation.

The recent liquidity crisis has worsened the situation for smaller players which were any ways finding it difficult to adhere to new norms laid by RERA leading to a new wave of consolidation. Industry consolidation is likely to get accelerated further with the COVID19 outbreak and many weak players may cease to exist. Larger established players with strong access to funding are expected to gain market share. Also, the current situation is expected to open up a lot of business development opportunities for well capitalized developers.

**Table 1-1: Policy Initiatives**

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

**Source: CBRE India real estate report**

#### Brief organizational background

Arihant Super structures is one of the leading developers in Mumbai Metropolitan Region and Jodhpur. Both these locations are witnessing rapid development on back of several government lead initiatives. Arihant has been present in both these regions for a sizable period. Till date, the Arihant Group has delivered 9000 homes worth 7.5 Mn sq. ft. across 52 projects over past 2 decades. With the government's current focus on affordable housing through initiatives like 'Housing for all by 2022', Arihant would be a major beneficiary.

While Arihant is present across all segments of the market, our main focus remains on the mid and affordable housing segments. The affordable housing segment accounts for 53% of the area of our project portfolio as on date. The other two segments catered to by the company are the Middle and Upper-Medium Income real estate segments.

Arihant project selection process entails a targeted population matrix segregated between the affordable housing (INR 2000-4000 per sq ft), middle-income **housing** segment group (INR 4000-7000 per sq ft) and upper-middle-income **housing** segment (INR 8000 per sq ft). This enables the company to complement the demand supply for individual segment and have a market share in each segment. Within the real estate sector, land acquisition is a major concern due to rising land prices as well as the litigious nature of acquisition which makes the process cumbersome and time consuming. Arihant's long standing presence

in the real-estate industry space has allowed for the creation of a land bank at low historical prices and land owners are more favourably inclined towards Arihant. A few of our projects are facilitated through joint ventures with the land owners in an asset light model.

Arihant keeps critical activities such as design, engineering and sales-marketing in-house while it outsources Labour and building equipment to third party vendors. Currently, Arihant has a total of 17 on-going projects amounting to 14+ million square feet (msf). Of these, nine on-going projects are in Mumbai which amount to 2.65 msf (i.e 2695 units) and the remaining three on-going projects are in Jodhpur and amount to 0.7 msf (i.e 734 units). The company is looking to complete majority of these projects over the next 7 years. In Mumbai MMR, Arihant has consciously initiated projects at different locations which fall under different local bodies which reduce the risk of approval process and the risk to revenue from location concentration is mitigated.

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

The employee base is one of the key driving forces behind the successful functioning of Arihant. Our prudent hiring processes have allowed us to attract the right kind of talent which has put us in position to achieve our strategic goals as a company. The current overall strength of the company stands at 198 as of 31<sup>st</sup> March 2020.

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

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

During the outbreak of Covid-19, Arihant ensured that all the workers at various sites were safe and well provided for with food, shelter and other essential facilities.

### **Awards and recognitions**

We received the “Developer of the Year, 2019 – Affordable Housing” Award, from Zee Business.

### **Operational Highlights:**

Our company reported revenues of INR 2376.22 Mn for FY20 as compared to INR 2428.45 Mn in FY19 reduction of 2% in topline. We reported an EBITDA of INR 476.41 mn in FY20 and recorded a decrease of 16 % as compare to INR 569.49 Mn in FY 19 and net profit of INR 110.52 mn for FY20 with the decrease of 40% as compare to INR 183.30 in FY19 which resulted in operational margins of 20.05 pct and net profit margins 4.65 pct respectively. Company has come out from demonetization effect phase on real estate sector and continuing its growth story on year on year basis.

We achieved sales of 874 units across both Mumbai MMR (774) and Jodhpur (100) at an average realization of INR 4,199 per sq. ft. Our Standard Operating Procedures for the last two decades were similar to the provisions of RERA especially our discipline in utilization of funds for construction. This resulted in timely completion of projects. In FY20, ASL delivered 918 Units completed homes across various projects. New launch of Project has shown encouraging results to the company during the year. Mega events during the years have seen average incremental footfalls at project sites.

In FY20, ASL launched 300 units, across MMR/Navi Mumbai and Jodhpur as follows:

- Arihant 4Anaika (300 units)
- Arihant Aloki Phase -03 (122 units)

### **Financial Highlights**

<b>INR Mn (except as stated)</b>	<b>FY20</b>	<b>FY19</b>	<b>Amount- Increase/ Decrease</b>	<b>Amount- Increase/ Decrease</b>
Total Revenue	2376.22	2428.45	-52.23	-2.15%
Total Expenditure	1899.81	1858.96	40.85	2.19%
EBITDA	476.41	569.49	-93.08	-16.34%
EBITDA Margin (%)	20.05	23.45	-	-3.40
Finance Cost	300.24	323.63	-23.99	-7.23%
Depreciation	20.38	18.60	1.78	9.56%
PBT	155.79	227.26	-71.47	-31.44%
Tax	45.28	43.96	1.32	3%
PAT	110.51	183.30	-72.79	-39.71%
PAT Margin (%)	4.65	7.55	-	-2.9
Minority Interest	54.31	53.46	0.85	1.59%
Attributable PAT	56.20	129.84	-73.64	-56.71%
EPS (Rs)	1.37	3.15	-1.78	-56.51%

## Outlook

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

## Market Opportunities

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

While the past few years proved to be a challenging period of learning for industry stakeholders, the most potent opportunity was deduced to be in the affordable housing segment and 2019 witnessed a fair revival in the residential market, primarily buoyed by new launches and sales in the affordable housing sector. Thus, the sector is projected to continue to drive the market growth in 2020 and further , aided by the transparency in the segment and government push through various avenues such as allocation of infrastructure status, benefits under Prime Minister's Awas Yojana, Credit Linked Saving Scheme and substantial GST rate cut on housing. These factors bode well for the affordable residential market in the forthcoming year.

On one side, the demand for housing has increased multifold as progressively a family unit too has nuclearized in the past few decades, thus increasing the need for independent living. On the other side the real estate industry has a large number of unsold inventories - which seems ironical. The reason this "latent" demand hasn't been converting to "real" demand at the expected paced could be due to 1. There was a mis-match between affordability and the price in Tier 1 cities like Mumbai MMR and Delhi NCR 2. Expectation that prices would correct has coerced prospective buyers to postpone decision 3. Confusion on GST too postponed decision making

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

Sector specific data also reflects the growth story. With most projects being RERA registered, the residential segment is being driven by self-use purchase decisions. Affordable housing as a sector is witnessing increasing traction.

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

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

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

### **Internal Controls and Adequacies**

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

### **Cautionary statement**

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

### **Risks & Concerns**

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

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

### **COVID19 Impact on Residential Real Estate**

COVID-19 has severely hit residential real estate business and the sector has come to a standstill in the short term. While the sector was coming out of the woods after the liquidity crisis initiated by the IL&FS fiasco and subsequent fallouts of various financial institutions, the pandemic outbreak could further impact residential sector, however we expect the impact on affordable housing to be limited.

### **Land Costs & Availability**

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

### **Rise in costs associated with business operations**

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

### Executional Slowdowns

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

### Key Financial Ratios (Consolidated):

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

Ratios	2019-20	2018-19	Explanation
Debtors Turnover Ratio	6.63	8.44	Decrease in debtor turnover ratio is due to increase in Debtors.
Inventory Turnover Ratio	0.60	0.57	Higher Inventory turnover is due to decrease in Revenue.
Interest Coverage Ratio	1.59	1.76	Lower Interest Coverage Ratio is due to decrease in the earnings.
Current Ratio	2.40	2.32	Higher Current ratio indicates better liquidity position.
Debt Equity Ratio	3.05	3.12	Debt Equity Ratio has more or less remained constant.
Operating Profit Margin %	20.45%	23.80%	Lower Operating margin is due to lower sales.
Net Profit Margin %	2.41%	5.43%	Lower PAT Margin is due to decrease in the Revenue.
Return on Net worth %	4.43%	10.71%	Decrease in Net worth is due to Decrease in PAT as compared to previous year.

### Funding

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

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

**Place: Navi Mumbai**  
**Date: August 04<sup>th</sup>, 2020**

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

## **Management Discussion on Risks and Concerns**

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

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

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

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

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

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

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

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

### DETAILS OF PENDING LITIGATIONS

Sr. No.	Court Name	Case Number	Plaintiff/ Applicant	Defendant/ Respondent	Description	Stage of Hearing
1)	High Court- Mumbai Bench	Civil Writ Petition No. 9032/2017	Arihant Arham CHS Ltd.	Arihant Superstructures Ltd.	The matter is against order of Registrar of CHS, Alibag granting deemed conveyance of land. The petitioners demanding all land to be conveyed in their name.	Pre-Admission/Fresh Admission
2)	Raigad District Consumer Disputes Redressal Commission Alibag	Consumer Complaint No. 200/2016	Arihant Arham CHS Ltd.	Arihant Superstructures Ltd.	The Complaint alleges deficiency of services	Pending for Evidence of Complainant
3)	National Company Law Tribunal - Mumbai Bench	Company Law Petition No. 1769/2018	Teenmurti Construction Pvt. Ltd.	Arihant Superstructures Ltd.	The Petition is for recovery of amount of Rs. 42,64,369.00/-	Final Argument
4)	Maharashtra State Consumer Disputes Redressal Commission	Complaint No. 453/2019	Mr. Milap Raj Bhansali and Anr.	Arihant Superstructures Ltd.	Matter is for alleged Deficiency of Service with respect to amount of compensation and possession, Project Arihant Ayati, Flat No. 1002	Pending for Evidence of Complainant
5)	Sole Arbitrator, Mr. Sadashiv Deshmukh		Arihant Superstructures Ltd.	Mr. Laxman Dharma Patil and Ors.	Survey Nos. 383/3, 384/2/3(2), 386/1+2(A), Village Owe, Tehsil Panvel. The Matter is for Specific Performance of Agreement dated 09.12.2010	Hearing on Interim relief Applications

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

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

**Place: Navi Mumbai  
Date: August 04<sup>th</sup>, 2020**

## INDEPENDENT AUDITOR'S REPORT

**To the Members of Arihant Superstructure Limited  
Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the standalone financial statements of Arihant Superstructure Limited (“the Company”), which comprise the standalone balance sheet as at 31 March 2020, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, its loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matter**

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

**Revenue recognition**

<b>The Key Audit Matter</b>	<b>How the matter was addressed in our audit</b>
<p>Revenue from sale of residential and commercial units represents 98.30% of the total revenue from operations of the Company.</p> <p>Revenue is recognised upon transfer of control of residential and commercial units to customers for an amount that reflects the consideration which the Company expects to receive in exchange for those units. The trigger for revenue recognition is normally percentage of completion of the project</p> <p><b>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 “Revenue from Contracts with Customers”</b></p> <p>The application of the new revenue accounting standard involves significant estimates related to measurement of costs to complete for the projects. Revenue from projects is recorded based on management's assessment of the work completed, costs incurred and accrued and the estimate of the balance costs to complete.</p>	<p>Our audit procedures on Revenue recognition included the following:</p> <ul style="list-style-type: none"> <li>• Evaluating that the Company's revenue recognition accounting policies are in line with the applicable accounting standards and their application to the key customer contracts including consistent application;</li> <li>• Scrutinising all the revenue journal entries raised throughout the reporting period and comparing details of a sample of these journals, which met certain risk-based criteria, with relevant underlying documentation'</li> <li>• Conducting site visits during the year for selected projects to understand the scope and nature of the projects and to assess the progress of the projects; and</li> <li>• Testing sample sales of units for projects with the underlying contracts, completion status and proceeds received from customers;</li> </ul>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this report are in agreement with the books of account
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act
  - (e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - (f) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act
  - (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The company has, to the extent ascertainable, disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 12 to the standalone financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. The company is required to transfer Rs. 1492.20 to Investor Education and Protection Fund by the Company

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

**Saurabh Chouhan**  
Partner  
Membership No.: 167453  
UDIN : 20167453AAAAFD9264

Place : Navi Mumbai  
Date : June 27, 2020

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

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2020 we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Investment properties.
  - (b) The Fixed assets of the company have been physically verified by the management during the year and no material discrepancies have been identified on such verification. In our opinion the frequency of verification is reasonable.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in note no 5 are in process of transfer.
  - (ii) The company inventory includes construction work in progress accordingly the requirement under paragraph 3 (ii) of the Order is not applicable for construction work in progress. The Inventory comprising of finished goods has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. No discrepancies were noticed on verification between the physical stocks and the books records.
  - (iii) The Company has granted loans to body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
    - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, *prima facie*, prejudicial to the interest of the Company.
    - (b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
    - (c) In respect to the aforesaid loan granted, whether the amount (Principal as well interest) has been repaid/ paid regularly or not cannot be commented upon, as there is no stipulation as regards to the repayment of the amount.
  - (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made, and guarantees and securities provided by it.
  - (v) The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
  - (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
  - (vii)(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, goods and service tax, cess and other material statutory dues though there has been a slight delay in few cases, with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable except as stated below.

Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act 1961	Income Tax Penalty	0.63 2.36 0.40	AY 2010-11 AY 2011-12 AY 2012-13	CIT (Appeal)

- (viii) According to the information and explanation given to us and based on our examination of the records, the company has not defaulted in the repayment of loans or borrowing to any financial institutions, banks, governments and debenture holders as at balance sheet date.
- (ix) In our opinion and according to information and explanation given to us the money raised by way of term loan has been applied, on an overall basis, for the purpose for which they were obtained.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly paragraph 3(xiv) of the order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Place: Navi Mumbai  
Date: June 27, 2020

**Saurabh Chouhan**  
Partner  
Membership No. : 167453  
UDIN: 20167453AAAAFD9264

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

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

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

We have audited the internal financial controls over financial reporting of **Arihant Superstructure Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

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

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

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

- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Navi Mumbai  
Date: June 27, 2020

**Saurabh Chouhan**  
Partner  
Membership No. : 167453  
UDIN: 20167453AAAAFD9264

**STANDALONE BALANCE SHEET**  
**CIN: L51900MH1983PLC029643**

<b>Particulars</b>	<b>Note No.</b>	<b>(₹ In Lacs)</b>	
		<b>As at 31 March, 2020</b>	<b>As at 31 Mar, 2019</b>
<b>A ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant & Equipment	3	272.08	275.91
Intangible Assets	4	3.67	8.11
Investment in Property	5a	246.02	-
Financial Assets			
Investments	5b	5.41	5.41
Loans	6	2,397.94	1,574.31
Other Financial Assets	7	120.94	136.50
Deferred Tax Assets (Net)	11	4.34	2.58
		<b>3,050.40</b>	<b>2,002.82</b>
<b>Current Assets</b>			
Inventories	8	16,669.99	17,594.34
Financial Assets			
Investments	5	16.99	17.13
Trade Receivable	9	1,685.23	1,709.37
Cash & Cash Equivalents	10	431.86	379.62
Loans	6	6.42	3.70
Current Tax Assets	11	199.13	157.11
Other Current Assets			
Land	12	5,392.67	3,062.53
Other	13	1,024.22	888.60
		<b>25,426.50</b>	<b>23,812.40</b>
		<b>28,476.91</b>	<b>25,815.22</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	14a	4,116.00	4,116.00
Other Equity	14b	7,136.03	7,277.74
		<b>11,252.03</b>	<b>11,393.74</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
Financial Liabilities			
Borrowings	15	7,402.69	4,742.47
		<b>7,402.69</b>	<b>4,742.47</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	15	2,167.19	3,570.28
Trade Payables	16	2,622.51	1,634.37
Other Financial Liabilities	17	237.52	582.19
Other Current Liabilities			
Advance from Customers	18	4,698.68	3,684.87
Other Current Liabilities	19	63.00	78.76
Provisions	20	33.29	128.54
		<b>9,822.19</b>	<b>9,679.01</b>
		<b>28,476.91</b>	<b>25,815.22</b>

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

As per our report of even date

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

**Saurabh Chouhan**  
Partner  
Membership No. 167453  
UDIN:- 20167453AAAFD9264

Place : Navi Mumbai  
Date : 27th June, 2020

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

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

**Deepak Lohia**  
Chief Financial Officer

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

**Govind Rao**  
Company Secretary

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED**  
**CIN: L51900MH1983PLC029643**

(₹ In Lacs)

Particulars	Note No.	Year Ended 31 Mar 2020	Year Ended 31 Mar 2019
<b>1 Income from Operations</b>			
(a) Revenue from Operations	21	5,873.18	6,771.75
(b) Other Income	22	246.28	290.46
<b>Total revenue</b>		<b>6,119.46</b>	<b>7,062.21</b>
<b>2 Expenses</b>			
(a) Cost of construction, land and development expenses	23	3,160.83	3,266.76
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	924.35	702.34
(c) Employee benefits expense	25	336.67	396.55
(d) Finance costs	26	766.50	1,172.90
(e) Depreciation expense		79.47	71.01
(f) Other expenses	27	994.95	1,220.29
<b>Total expenses</b>		<b>6,262.77</b>	<b>6,829.85</b>
<b>3 Profit / (Loss) before exceptional items and tax (1 - 2)</b>		(143.31)	232.36
<b>4 Exceptional Items (net)</b>		-	-
<b>5 Profit / (Loss) before tax (3 + 4)</b>		<b>(143.31)</b>	<b>232.36</b>
<b>6 Tax expense:</b>			
(a) Current tax expense		-	-
(b) Deferred tax		(1.76)	(10.16)
		(1.76)	(10.16)
<b>7 Profit / (Loss) after tax (5 - 6)</b>		<b>(141.55)</b>	<b>242.53</b>
<b>8 Other Comprehensive Income</b>			
(a) Items that will not be classified to profit & loss		-	-
(b) Items that will be reclassified to profit & loss		-	-
<b>Other Comprehensive Income</b>		-	-
<b>9 Total Comprehensive Income for the period (7 + 8)</b>		<b>(141.55)</b>	<b>242.53</b>
<b>10 Earnings per share (of Rs.10/- each):</b>			
(a) Basic		(0.34)	0.59
(b) Diluted		(0.34)	0.59

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

As per our report of even date

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

**Saurabh Chouhan**  
 Partner  
 Membership No. 167453  
 UDIN:- 20167453AAAAFD9264

Place : Navi Mumbai  
 Date : 27th June, 2020

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

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

**Deepak Lohia**  
 Chief Financial Officer

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

**Govind Rao**  
 Company Secretary

## Statement of Changes in Equity for the year ended

**a) Equity Share Capital**

Particulars	₹ In Lacs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Balance at the beginning of the year	4,116.00	4,116.00
Change in equity share capital during the year	-	-
<b>Balance at the end of the year</b>	<b>4,116.00</b>	<b>4,116.00</b>

**b) Other Equity**

Particulars	Other Equity			Total Equity Attributable to Equity Holders of the Company	
	Reserves & Surplus				
	Security Premium Reserve	Retained Earnings	Other Comprehensive Income		
<b>Balance as of April 1, 2018</b>	<b>524.40</b>	<b>7,363.61</b>	-	<b>7,888.01</b>	
Changes in Equity for the Year Ended March 31, 2019					
Ind AS		(604.53)		(604.53)	
DDT		(248.25)		(248.25)	
Firm Tax	-	(0.02)	-	(0.02)	
Profit for the Period	-	242.53	-	242.53	
<b>Balance as of March 31, 2019</b>	<b>524.40</b>	<b>6,753.34</b>	-	<b>7,277.74</b>	
<b>Balance as of April 1, 2019</b>	<b>524.40</b>	<b>6,753.34</b>	-	<b>7,277.74</b>	
Changes in Equity for the Year Ended March 31, 2020					
Profit / (Loss) from Firm	-	(0.14)	-	(0.14)	
Firm Tax	-	(0.01)	-	(0.01)	
Profit for the Period	-	(141.55)	-	(141.55)	
<b>Balance as of March 31, 2020</b>	<b>524.40</b>	<b>6,611.63</b>	-	<b>7,136.03</b>	

**Security Premium**

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Act.

**Retained Earnings**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, debenture redemption reserve, dividends or other distributions paid to shareholders.

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

As per our report of even date

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

**Saurabh Chouhan**  
Partner  
Membership No. 167453  
UDIN:- 20167453AAAAFD9264

Place : Navi Mumbai  
Date : 27th June, 2020

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

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

**Deepak Lohia**  
Chief Financial Officer

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

**Govind Rao**  
Company Secretary

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED

(₹ In Lacs)

Particulars	31st March 2020	31st March 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and before Extra ordinary Items :	(143.31)	232.36
<b>Adjustment for Non Cash Items</b>		
Depreciation & Amortisation	79.47	71.01
Interest paid	751.35	1,157.53
Ind AS 115 Adjustment	-	(604.53)
<b>Less :- Non Operating Income</b>		
(Profit) /Loss on Sale of Car	-	(0.84)
Interest Received	(209.29)	(270.20)
	478.22	585.33
<b>Changes in Working Capital</b>		
(Increase)/ Decrease in Inventories	924.35	(588.49)
(Increase)/ Decrease in Term Loans & Advances	(826.35)	324.34
(Increase)/ Decrease in Trade & Other Receivable	(2,672.07)	3,173.56
Increase/ (Decrease) in Current Liabilities & Provision	1,546.28	(2,114.07)
Cash flow from Operating Activities before Tax and Extraordinary Items	(549.57)	1,380.68
Income Tax paid	(42.06)	(435.57)
Cash flow from Operating Activities before Extraordinary Items	(591.63)	945.10
Adjustment for Extraordinary Items	-	-
<b>Cash Generated from Operating Activities</b>	<b>(591.63)</b>	<b>945.10</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Net)	(71.19)	(108.95)
(Purchase)/Sale of Investments	-	(0.07)
Sale of Fixed Assets	-	1.40
Interest Received	209.29	270.20
<b>Cash Generated from Investment Activities</b>	<b>138.10</b>	<b>162.58</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Non Current Borrowings	2,660.21	(825.63)
Increase/(Decrease) in Current Borrowings	(1,403.09)	1,158.06
Interest paid	(751.35)	(1,157.53)
Dividend and Dividend Distribution Tax Paid	-	(248.25)
<b>Cash Generated from Financing Activities</b>	<b>505.77</b>	<b>(1,073.35)</b>
Net Increase in Cash & Cash Equivalents	52.24	34.33
Opening Balance of Cash & Cash Equivalents	379.62	345.28
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>431.86</b>	<b>379.62</b>

Note:- The above Standalone Statement of Cash Flows has been prepared under the ‘Indirect Method’ as set out in the Indian Accounting Standard (Ind AS) -7 “Statement of Cash Flows”.

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

As per our report of even date

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

**Saurabh Chouhan**  
 Partner  
 Membership No. 167453  
 UDIN:- 20167453AAAAFD9264

Place : Navi Mumbai  
 Date : 27th June, 2020

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

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

**Deepak Lohia**  
 Chief Financial Officer

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

**Govind Rao**  
 Company Secretary

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 1 General information

Arihant Superstructures Limited (“the Company”) having CIN L51900MH1983PLC029643 is a Public Limited Company domiciled and incorporated in India and its shares are publically traded on National Stock Exchange (“NSE”) and the Bombay Stock Exchange (“BSE”), India. The Company’s Registered Office is located at Arihant Aura, B-Wing, 25th Floor, Plo no. 13/1, TTC Industrial Area, Thane Belapur Road, Turbhe, Navi Mumbai, Maharashtra - 400705. The operation of the Company spanned in all aspect of Real Estate Development, from the identification and Acquisition of Land, planning, execution, construction and marketing of projects. The Company has its presence in the States of Rajasthan and Maharashtra.

### 2 Summary of Significant Accounting Policies

#### 2.1 Basis of preparation of Financial Statements

The Financial Statements have been prepared on accrual basis in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and the provisions of the Companies Act, 2013.

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

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

The standalone Financial Statements of the Company for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on June 27, 2020.

#### 2.2 Use of Estimates and Judgments

The preparation of the Financial Statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions effect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Financial Statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period and actual results may differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Financial Statements. The basis of the description is as under:

##### 1) Evaluation of satisfaction of performance obligation at a point in time for the purpose of revenue recognition:

Determination of revenue under the satisfaction of performance obligation at a point in time method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the timing of satisfaction of performance obligation, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. The Company recognizes revenue when the company satisfies its performance obligation

##### 2) Evaluation of percentage of completion for the purpose of revenue recognition:

Determination of revenue under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentage of completion, cost of completion, the expected revenue from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the standalone Financial Statements for the period in which such changes are determined.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 3) Useful life and residual value of Property, Plant and Equipment and Intangible Assets:

Useful lives of Property, Plant and Equipment and Intangible Assets are based on the life prescribed in Schedule II of the Companies Act, 2013 or based on internal technical evaluation. Assumption are also made when the company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

### 4) Recognition of Deferred Tax Asset:

The extent of which deferred tax asset can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

### 5) Provisions and contingencies:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

### 2.3 Current versus Non-Current classification

The Company presents Assets and Liabilities in the Balance Sheet based on Current/Non-Current classification. The normal operating cycle, in the context of the Company, is the time between the acquisition of Land for a real estate project and its realization in Cash and Cash Equivalents by way of sale of developed units.

An Asset is treated as Current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or Cash Equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other Assets are classified as Non- Current. A Liability is Current when:

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

All other liabilities are classified as Non-Current.

Deferred Tax Assets and Liabilities are classified as Non-Current Assets and Liabilities.

### 2.4 Property, Plant and Equipment

Freehold/Leasehold Land and Capital Work-in- progress is carried at cost. All other items of Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost of an item of Property, Plant and Equipment comprises of its purchase price, any costs directly attributable to its acquisition and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs when the item is acquired. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to Profit or Loss Statement during the reporting period in which they are incurred.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Property, Plant and Equipment recognised as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment.

Depreciation on Property, Plant and Equipment is calculated using the Straight-Line Method to allocate their cost, net of their residual values, over their estimated useful lives. The useful lives estimated for the major classes of Property, Plant and Equipment are as follows:

<b>Class of Property, Plant and Equipment</b>	<b>Useful life (in years)</b>
Buildings	30
Rented Premises	Lease Period
Plant & Machinery	5-15
Furnitures & fixtures	8-10
Vehicles	5-10
Electrical Installations	10
Equipments and facilities	5-8
Computer Hardware	3

The useful lives have been determined based on technical evaluation done by the management's experts, which in few cases are different than the lives as specified by Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the Asset. The asset' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the Asset is included in the Statement of Profit and Loss when the Asset is derecognised.

Assets under construction includes the cost of Property, Plant and Equipment that are not ready to use at the Balance Sheet date. Advances paid to acquire Property, Plant and Equipment before the Balance Sheet date are disclosed under other Non-Current Assets. Asset under construction are not depreciated as these Assets are not yet available for use.

Capital Work in progress is stated at cost less impairment losses, if any. Cost comprises of expenditure incurred in respect of capital projects under development and includes any attributable/allocable cost and incidental expenses. Revenues earned, if any, from such capital projects before capitalisation are adjusted against the Capital Work in progress.

### 2.5 Dividends

Provision is made for the amount of any Dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

### 2.6 Investment Properties

Investment properties are measured initially at cost, including transaction costs and borrowing costs, wherever applicable. Subsequent to initial recognition, Investment Properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Investment Properties recognised as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Investment Properties.

Investment Properties are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of Investment Properties are included in Profit and Loss in the period of de-recognition.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 2.7 Intangible Assets

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and impairment loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

The useful lives of Intangible Assets are assessed as either finite or indefinite.

Intangible Assets with finite lives are amortised on a Straight-Line Method over the useful economic life and assessed for impairment whenever there is an indication that the Intangible Asset may be impaired. The amortisation period and the amortisation method for an Intangible Asset are reviewed at least at the end of each reporting period and adjusted, if appropriate. The useful economic lives estimated for various classes of Intangible Assets are as follows:

Class of Intangible Assets	Useful life (in years)
Goodwill	5
Trademark and Logo	10
Software	3

Intangible Assets with indefinite useful lives are not amortised, but are tested for impairment annually.

### 2.8 Finance Costs

Borrowing costs that are directly attributable to the acquisition/construction of Qualifying Assets or for long term project development are capitalised as part of their cost of such land till the revenue is recognised for the project.

Other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

### 2.9 Non-Current Assets held for Sale

Non-Current Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Non-Current Assets classified as held for sale and their related Liabilities are presented separately in the Balance Sheet. Non-Current Assets are not depreciated or amortised while they are classified as Held for Sale.

### 2.10 Inventories

#### Construction Materials and Consumables

Construction Materials and Consumables are valued at lower of cost and net realisable value.

#### Land/Development Rights

Land/Development Rights are valued at lower of cost and net realisable value.

#### Construction work in Progress

Completed units and project development forming part of Work in Progress are valued at lower of cost and net realisable value. Cost includes direct materials, labour, project specific direct indirect expenses.

#### Finished Goods

Finished goods of completed projects and Stock in trade of units is valued at lower of cost or net realisable value.

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

### 2.11 Cash and Cash Equivalents

Cash and Cash Equivalent in the Balance Sheet comprise Cash at Banks and on in Hand and Short-Term Deposits maturing within twelve months from the date of Balance Sheet, which are subject to an insignificant risk of changes in value.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 2.12 Financial Instruments

#### A. Financial Instruments - Initial recognition and measurement

Financial Assets and Financial Liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its Financial Assets and Liabilities at initial recognition. All Financial Assets are recognised initially at fair value plus, in the case of Financial Assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### B.1. Financial Assets—Subsequent measurement

The Subsequent measurement of Financial Assets depends on their classification which is as follows:

##### a. Financial Assets at fair value through Profit or Loss

Financial Assets at fair value through Profit and Loss include Financial Assets Held for Sale in the near term and those designated upon initial recognition at fair value through profit or loss.

##### b. Financial Assets measured at amortised cost

Loans and Receivables are non-derivative Financial Assets with fixed or determinable payments that are not quoted in an active market. Trade Receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowance for estimated irrecoverable amounts based on the ageing of the receivables balance and historical experience. Additionally, a large number of minor Receivables are grouped into homogenous groups and assessed for impairment collectively. Individual Trade Receivables are written off when management deems them not to be collectible.

##### c. Financial Assets at fair value through OCI

All Equity Investments, except Investments in Subsidiaries, Joint Ventures and Associates, falling within the scope of Ind AS 109, are measured at fair value through Other Comprehensive Income (OCI). The Company makes an irrevocable election on an instrument by instrument basis to present in Other Comprehensive Income subsequent changes in the fair value. The classification is made on initial recognition and is irrevocable.

If the Company decides to designate an Equity Instrument at fair value through OCI, then all fair value changes on the instrument, excluding Dividends, are recognized in the OCI.

#### B.2. Financial Assets—Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the Assets expire or it transfers the Financial asset and substantially all the risks and rewards of ownership of the asset.

Upon derecognition of Equity Instruments designated at fair value through OCI, the associated fair value changes of that equity instrument is transferred from OCI to Retained Earnings.

#### C. Investment in Subsidiaries, Joint Ventures and Associates

Investments made by the Company in Subsidiaries, Joint Ventures and Associates are measured at cost in the Standalone Financial Statements of the Company.

#### D.1. Financial liabilities—Subsequent measurement

The Subsequent measurement of financial liabilities depends on their classification which is as follows:

##### a. Financial Liabilities at fair value through Profit or Loss

Financial Liabilities at fair value through Profit or Loss include Financial Liabilities Held for Trading, if any.

##### b. Financial Liabilities measured at amortised cost

Interest bearing loans and borrowings including debentures issued by the Company are subsequently measured at amortised cost using the Effective Interest Rate method (EIR). Amortised cost is calculated by taking into account any

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

discount or premium on acquisition and fee or costs that are integral part of the EIR. The EIR amortised is included in finance costs in the Statement of Profit and Loss

### D.2. Financial Liabilities –Derecognition

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

### E. Offsetting Financial Instruments

Financial Assets and Financial Liabilities are offset and the net amount reported in the Statement of Financial Position, if and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the Assets and settle the Liabilities simultaneously.

### F. Fair value measurement

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

- In the principal market for the Assets or Liability or
- In the absence of a principal market, in the most advantageous market for the Asset or Liability. The principal or the most advantageous market must be accessible to the Company.

The Company uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Level 1 - Quoted (unadjusted) market prices in active market for identical Assets or Liabilities.

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

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

### 2.13 Selling Costs

Selling expenses related to specific projects/units are being charged to Statement of Profit and Loss in the year in which the expenses are incurred.

### 2.14 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes, duties or other charges collected on behalf of the government/authorities.

The specific recognition criteria for the various types of the Company's activities are described below:

#### Revenue from Real Estate Projects

Ind AS 115 has been notified by Ministry of Corporate Affairs (MCA) on March 28, 2018 and is effective from accounting period beginning on or after April 01, 2018.

The Company has applied full retrospective approach in adopting the new standard and accordingly recognised revenue

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

in accordance with Ind AS 115 as compared to earlier Percentage of Completion method as per the Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable)

In accordance with the principles of Ind AS 115 revenue in respect of real estate project is recognised on satisfaction of Performance Obligation at a point in time by transferring a promised good or services (i.e. an asset) to a customer and the customer obtains control of that asset.

To determine the point in time at which a customer obtains control of a promised asset and the entity satisfies a performance obligation, the company considers following indicators of the transfer of control to customers:

- (a) the company has a present right to payment for the asset;
- (b) the company has transferred to the buyer the significant risks and rewards of ownership of the real estate;
- (c) the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the real estate sold;
- (d) the amount of revenue can be measured reliably;
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably;
- (f) the customer has accepted the asset.

The satisfaction of performance obligation and the control thereof is transferred from the company to the buyer upon possession or upon issuance of letter for offer of possession ("deemed date of possession"), whichever is earlier, subject to realisation/ certainty of realisation.

**Obligations:** The company is under an obligation to comply with the following In terms of the Real Estate (Regulation and Development) Act 2016 (RERA)

- (a) Obligation to keep 70% of the amounts realized from real estate project from allottees from time to time, in a separate account in a scheduled bank
- (b) To enable formation of the association or society of allottees
- (c) Liability to rectify structural defect or defect in workmanship within 30 days if brought to notice of the company by allottee within 5 years from the date of handing over possession.

### **Interest income**

Interest income from Debt Instruments (including Fixed Deposits) is recognised using the Effective Interest Rate method. The Effective Interest Rate is that rate that exactly discounts estimated future cash receipts through the expected life of the Financial Asset to the gross carrying amount of a Financial Asset. While calculating the Effective Interest Rate, the Company estimates the expected cash flows by considering all the contractual terms of the Financial Instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

### **Dividends**

Revenue is recognised when the Company's right to receive the payment is established.

### **Delayed Payment Charges**

Delayed Payment Charges claimed to expedite recoveries are accounted for on realisation.

### **Other Income**

Other Income is accounted for on accrual basis except, where the receipt of income is uncertain.

### **2.15 Foreign Currency Transactions**

Foreign Currency Transactions are translated into Indian rupee using the exchange rates prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of these transactions and from the translation of monetary Assets and Liabilities denominated in foreign currencies at year end exchange rates are recognised in the

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Statement of Profit or Loss.

### 2.16 Income Taxes

#### Current tax

The Current Tax expense for the period is determined as the amount of tax payable in respect of taxable income for the period, based on the applicable income tax rates.

Current Tax relating to items recognised in Other Comprehensive Income or Equity is recognised in Other Comprehensive Income or Equity, respectively.

#### Deferred Tax

Deferred Tax is provided using the liability method on temporary differences between the tax bases of Assets and Liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred Tax liabilities are recognised for all taxable temporary differences. Deferred Tax Assets are recognised for all deductible temporary differences and, the carry forward of unused tax credits and any unused tax losses. Deferred Tax Assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred Tax Assets and Liabilities are measured at the tax rates that are expected to apply in the year when the Asset is realised or the Liability is settled, based on tax rates (and tax laws) that have been enacted at the Reporting date.

Deferred tax relating to items recognised in Other Comprehensive Income or Equity is recognized in Other Comprehensive Income or Equity, respectively.

Deferred Tax Assets and Deferred Tax Liabilities are offset if a legally enforceable right exists to set off current tax Assets against Current Tax Liabilities.

### 2.17 Provisions, Contingent Liabilities and Contingent Assets

A Provision is recognised when the Company has present determined obligations as a result of past events an outflow of resources embodying economic benefits will be required to settle the obligations. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

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

A Contingent Liability is not recognised but disclosed in the Notes to the accounts, unless the probability of an outflow of resources is remote. A Contingent Asset is generally neither recognized nor disclosed.

### 2.18 Earnings Per Share

The basic Earnings Per Share (EPS) is calculated by dividing the net profit or loss for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating Diluted Earnings per Share, the net profit or loss for the year attributable to the Equity Shareholders and the weighted average number of Equity Shares outstanding during the year is adjusted for the effects of all dilutive potential Equity Shares.

### 2.19 Exceptional Items

Exceptional items refer to items of income or expense within Statement of Profit and Loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 2.20 Impairment of Non-Financial Assets

The carrying amounts of Assets are reviewed at each reporting date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an Asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less cost of disposals and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value is the price that would be received to sell an Asset or paid to transfer a Liability in orderly transaction between market participants at the measurement date. After impairment, depreciation is provided on the revised carrying amount of the Asset over its remaining useful life.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for the Company Cash Generating Unit's (CGU) to which the individual Assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the Statement of Profit and Loss in expense categories.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the Asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the Asset in prior years.

### 2.21 Critical Accounting Estimates

#### Property, Plant and Equipment

Property, Plant and Equipment represent a proportion of the Asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an Asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's Assets are determined by management at the time the Asset is acquired and reviewed periodically, including at each Financial year end. The lives are based on historical experience with similar Assets as well as anticipation of future events, which may impact their life, such as changes in technology.

#### Intangible Assets

The Company tests whether Intangible Assets have suffered any impairment on an annual basis. The recoverable amount of a Cash Generating Unit is determined based on value in use calculations which require the use of assumptions.

#### Investment Property

The charge in respect of periodic depreciation on Investment Properties is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's Investment Properties are determined by management at the time the asset is acquired and reviewed periodically, including at each Financial Year end. The lives are based on historical experience with similar Assets as well as anticipation of future events, which may impact their life, such as changes in technology.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ In Lacs

### Note 3 Property, Plant & Equipment

The changes in carrying value of Property, Plant & Equipment for the Year Ended March, 31 2020

Particulars	Building	P&M and Office Equipment	Computer Equipment	Furniture & Fixtures	Vehicles	Total
<b>Gross carrying value as of April 1, 2019</b>	14.42	95.74	78.83	39.00	218.85	446.84
Additions	-	1.81	1.71	0.72	66.96	71.20
Deletions	-	-	-	-	-	-
<b>Gross carrying value as of March 31, 2020</b>	<b>14.42</b>	<b>97.55</b>	<b>80.54</b>	<b>39.72</b>	<b>285.81</b>	<b>518.04</b>
<b>Accumulated Depreciation as of March 31, 2019</b>	1.68	38.47	29.79	17.30	83.69	170.93
Depreciation	0.56	18.81	23.30	6.15	26.21	75.03
Accumulated depreciation on deletion	-	-	-	-	-	-
<b>Accumulated Depreciation as of March 31, 2020</b>	<b>2.24</b>	<b>57.28</b>	<b>53.09</b>	<b>23.45</b>	<b>109.90</b>	<b>245.96</b>
<b>Carrying Value as of March 31, 2020</b>	<b>12.18</b>	<b>40.27</b>	<b>27.45</b>	<b>16.27</b>	<b>175.91</b>	<b>272.08</b>
<b>Carrying Value as of April 1, 2019</b>	<b>12.74</b>	<b>57.27</b>	<b>49.04</b>	<b>21.70</b>	<b>135.16</b>	<b>275.91</b>

The changes in carrying value of Property, Plant & Equipment for the Year Ended March, 31 2019

Particulars	Building	P&M and Office Equipment	Computer Equipment	Furniture & Fixtures	Vehicles	Total
<b>Gross carrying value as of April 1, 2018</b>	14.42	88.41	57.10	37.45	142.34	339.72
Additions	-	7.33	21.73	1.55	78.34	108.95
Deletions	-	-	-	-	1.83	1.83
<b>Gross carrying value as of March 31, 2019</b>	<b>14.42</b>	<b>95.74</b>	<b>78.83</b>	<b>39.00</b>	<b>218.85</b>	<b>446.84</b>
<b>Accumulated Depreciation as of April 1, 2018</b>	1.12	26.83	7.88	11.27	57.82	104.91
Depreciation	0.56	11.64	21.91	6.03	27.14	67.29
Accumulated depreciation on deletion	-	-	-	-	1.27	1.27
<b>Accumulated Depreciation as of March 31, 2019</b>	<b>1.68</b>	<b>38.47</b>	<b>29.79</b>	<b>17.30</b>	<b>83.69</b>	<b>170.93</b>
<b>Carrying Value as of March 31, 2019</b>	<b>12.74</b>	<b>57.27</b>	<b>49.04</b>	<b>21.70</b>	<b>135.16</b>	<b>275.91</b>
<b>Carrying Value as of April 1, 2018</b>	<b>13.30</b>	<b>61.58</b>	<b>49.22</b>	<b>26.18</b>	<b>84.53</b>	<b>234.81</b>

### Note 4 Intangible Assets

The changes in carrying value of Intangible Assets for the year ended March, 31 2020

Particulars	Software	Trademark	Total
<b>Gross carrying value as of April 1, 2019</b>	18.52	2.25	20.77
Additions	-	-	-
Deletions	-	-	-
<b>Gross carrying value as of March 31, 2020</b>	<b>18.52</b>	<b>2.25</b>	<b>20.77</b>
<b>Accumulated Depreciation as of April 1, 2019</b>	12.39	0.27	12.66
Depreciation	3.12	1.32	4.44
Accumulated depreciation on deletion	-	-	-
<b>Accumulated Depreciation as of March 31, 2020</b>	<b>15.51</b>	<b>1.59</b>	<b>17.10</b>
<b>Carrying Value as of March 31, 2020</b>	<b>3.01</b>	<b>0.66</b>	<b>3.67</b>
<b>Carrying Value as of April 1, 2019</b>	<b>6.13</b>	<b>1.98</b>	<b>8.11</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ In Lacs

The changes in carrying value of Intangible Assets for the year ended March, 31 2019

Particulars	Software	Trademark	Total
<b>Gross carrying value as of April 1, 2018</b>	18.52	2.25	20.77
Additions	-	-	-
Deletions	-	-	-
<b>Gross carrying value as of March 31, 2019</b>	<b>18.52</b>	<b>2.25</b>	<b>20.77</b>
<b>Accumulated Depreciation as of April 1, 2018</b>	8.78	0.15	8.94
Depreciation	3.61	0.12	3.72
Accumulated depreciation on deletion	-	-	-
<b>Accumulated Depreciation as of March 31, 2019</b>	<b>12.39</b>	<b>0.27</b>	<b>12.66</b>
<b>Carrying Value as of March 31, 2019</b>	<b>6.13</b>	<b>1.98</b>	<b>8.11</b>
<b>Carrying Value as of April 1, 2018</b>	<b>9.73</b>	<b>2.10</b>	<b>11.84</b>

### Note 5 Investments

Particulars	As at 31 March, 2020	As at 31 Mar, 2019
<b>Non-current Investments</b>		
(a) Investment in Properties		
Arihant Paradise Pvt. Ltd.	246.02	-
	246.02	-
(b) Investment in		
Subsidiary	5.25	5.25
Others	0.06	0.06
Firm	0.10	0.10
	5.41	5.41
<b>Current Investments</b>		
Investment		
Aksh Realty LLP	16.99	17.13
	16.99	17.13
<b>Total</b>	<b>22.40</b>	<b>22.54</b>

### Note 6 Loans

Particulars	As at 31 March, 2020	As at 31 Mar, 2019
<b>Non-current loans</b>		
Loan and advances -		
(Unsecured Considered Good)		
- To Related Party	2,397.94	1,574.31
	2,397.94	1,574.31
<b>Current loans</b>		
Loan and advances -		
(Unsecured Considered Good)		
- To Employee	6.42	3.70
	6.42	3.70
<b>Total</b>	<b>2,404.36</b>	<b>1,578.01</b>

#### Note

The company has given Loan to Subsidiaries and its associates @ interest rate of 15%, except one subsidiary and one associate where the rate of interest is 7.75%.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### Note 7 Other Financial Assets

Particulars	As at 31 March, 2020	As at 31 Mar, 2019
<b>Non - current :</b>		
Security Deposits	120.94	136.50
	<b>120.94</b>	<b>136.50</b>

### Note 8 Inventories

Particulars	As at 31 March, 2020	As at 31 Mar, 2019
(a) Finished goods	5,583.48	5,029.72
(b) Work in Progress	10,664.90	12,093.53
(c) Raw Material	421.61	471.09
<b>Total</b>	<b>16,669.99</b>	<b>17,594.34</b>

### Note 9 Trade Receivables

Particulars	As at 31 March, 2020	As at 31 Mar, 2019
Trade Receivables		
Unsecured, considered good	1,685.23	1,709.37
<b>Total</b>	<b>1,685.23</b>	<b>1,709.37</b>

The real estate sales are made on the basis of cash down payment or construction linked payment plan . In case of construction linked payment plan, invoice is raised on the customer in accordance with milestone achieved as per flat buyer agreement. The final possession of the property is offered to the customer subject to payment of full value of consideration. Accordingly , the company doesn't expect any credit loss.

### Note 10 Cash and Cash Equivalents

Particulars	As at 31 March, 2020	As at 31 Mar, 2019
(a) Cash in hand	5.79	10.12
(b) Balances with banks		
(i) In current accounts	178.83	86.81
(ii) In deposit accounts		
Deposits with original maturity for more than 3 months but less than 12 months	247.24	282.69
Deposits with original maturity within 3 months	-	-
<b>Total</b>	<b>431.86</b>	<b>379.62</b>

### Note 11 Current Tax Assets

Particulars	As at 31 March, 2020	As at 31 Mar, 2019
Income Tax	199.13	157.11
Deferred Tax	4.34	2.58
<b>Total</b>	<b>203.47</b>	<b>159.69</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ In Lacs

### Note 12 Land

Particulars	As at 31 March, 2020	As at 31 Mar, 2019
Land	5,392.67	3,062.53
<b>Total</b>	<b>5,392.67</b>	<b>3,062.53</b>

### Note 13 Other

Particulars	As at 31 March, 2020	As at 31 Mar, 2019
Prepaid expenses - Unsecured, considered good	5.10	7.59
Cenvat Credit Available	730.60	401.06
Advance for Land	57.00	57.00
Advances to Suppliers	230.30	421.30
Others	1.22	1.65
<b>Total</b>	<b>1,024.22</b>	<b>888.60</b>

### Note 14a. Equity

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Number of shares	₹ in Lacs	Number of shares	₹ in Lacs
(a) Authorised				
6,00,00,000 Equity shares of ₹ 10 each.	60,000,000	6,000.00	60,000,000	6,000.00
1,50,00,000 Preference Shares of ₹ 10 each.	15,000,000	1,500.00	15,000,000	1,500.00
(b) Issued				
Equity shares of ₹ 10 each with voting rights	41,159,991	4,116.00	41,159,991	4,116.00
(c) Subscribed and fully paid up				
Equity shares of ₹ 10 each with voting rights	41,159,991	4,116.00	41,159,991	4,116.00
<b>Total</b>	<b>41,159,991</b>	<b>4,116.00</b>	<b>41,159,991</b>	<b>4,116.00</b>

#### Notes:

- (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Particulars	Opening Balance	Changes	Closing Balance
Equity shares with voting rights			
Year Ended 31 March, 2020			
- Number of shares	41,159,991	-	41,159,991
- Amount (₹ in Lacs)	4,116.00	-	4,116.00
Year Ended 31 March, 2019			
- Number of shares	41,159,991	-	41,159,991
- Amount (₹ in Lacs)	4,116.00	-	4,116.00

Shareholders holding more than 5% shares in the Company

<b>Class of shares / Name of shareholder (holding more than 5%)</b>	<b>As at 31 March, 2020</b>		<b>As at 31 March, 2019</b>	
	<b>Number of shares</b>	<b>% Holding</b>	<b>Number of shares</b>	<b>% Holding</b>
Equity shares with voting rights				
Ashok B. Chhajer	12,309,147	29.91%	12,309,147	29.91%
Sangeeta A. Chhajer	6,070,000	14.75%	6,000,000	14.58%
Parth A. Chhajer	6,000,000	14.58%	6,000,000	14.58%
Bhavik A. Chhajer	6,000,000	14.58%	6,000,000	14.58%

### Note 14b. Other Equity

Particulars	<b>Other Equity</b>			<b>Total Equity Attributable to Equity Holders of the Company</b>	
	<b>Reserves &amp; Surplus</b>	<b>Security Premium Reserve</b>	<b>Retained Earnings</b>	<b>Other Comprehensive Income</b>	
<b>Balance as of April 1, 2018</b>	<b>524.40</b>		<b>7,363.61</b>	-	<b>7,888.01</b>
Changes in Equity for the Year Ended March 31, 2019					
Ind AS	-		(604.53)	-	(604.53)
DDT	-		(248.25)	-	(248.25)
Firm Tax	-		(0.02)	-	(0.02)
Profit for the Year	-		242.53	-	242.53
<b>Balance as of March, 31 2019</b>	<b>524.40</b>		<b>6,753.34</b>	-	<b>7,277.74</b>
<b>Balance as of April 1, 2019</b>	<b>524.40</b>		<b>6,753.34</b>	-	<b>7,277.74</b>
Changes in Equity for the Year Ended March 31, 2020					
Profit / (Loss) from Firm	-		(0.14)	-	(0.14)
Firm Tax	-		(0.01)	-	(0.01)
Profit for the Period	-		(141.55)	-	(141.55)
<b>Balance as of March 31, 2020</b>	<b>524.40</b>		<b>6,611.63</b>	-	<b>7,136.03</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ In Lacs

### Note 15 Borrowings

Particulars	As at 31 March, 2020	As at 31 Mar, 2019
<b>Non-current borrowings</b>		
(a) Secured Loans		
- Term Loan	2,174.38	1,615.97
- Vehicle loan	116.83	76.55
(b) Unsecured Loans		
From Directors	3,000.00	1,100.00
From Others	2,111.48	1,949.95
	7,402.69	4,742.47
<b>Current borrowings</b>		
Unsecured Loans		
Loans From Related Party	2,167.19	3,570.28
	2,167.19	3,570.28
<b>Total</b>	<b>9,569.88</b>	<b>8,312.75</b>

### Note

- Term Loan @15.65% from Pirmal Capital & Housing Limited is secured against Arihant Arshiya Phase I Project situated at Khopoli, Repayable till October 2021.
- Term Loan @ 14% from STCI Finance Limited is secured against Arihant Adita at Jodhpur, Repayable between October 2022 to March 2023.
- Vehicle loans are secured against the vehicle itself.
- Unsecured Loans are taken from directors and relatives and carry rate of interest between 8% to 15%.

### Note 16 Trade Payables

Particulars	As at 31 March, 2020	As at 31 Mar, 2019
Trade Payables Due to:		
Micro and Small Enterprise	-	-
Other than Micro and Small Enterprise	2,191.19	1,060.52
Retention	431.32	573.85
<b>Total</b>	<b>2,622.51</b>	<b>1,634.37</b>

Disclosure of Payable to vendors as defined under “Micro, Small and Medium Enterprises Development Act 2006” is based on the information available with company regarding the status of registration of such vendors under said act, as per intimation received from them on request made by the company. There are no overdue principal amount/ interest payable amounts for delayed payment to such vendors at Balance Sheet date.

The company has send notices to all vendors to provide details regard their Micro, Small and Medium Enterprises Status. No vendor has informed its status as Micro, Small and Medium Enterprises.”

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ In Lacs

**Note 17 Other Financial Liabilities**

Particulars	As at 31 March, 2020	As at 31 Mar, 2019
<b>Current Other Financial Liabilities</b>		
(a) Customer security deposit	42.83	26.83
(b) Other payables		
Society Maintenance	169.44	327.24
Book O/D	25.25	228.12
<b>Total</b>	<b>237.52</b>	<b>582.19</b>

**Note 18 Advances from Customers**

Particulars	As at 31 March, 2020	As at 31 Mar, 2019
Bookings Received	4,698.68	3,684.87
<b>Total</b>	<b>4,698.68</b>	<b>3,684.87</b>

**Note 19 Other Current Liabilities**

Particulars	As at 31 March, 2020	As at 31 Mar, 2019
Other payables		
Statutory remittances	26.82	40.64
Audit Fee Payable	6.00	6.00
Others	30.18	32.12
<b>Total</b>	<b>63.00</b>	<b>78.76</b>

**Note 20 Provisions**

Particulars	As at 31 March, 2020	As at 31 Mar, 2019
<b>Current</b>		
Provision for Expenses	23.84	119.09
Provision for Gratuity	9.45	9.45
<b>Total</b>	<b>33.29</b>	<b>128.54</b>

**Note 21 Revenue From Operations**

Particulars	Year Ended 31 Mar 2020	Year Ended 31 Mar 2019
(a) Sale of products	5,773.18	6,371.75
(b) Sale of services	100.00	400.00
<b>Total</b>	<b>5,873.18</b>	<b>6,771.75</b>

**Note 22 Other Income**

Particulars	Year Ended 31 Mar 2020	Year Ended 31 Mar 2019
(a) Interest income		
Others (Refer note (i) below)	209.29	270.20
(b) Other non-operating income (Refer note (ii) below)	36.99	20.26
<b>Total</b>	<b>246.28</b>	<b>290.46</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ In Lacs

Note	Particulars	Year Ended 31 Mar 2020	Year Ended 31 Mar 2019
(i)	<b>Interest income comprises:</b>		
	Fixed Deposits	14.43	15.45
	Other balances	194.86	254.75
	<b>Total - Interest income</b>	<b>209.29</b>	<b>270.20</b>
(ii)	<b>Other non-operating income comprises:</b>		
	Rent Received	1.56	1.52
	Others	35.43	18.74
	<b>Total - Other non-operating income</b>	<b>36.99</b>	<b>20.26</b>

### Note 23.a Cost of Construction, Land and Development Expenses

Particulars	Year Ended 31 Mar 2020	Year Ended 31 Mar 2019
Purchases	1,017.75	1,393.06
Direct Expenses	2,143.08	1,873.70
<b>Total</b>	<b>3,160.83</b>	<b>3,266.76</b>

### Note 24 Changes in Inventories

Particulars	Year Ended 31 Mar 2020	Year Ended 31 Mar 2019
Inventories at the end of the period:		
Traded goods	5,583.48	5,029.72
Incomplete projects (WIP)	10,664.90	12,093.53
Raw Material at site	421.61	471.09
	<b>16,669.99</b>	<b>17,594.34</b>
Inventories at the beginning of the period:		
Traded goods	5,029.72	2,984.32
Incomplete projects	12,093.53	14,772.91
Raw Material at site	471.09	539.45
	<b>17,594.34</b>	<b>18,296.68</b>
<b>Net (increase) / decrease</b>	<b>924.35</b>	<b>702.34</b>

### Note 25 Employee benefits expense

Particulars	Year Ended 31 Mar 2020	Year Ended 31 Mar 2019
Salaries, wages and bonus (Refer note below)	322.04	364.34
Staff welfare expenses	7.35	20.30
Contribution to provident fund	7.28	11.91
<b>Total</b>	<b>336.67</b>	<b>396.55</b>

### Notes:

Particulars	Year Ended 31 Mar 2020	Year Ended 31 Mar 2019
Salary & Bonus	247.80	288.09
Director Remuneration	74.24	76.25
<b>Total</b>	<b>322.04</b>	<b>364.34</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ In Lacs

### Note 26 Finance costs

Particulars	Year Ended 31 Mar 2020	Year Ended 31 Mar 2019
(a) Interest expense on:		
Interest on secured loans	281.60	520.31
Interest on unsecured loans	469.75	637.22
(b) Others		
Loan Processing fees	15.15	15.37
	<b>Total</b>	<b>766.50</b>
		<b>1,172.90</b>

### Note 27 Other expenses

Particulars	Year Ended 31 Mar 2020	Year Ended 31 Mar 2019
Administrative Expenses	103.83	131.82
Selling & Distribution	367.01	579.50
Legal and Professional Expenses	191.02	164.37
Rent, Rates & Taxes	83.59	76.80
CSR expenses	89.11	12.51
Compensation	73.57	175.63
Directors Sitting Fees	17.01	21.70
Audit fees (Refer note below)	5.75	6.35
Vehicle Expenses	44.03	39.71
Donation	2.61	0.31
Others Exp	17.42	11.59
	<b>Total</b>	<b>994.95</b>
		<b>1,220.29</b>

### Notes:

Particulars	Year Ended 31 Mar 2020	Year Ended 31 Mar 2019
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As Statutory Auditor	4.00	4.00
As Tax Auditor	1.25	1.25
Others	0.50	0.65
	<b>Total</b>	<b>5.75</b>
		<b>5.90</b>

### Note 28: Financial Instruments : Accounting classifications and fair value measurements

#### (i) Accounting classifications

The fair values of the financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The carrying amounts of trade receivables, cash and cash equivalents, bank balances, short term deposits, trade payables, payables for acquisition of property, plant and equipment, short term loans from banks, financial institutions and other current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

#### (ii) Fair value measurements

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

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

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

The following table presents carrying value and fair value of financial instruments by categories and also fair value hierarchy of assets and liabilities measured at fair value :

**March 31, 2020**

₹ In Lacs

Particulars	Note	Non- Current	Current	Carrying Value -Total	Classification			Fair Value						
					FVTPL	FVTOCI	Amortised Cost	Level-1	Level-2	Level-3				
<b>Financial Assets</b>														
<b>Non Current</b>														
Investment in Equity Instruments	5	5.31	-	5.31	-	5.31	-	-	-	5.31				
Investment in Firm	5	0.10	16.99	17.09	17.09					17.09				
Loans	6	2,397.94	6.42	2,404.36	-	-	2,404.36	-	-	2,404.36				
Other Financial Assets	7	120.94	-	120.94	-	-	120.94	-	-	120.94				
Trade Receivable	9	-	1,685.23	1,685.23	-	-	1,685.23	-	-	1,685.23				
Cash & Cash Equivalents	10	-	431.86	431.86	-	-	431.86	-	-	431.86				
<b>Total</b>		<b>2,524.29</b>	<b>2,140.50</b>	<b>4,664.78</b>	<b>22.40</b>		<b>4,642.39</b>			<b>4,664.79</b>				
<b>Financial Liabilities</b>														
Long term Borrowings	15	7,402.69	-	7,402.69	-	-	7,402.69	-	-	7,402.69				
Short term Borrowings	15	-	2,167.19	2,167.19	-	-	2,167.19	-	-	2,167.19				
Trade payables	16	-	2,622.51	2,622.51	-	-	2,622.51	-	-	2,622.51				
Other Financial Liabilities	17	-	237.52	237.52	-	-	237.52	-	-	237.52				
<b>Total</b>		<b>7,402.69</b>	<b>5,027.22</b>	<b>12,429.91</b>			<b>12,429.91</b>			<b>12,429.91</b>				

**March 31, 2019**

Particulars	Note	Non- Current	Current	Carrying Value -Total	Classification			Fair Value						
					FVTPL	FVTOCI	Amortised Cost	Level-1	Level-2	Level-3				
<b>Financial Assets</b>														
<b>Non Current</b>														
Investment in Equity Instruments	5	5.31		5.31	-	5.31	-	-	-	5.31				
Investment in Firm	5	0.10	17.13	17.23	17.23					17.23				
Loans	6	1,574.31	3.70	1,578.01	-	-	1,578.01	-	-	1,578.01				
Other Financial Assets	7	136.50	-	136.50	-	-	136.50	-	-	136.50				
Trade Receivable	9	-	1,709.37	1,709.37	-	-	1,709.37	-	-	1,709.37				
Cash & Cash Equivalents	10	-	379.62	379.62	-	-	379.62	-	-	379.62				
<b>Total</b>		<b>1,716.32</b>	<b>2,109.82</b>	<b>3,826.14</b>	<b>22.54</b>		<b>3,803.50</b>			<b>3,826.14</b>				
<b>Financial Liabilities</b>														
Long term Borrowings	15	4,742.47		4,742.47	-	-	4,742.47	-	-	4,742.47				
Short term Borrowings	15	-	3,570.28	3,570.28	-	-	3,570.28	-	-	3,570.28				
Trade payables	16	-	1,634.37	1,634.37	-	-	1,634.37	-	-	1,634.37				
Other Financial Liabilities	17	-	582.19	582.19	-	-	582.19	-	-	582.19				
<b>Total</b>		<b>4,742.47</b>	<b>5,786.84</b>	<b>10,529.31</b>			<b>10,529.31</b>			<b>10,529.31</b>				

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### Note 29: Financial Risk Management

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The Company has identified financial risks and categorised them in three parts viz.

- (i) Credit Risk,
- (ii) Liquidity Risk and
- (iii) Market Risk.

#### Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors are responsible for developing and monitoring the Company's risk management. The Company's risk management framework, are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

#### (i) Credit Risk

Credit risk refers to the possibility of a customer and other counterparties not meeting their obligations and terms and conditions which would result into financial losses. Such risk arises mainly from trade receivables, other receivables, loans and investments.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counterparty,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables, loans and advances. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

#### a) Trade Receivables

- i) As at March 31, 2020, the ageing of trade receivables that were not impaired was as follows:

₹ In Lacs

Particulars	As at March 31, 2020	As at March 31, 2019
Not due		
0-3 months	1,095.40	1,111.09
3-6 months	421.31	427.34
6-12 months	168.52	170.94
Beyond 12 months	-	-
<b>Total</b>	<b>1,685.23</b>	<b>1,709.37</b>

#### Note -

The Management believes that the unimpaired amounts which are past due are fully collectible. Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ In Lacs

- ii) The movement in Provision for Doubtful Debts is as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Opening provision	-	-
Add: Provision made during the year	-	-
Less: Provision written back	-	-
Less: Provision reversed	-	-
<b>Closing provision</b>	-	-

- iii) Bad debts:

Particulars	As at March 31, 2020	As at March 31, 2019
Bad-debts recognised in statement of Profit and Loss a/c	-	-
<b>Total</b>	-	-

**b) Cash and cash equivalents**

Credit risk from cash and bank balances is managed by the Company's treasury department in accordance with the Company's policy

**(ii) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the Company operates.

**a) Financing arrangements**

The Company has access to funds from debt markets through loan from banks. The Company invests its surplus funds in bank fixed deposits.

**b) Maturities of financial liabilities**

The amounts disclosed in the table are the contractual undiscounted cash flows

As at March 31, 2020				
Particulars	Less than 1 year	1 - 5 years	More than 5 year	Gross carrying amount (INR)
Long term borrowings	-	7,402.69	-	7,402.69
Short term borrowings	2,167.19	-	-	2,167.19
Trade and other payables	2,622.51	-	-	2,622.51
Other financial liabilities	237.52	-	-	237.52
<b>Total</b>	<b>5,027.22</b>	<b>7,402.69</b>	-	<b>12,429.91</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ In Lacs

**As at March 31, 2019**

Particulars	Less than 1 year	1 - 5 years	More than 5 year	Gross carrying amount (INR)
Long term borrowings	-	4,742.47	-	4,742.47
Short term borrowings	3,570.28	-	-	3,570.28
Trade and other payables	1,634.37	-	-	1,634.37
Other financial liabilities	582.19	-	-	582.19
<b>Total</b>	<b>5,786.84</b>	<b>4,742.47</b>	<b>-</b>	<b>10,529.31</b>

### (iii) Market Risk

The risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market price. Market risk further comprises of

- (a) Currency risk;
  - (b) Interest rate risk; and
- a) Currency risk**

The Company is not exposed to any currency risk as the Company does not have any import payables, short term payables, short term borrowings and export receivables in foreign currency.

**b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Management is responsible for the monitoring of the Company's interest rate position. Various variables are considered by the Management in structuring the Company's borrowings to achieve a reasonable, competitive, cost of funding.

**- Exposure to interest rate risk**

The Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest bearing financial instruments as reported to the Management of the Company is as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed rate borrowings	7,395.50	6,696.78
Variable rate borrowing	2,174.38	1,615.97
<b>Total</b>	<b>9,569.88</b>	<b>8,312.75</b>

**- Fair value sensitivity analysis for fixed-rate instruments**

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ In Lacs

### - Fair value sensitivity analysis for variable-rate instruments

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Interest sensitivity</b>		
Interest rate increase by 50 basis points	7,765.28	7,032 .62
Interest rate decrease by 50 basis points	7,026 .73	6,362.94

### - Capital Management

The Company's capital management objectives are:

- a) to ensure the Company's ability to continue as a going concern
- b) to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

The Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

#### a) Debt Equity Ratio

The Company monitors capital using debt equity ratio. The Company's debt to equity ratios are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Long term borrowings	7,402.69	4,742.47
Short term borrowings	2,167.19	3,570.28
Total Borrowing	9,569.88	8,312.75
Less: Cash and cash equivalents	431.86	379.62
Net Debt	9,138.03	7,933.13
Total Equity	11,252.03	11,393.74
<b>Debt to Equity Ratio</b>	<b>0.81</b>	<b>0.70</b>

#### b) Dividends

##### Dividends paid during the year

Particulars	As at March 31, 2020	As at March 31, 2019
- Interim Dividend      Rate per Share	NIL	NIL
Amount in INR	NIL	NIL
- Final Dividend      Rate per Share	NIL	NIL
Amount in INR	NIL	NIL

#### Note 30 RELATED PARTY TRANSACTIONS

Related parties and transactions with them as specified in the Ind-AS 24 on "Related Parties Disclosures" prescribed under Companies (Accounting Standards) Rules, 2015 has been identified and given below on the basis of information available with the company and the same has been relied upon by the auditors.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ In Lacs

### Details of related parties:

Description of relationship	Names of related parties
Subsidiaries	Arihant Abode Limited Arihant Aashiyana Private Limited Arihant Gruhnirman Private Limited Arihant Vatika Realty Private Limited
Key Management Personnel (KMP)	Ashok B. Chhajer Nimesh Shah Sangeeta A. Chhajer Pradeep Mehta (till 30th October 2019) Deepak Lohia (from 12th February 2020) Govind Rao
Relatives of KMP	Parth A Chhajer Bhavik A Chhajer
Company in which KMP / Relatives of KMP can exercise significant influence	Adinath Realty Private Limited Arihant Technoinfra Private Limited Arihant Paradise Realty Pvt. Ltd Arihant Enterprises

Note: Related parties have been identified by the Management.

### Details of related party transactions for the year ended 31 March, 2020

	Subsidiaries / Associates	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Loans & Advances Given	1,699.50			138.25	1,837.75
Loan & Advances Given Received	1,039.73			233.00	1,272.73
Interest Received (Gross)	113.06			19.55	132.61
Loan Taken		1,466.00			1,466.00
Loan Repaid		1,328.00			1,328.00
Interest Paid (Gross)		398.79			398.79
Rent Paid (Gross)		4.80		68.25	73.05
Purchase of Office				246.02	246.02
Professional Fees Received				100.00	100.00
Remuneration		119.57			119.57
Loans and Advances Asset as on March 31, 2020	1,968.65			398.01	2,366.66
Loans and Advances Outstanding as on March 31, 2020		5,167.19		93.55	5,260.74
Deposits		20.00			20.00

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ In Lacs

### Note 31 Disclosures under Ind-AS 33 on “Earnings Per Share”

Particulars	As at 31 March, 2020	As at 31 Mar, 2019
<b>Earnings per share</b>		
Basic		
Continuing operations		
Net profit / for the year from continuing operations attributable to the Equity Shareholders (₹ in Lakhs)	(141.55)	242.53
Weighted average number of Equity Shares	41,159,991	41,159,991
Par value per share (₹)	10.00	10.00
Earnings per share from continuing operations		
Basic (₹)	(0.34)	0.59
Diluted (₹)	(0.34)	0.59

### Note 32 Disclosures under Ind-AS 12 on “Income Taxes”

Particulars	As at 31 March, 2020	As at 31 Mar, 2019
<b>Deferred tax (liability) / asset</b>		
Opening deferred tax (liability) / asset	2.58	(7.59)
Add/(less): Recognised/ reversed during the year	1.76	10.17
<b>Closing deferred tax (liability) / asset</b>	4.34	2.58

### Note 33 : Foreign currency transactions

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of the transaction. All monetary items denominated in foreign currency are converted into Indian rupees at the year-end exchange rate. Following expenses incurred by the company in foreign currency during the year:

Business Promotion Expenses - ₹ 1.29 Lakhs. (Previous Year ₹ 1.92 Lakhs)

### Note 34 : Contingent Liabilities :

- (i) Guarantees:
  - (a) Guarantees given to Banks & Financial Institutions for ₹ 3,000 Lakhs (Previous Year ₹ 3,000 Lakhs) against financial facilities availed by the subsidiary companies. Balance outstanding against the facility ₹ 286.31 Lakhs (Previous Year ₹ 1726.90 Lakhs)
  - (b) Facilities against which Guarantee was given outstanding Fund amount is ₹ 1,726 Lakhs as on March 31, 2020 (Previous Year ₹ 1,726 Lakhs)." Balance outstanding against the facility ₹ 51.87 Lakhs (Previous Year ₹ 262.18 Lakhs).
- (ii) Liability of Income Tax amounting to ₹ 3.38 Lakhs towards penalty u/s 271(1)(C)

### Note 35 : Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind-AS -19, Employee Benefits, notified in the Companies (Accounting Standard) Rules, 2015.

### Provident fund

The Company makes contribution to statutory provident fund in accordance with the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. In terms with Ind-AS -19, Employee Benefits, notified in the Companies (Accounting Standard) Rules, 2015, the provident fund trust set-up by the Company is treated as a defined benefit plan since the Company has to meet the interest shortfall, if any. Accordingly, the contribution paid or payable and the interest shortfall, if any is recognised as an expense in the period in which services are rendered by the employee.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### Note 36 : Segment Information :

In accordance with Indian Accounting Standard 108 “Operating Segments” prescribed by Companies (Accounting Standards) Rules, 2015, the company has determined its primary business segment as a single segment of Real Estate Business. Since there are no other business segments in which the company operates, there are no other primary reportable segments. Therefore, the Segment Revenue, Segment Results, Segment Assets, Segment Liabilities, total cost incurred to acquire Segment Assets, depreciation charge are all as is reflected in the financial statements.

### Note 37 : Impairment of Assets

On the basis of physical verification of assets, as specified in IND AS - 36 and cash generation capacity of those assets, in the management perception there is no impairment of such assets as appearing in the Balance Sheet as on 31.03.2020.

### Note 38 : CSR Expenditure

The company has framed CSR policy pursuant to the companies Act, 2013. the company has spent ₹ 89.11 Lakhs (Previous Year ₹ 12.51 Lakhs against the gross requirement of ₹ 128.33 Lakhs (Incl Previous year ₹ 89.39 Lakhs) till date, as per provision of companies Act 2013. Remaining amount of ₹ 39.22 Lakhs to be spent in the subsequent year.

### Note 39 : Subsidiary Information :

Name of Subsidiary	No of Share	% of Holding and Voting Rights	% of Holding and Voting Rights
Arihant Abode Limited	30000	60%	60%
Arihant Vatika Realty Private Limited	6000	60%	60%
Arihant Aashiyana Private Limited	6000	60%	60%
Ariahant Gruhnirman Private Limited	6000	60%	60%

### Note 40 : Previous Year Figure's regrouping:

The previous year's figures have been regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

In terms of our report attached.

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

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

**Saurabh Chouhan**  
Partner  
Membership No. 167453  
UDIN:- 20167453AAAAFD9264

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

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

Place : Mumbai  
Date : 27th June, 2020

**Deepak Lohia**  
Chief Financial Officer

**Govind Rao**  
Company Secretary

## To The Members of Arihant Superstructure Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Arihant Superstructure Limited (“the Company”) and its subsidiaries (the Company and its subsidiaries together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matter

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

#### Revenue recognition

The Key Audit Matter	How the matter was addressed in our audit
<p>Revenue from sale of residential and commercial units represents 99.57% of the total revenue from operations of the Company.</p> <p>Revenue is recognised upon transfer of control of residential and commercial units to customers for an amount that reflects the consideration which the Company expects to receive in exchange for those units. The trigger for revenue recognition is normally percentage of completion of the project</p>	<p>We assessed the Company’s process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit procedures on Revenue recognition included the following:</p> <ul style="list-style-type: none"> <li>• Evaluating that the Company’s revenue recognition accounting policies are in line with the applicable accounting standards and their application to the key customer contracts including consistent application;</li> <li>• Scrutinising all the revenue journal entries raised throughout the reporting period and comparing details of a sample of these journals, which met certain risk-based criteria, with relevant underlying documentation’</li> <li>• Conducting site visits during the year for selected projects to understand the scope and nature of the projects and to assess the progress of the projects; and</li> </ul>

<p><b>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 “Revenue from Contracts with Customers”</b></p> <p>The application of the new revenue accounting standard involves significant estimates related to measurement of costs to complete for the projects. Revenue from projects is recorded based on management’s assessment of the work completed, costs incurred and accrued and the estimate of the balance costs to complete.</p> <p>Due to the inherent nature of the projects and significant judgment involved in the estimate of costs to complete, there is risk of overstatement or understatement of revenue</p>	<ul style="list-style-type: none"> <li>• Testing sample sales of units for projects with the underlying contracts, completion status and proceeds received from customers;</li> <li>• Identified and tested operating effectiveness of key controls around approvals of contracts, milestone billing, intimation of possession letters / intimation of receipt of occupation certificate and controls over collection from customers.</li> </ul> <p><b>Measurement of revenue recorded over time which is dependent on the estimates of the costs to complete</b></p> <ul style="list-style-type: none"> <li>• Compared, on a sample basis, revenue transactions recorded during the year with the underlying contracts, progress reports, invoices raised on customers and collections in bank accounts and whether the related revenue had been recognised in accordance with the Company’s revenue recognition policies;</li> <li>• Identification and testing operating effectiveness of key controls over recording of actual costs incurred for the projects;</li> <li>• Read, analysed and identified the distinct performance obligations in these contracts.</li> <li>• Performed analytical procedures for reasonableness of revenues disclosed by the company.</li> <li>• Verification of construction cost and land cost directly attributable to the project.</li> </ul>
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### **Information Other than the Consolidated Financial Statements and Auditor’s Report Thereon**

The parent Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the consolidated financial statements and our auditor’s report thereon

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information included in the annual report of the company, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Management’s Responsibility for the Consolidated Financial Statements**

The parent Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

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

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 31, 2020 and are therefore the key audit

matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

### Report on Other Legal and Regulatory Requirements

- 1) As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors of the Company as on March 31, 2020 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**" which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group.
    - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
    - iii. No amount is required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

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

**Saurabh Chouhan**  
Partner

Membership No.: 167453  
UDIN: 20167453AAAAFE9585

Date: June 27, 2020  
Place: Mumbai

## **Annexure “A” to the Independent Auditor’s Report**

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Arihant Superstructure Limited (hereinafter referred to as “Company”) and its subsidiary companies, which are companies incorporated in India, as of that date.

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

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

#### **Auditor’s Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

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

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Saurabh Chouhan**  
Partner  
Membership No.: 167453  
UDIN: 20167453AAAAFE9585

Date: June 27, 2020

Place: Mumbai

## CONSOLIDATED BALANCE SHEET

Particulars	Note No.	(₹ in Lacs)		
		As at March 31, 2020	As at Mar 31, 2019	
<b>ASSETS</b>				
<b>NON CURRENT ASSETS</b>				
(a) Property, Plant & Equipment	3	949.06	1,051.84	
(b) Intangible Assets	4	4.16	8.76	
(c) Investment in Property	5	984.06	-	
(d) Financial Assets				
(i) Investments	6	0.16	0.16	
(ii) Loan	7	536.16	475.00	
(iii) Other Financial Assets	8	4,189.80	4,035.33	
Deferred Tax Asset (net)	13	6.82	2.24	
		<b>6,670.22</b>	<b>5,573.33</b>	
<b>CURRENT ASSETS</b>				
(a) Inventories	9	38,810.53	42,172.97	
(b) Financial Assets				
(i) Investment	6	16.99	17.13	
(ii) Trade Receivable	10	3,514.18	2,833.92	
(iii) Cash & Cash Equivalents	11	1,148.07	1,494.03	
(iv) Loans	7	2,317.98	1,564.66	
(c) Land	12	18,977.71	15,512.57	
(d) Current Tax Assets (Net)	13	30.20	-	
(e) Other Current Assets	14	3,272.90	3,364.31	
		<b>68,088.56</b>	<b>66,959.59</b>	
	<b>TOTAL</b>	<b>74,758.78</b>	<b>72,532.92</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity Share Capital	15a	4,116.00	4,116.00	
(b) Other Equity	15b	8,560.80	7,998.83	
(c) Non- Controlling Interest		2,003.07	1,460.01	
		<b>14,679.87</b>	<b>13,574.84</b>	
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
(a) Financial Liabilities				
Borrowings	16	31,687.55	30,056.75	
		<b>31,687.55</b>	<b>30,056.75</b>	
<b>CURRENT LIABILITIES</b>				
(a) Financial Liabilities				
(i) Borrowings	16	6,981.33	7,720.44	
(ii) Trade Payables	17	6,296.83	4,048.59	
(iii) Other Financial Liabilities	18	420.36	1,732.28	
(b) Other Current Liabilities				
(i) Advance from Customers	19	14,449.80	14,357.98	
(ii) Other Current Liabilities	20	176.43	226.77	
(c) Provisions	21	66.61	726.57	
(d) Current Tax Liabilities (Net)	22	-	88.70	
		<b>28,391.36</b>	<b>28,901.33</b>	
	<b>TOTAL</b>	<b>74,758.78</b>	<b>72,532.92</b>	

The accompanying Notes 1 to 42 form an integral part of the Consolidated Financial Statements

As per our report of even date

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

**Saurabh Chouhan**  
Partner  
Membership No.-167453  
UDIN: 20167453AAAAFE9585

Place : Navi Mumbai  
Date: June 27, 2020

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

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

**Deepak Lohia**  
Chief Financial Officer

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

**Govind Rao**  
Company Secretary

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

(₹ in Lacs)

<b>Particulars</b>		<b>Note No.</b>	<b>Year ended 31 Mar 2020</b>	<b>Year ended 31 March 2019</b>
<b>1</b>	<b>Income from Operations</b>			
(a)	Revenue from Operations	23	23,301.47	23,927.24
(b)	Other Income	24	460.71	357.25
	<b>Total Revenue</b>		<b>23,762.18</b>	<b>24,284.49</b>
<b>2</b>	<b>Expenses</b>			
(a)	Cost of construction, land and development expenses	25.a	11,916.36	19,549.38
(b)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	25.b	3,362.44	(5,108.36)
(c)	Employee benefit expenses	26	1,211.48	1,381.21
(d)	Finance costs	27	3,002.40	3,236.33
(e)	Depreciation expense		203.76	186.01
(f)	Other expenses	28	2,507.79	2,767.66
	<b>Total Expenses</b>		<b>22,204.23</b>	<b>22,012.23</b>
<b>3</b>	<b>Profit / (loss) before exceptional items and tax (1 - 2)</b>		1,557.95	2,272.26
<b>4</b>	Exceptional Items (net)			
<b>5</b>	<b>Profit / (loss) before tax (3 + 4)</b>		1,557.95	2,272.26
<b>6</b>	<b>Tax expense:</b>			
(a)	Current tax expense		457.35	451.48
(b)	Deferred tax		(4.58)	(11.85)
<b>7</b>	<b>Profit / (loss) after tax (5 - 6)</b>		1,105.18	1,832.63
<b>8</b>	<b>Other Comprehensive Income</b>			
(a)	Items that will not be classified to profit & loss		-	-
(b)	Items that will be reclassified to profit & loss		-	-
	<b>Other comprehensive income</b>		-	-
<b>9</b>	<b>Non- Controlling Interest</b>		543.06	534.57
<b>10</b>	<b>Total Comprehensive income for the period (7 + 8)</b>		<b>562.12</b>	<b>1,298.06</b>
<b>11</b>	<b>Earnings per share (of Rs.10/- each):</b>			
(a)	Basic		1.37	3.15
(b)	Diluted		1.37	3.15

The accompanying Notes 1 to 42 form an integral part of the Consolidated Financial Statements

As per our report of even date

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

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

**Saurabh Chouhan**  
Partner  
Membership No.-167453  
UDIN: 20167453AAAF9585

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

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

Place : Navi Mumbai  
Date: June 27, 2020

**Deepak Lohia**  
Chief Financial Officer

**Govind Rao**  
Company Secretary

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED

(₹ in Lacs)

### a) Equity Share Capital

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Balance at the beginning of the year	4,116.00	4,116.00
Change in equity share capital during the year	-	-
<b>Balance at the end of the year</b>	<b>4,116.00</b>	<b>4,116.00</b>

Particulars	Other Equity			Other Comprehensive Income	Total Equity Attributable to Equity Holders of the Company		
	Reserves & Surplus						
	Security Premium Reserve	Capital Reserve	Retained Earnings				
<b>As at April, 01, 2018</b>	524.40	0.78	7,116.39	-	7,641.57		
Ind AS			(692.53)		(692.53)		
Dividends			(248.25)		(248.25)		
Profit / Loss of Firm			-				
Firm Tax			(0.02)		(0.02)		
Profit for the period			1,298.06		1,298.06		
<b>As at March, 31 2019</b>	<b>524.40</b>	<b>0.78</b>	<b>7,473.65</b>	<b>-</b>	<b>7,998.83</b>		
<b>As at April 01, 2019</b>	<b>524.40</b>	<b>0.78</b>	<b>7,473.65</b>	<b>-</b>	<b>7,998.83</b>		
Proft/ Loss from firm			(0.14)		(0.14)		
Firm Tax			(0.01)		(0.01)		
Profit for the period			562.12		562.12		
<b>As at March, 31 2020</b>	<b>524.40</b>	<b>0.78</b>	<b>8,035.63</b>	<b>-</b>	<b>8,560.80</b>		

### Security Premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Act.

### Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, debenture redemption reserve, dividends or other distributions paid to shareholders.

The accompanying Notes 1 to 42 form an integral part of the Consolidated Financial Statements

As per our report of even date

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

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

**Saurabh Chouhan**  
Partner  
Membership No.-167453  
UDIN: 20167453AAAAFE9585

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

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

Place : Navi Mumbai  
Date: June 27, 2020

**Deepak Lohia**  
Chief Financial Officer

**Govind Rao**  
Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

	(₹ in Lacs)	
	31st March 2020	31st March 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and before Extra ordinary Items :	1,557.95	2,272.26
<b>Adjustment for Non Cash Items</b>		
Depreciation & Amortisation	203.76	186.01
Interest paid	3,002.40	3,236.54
<b>Less :- Non Operating Income</b>		
Effect of Ind AS 115	-	(751.20)
Loss on Sale of Car	-	(0.84)
Interest Received	(366.97)	(257.29)
	4,397.15	4,685.48
<b>Changes in Working Capital</b>		
(Increase)/ Decrease in Inventories	3,362.45	(6,047.31)
(Increase)/ Decrease in Term Loans & Advances	(814.48)	(1,723.68)
(Increase)/ Decrease in Trade & Other Receivable	(4,215.26)	949.58
Increase/ (Decrease) in Current Liabilities & Provision	317.84	(5,358.45)
Cash flow from Operating Activities before Tax and Extraordinary Items	3,047.69	(7,494.38)
Income Tax paid	(569.47)	(619.31)
Cash flow from Operating Activities before Extraordinary Items	2,478.22	(8,113.69)
Adjustment for Extraordinary Items	-	-
<b>Cash Generated from Operating Activities</b>	<b>2,478.22</b>	<b>(8,113.69)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Net)	(96.38)	(266.41)
(Purchase)/Sale of Investments	(984.06)	1,765.00
Sale of Fixed Assets	-	1.40
Interest Received	366.97	257.29
<b>Cash Generated from Investment Activities</b>	<b>(713.47)</b>	<b>1,757.28</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Long Term Borrowings	1,630.80	12,871.27
Increase/(Decrease) in Short Term Borrowings	(739.11)	(2,763.16)
Interest paid	(3,002.40)	(3,236.54)
Dividend and Dividend Distribution Tax Paid	-	(248.25)
<b>Cash Generated from Financing Activities</b>	<b>(2,110.71)</b>	<b>6,623.32</b>
Net Increase in Cash & Cash Equivalents	(345.96)	266.91
Opening Balance of Cash & Cash Equivalents	1,494.03	1,227.12
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>1,148.07</b>	<b>1,494.03</b>
(i) Cash in Hand	43.92	43.22
(ii) Balance with Bank	1,104.15	1,450.81
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>1,148.07</b>	<b>1,494.03</b>

Note:- The above Standalone Statement of Cash Flows has been prepared under the ‘Indirect Method’ as set out in the Indian Accounting Standard (Ind AS) -7 “Statement of Cash Flows”.

The accompanying Notes 1 to 42 form an integral part of the Consolidated Financial Statements

As per our report of even date

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

**Saurabh Chouhan**  
 Partner  
 Membership No.-167453  
 UDIN: 20167453AAAAFE9585

Place : Navi Mumbai  
 Date: June 27, 2020

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

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

**Deepak Lohia**  
 Chief Financial Officer

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

**Govind Rao**  
 Company Secretary

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 1 General information

Arihant Superstructures Limited (“the Company”) having CIN L51900MH1983PLC029643 is a Public Limited Company domiciled and incorporated in India and its shares are publically traded on National Stock Exchange (“NSE”) and the Bombay Stock Exchange (“BSE”), India. The Company’s Registered Office is located at Arihant Aura, B-Wing, 25th Floor, Plot no. 13/1, TTC Industrial Area, Thane Belapur Road, Turbhe, Navi Mumbai, Maharashtra - 400705. The operation of the Company spanned in all aspect of Real Estate Development, from the identification and Acquisition of Land, planning, execution, construction and marketing of projects. The Company has its presence in the States of Rajasthan and Maharashtra.

### 2 Summary of Significant Accounting Policies

#### 2.1 Basis of preparation of Financial Statements

The Financial Statements of the subsidiaries used for the purpose of consolidation are drawn upto the same reporting date as that of the Company, i.e. March 31, 2020.

The Consolidated Financial Statements of the Group have been prepared in accordance with the Indian Accounting Standards (IndAS) to comply with the Section 133 of the Companies Act, 2013 (“the 2013 Act”) and the relevant provisions and amendments, as applicable. The Consolidated Financial Statements have been prepared on accrual basis under the historical cost convention except certain financial instruments, defined benefit plans and share based payments measured at fair value.

The consolidated Financial Statements of the Group for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on June 27, 2020.

#### 2.2 Basis of Consolidation

- i) Arihant Superstructures Limited Consolidates entities which it owns or controls. The Consolidated Financial Statements comprises the Financial Statements of the Company, its Subsidiaries as disclosed in Note 28. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity’s returns. Subsidiaries are consolidated from the date control commences until the date control ceases.
- ii) The Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the parent for Standalone Financial Statements.
- iii) The Financial Statements of the Group are consolidated on a line-by-line basis and Intra Group balances and transactions, including unrealized gain/ (loss) from such transactions, are eliminated upon consolidation.
- iv) These Consolidated Financial Statements are prepared by applying uniform Accounting Policies in use at the group. Non-Controlling Interest which represent part of the net Profit or Loss and Net Assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company, are excluded.
- v) The amount shown in respect of Reserve comprises the amount of the relevant Reserves as per the Balance Sheet of the Parent Company and its share in the post-acquisition increase in the relevant Reserve of the entity to be consolidated.
- vi) Notes to the Consolidated Financial Statements represents notes involving items which are considered material & are accordingly duly disclosed. Materiality for the purpose is assessed in relation to the information contained in the Consolidated Financial Statements. Further, additional statutory information disclosed in separate Financial Statements of the subsidiary and / or Parent having no bearing on the true & fair view of the Consolidated Financial Statements have not been disclosed in the Consolidated Financial Statements.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.3 Use of Estimates and Judgements

The preparation of the Financial Statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions effect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Financial Statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period and actual results may differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Financial Statements. The basis of the description is as under:

#### 1) Evaluation of satisfaction of performance obligation at a point in time for the purpose of revenue recognition:

Determination of revenue under the satisfaction of performance obligation at a point in time method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the timing of satisfaction of performance obligation, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. The Company recognises revenue when the company satisfies its performance obligations.

#### 2) Evaluation of percentage of completion for the purpose of revenue recognition:

Determination of revenue under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentage of completion, cost of completion, the expected revenue from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates is recognised in the Standalone Financial Statements for the period in which such changes are determined.

#### 3) Useful life and residual value of Property, Plant and Equipment and Intangible Assets:

Useful lives of Property, Plant and Equipment and Intangible Assets are based on the life prescribed in Schedule II of the Companies Act, 2013 or based on internal technical evaluation. Assumption are also made when the company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

#### 4) Recognition of Deferred Tax Asset:

The extent of which Deferred Tax Asset can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

#### 5) Provisions and contingencies:

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

### 2.4 Current versus Non-Current classification

The Company presents Assets and Liabilities in the Balance Sheet based on Current/Non-Current classification. The normal operating cycle, in the context of the Company, is the time between the acquisition of Land for a real estate project and its realisation in Cash and Cash Equivalents by way of sale of developed units.

An Asset is treated as Current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or Cash Equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

All other Assets are classified as Non-Current.

A Liability is Current when:

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

All other liabilities are classified as Non-Current.

Deferred Tax Assets and Liabilities are classified as Non-Current Assets and Liabilities.

### 2.5 Property, Plant and Equipment

Freehold/Leasehold Land and Capital Work-in- progress is carried at cost. All other items of Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost of an item of Property, Plant and Equipment comprises of its purchase price, any costs directly attributable to its acquisition and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs when the item is acquired. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to Profit or Loss Statement during the reporting period in which they are incurred.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Property, Plant and Equipment recognised as at 1st April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment.

Depreciation on Property, Plant and Equipment is calculated using the Straight-Line Method to allocate their cost, net of their residual values, over their estimated useful lives. The useful lives estimated for the major classes of Property, Plant and Equipment are as follows:

<b>Class of Property, Plant and Equipment</b>	<b>Useful life (in years)</b>
Buildings	30
Rented Premises	Lease Period
Plant & Machinery	5-15
Furnitures & fixtures	8-10
Vehicles	5-10
Electrical Installations	10
Equipments and facilities	5-8
Computer Hardware	3

The useful lives have been determined based on technical evaluation done by the management's experts, which in few cases are different than the lives as specified by Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the Asset. The Asset' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of Property, Plant and Equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the Asset is included in the Statement of Profit and Loss when the Asset is derecognised.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Assets under construction include the cost of Property, Plant and Equipment that are not ready to use at the Balance Sheet date. Advances paid to acquire Property, Plant and Equipment before the Balance Sheet date are disclosed under other Non-Current Assets. Asset under construction are not depreciated as these Assets are not yet available for use.

Capital Work in progress is stated at cost less impairment losses, if any. Cost comprises of expenditure incurred in respect of capital projects under development and includes any attributable/allocable cost and incidental expenses. Revenues earned, if any, from such capital projects before capitalisation are adjusted against the Capital Work in progress.

### 2.6 Dividends

Provision is made for the amount of any Dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

### 2.7 Investment Properties

Investment properties are measured initially at cost, including transaction costs and borrowing costs, wherever applicable. Subsequent to initial recognition, Investment Properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Investment Properties are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of Investment Properties are included in Profit and Loss in the period of de-recognition.

### 2.8 Intangible Assets

Intangible Assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and impairment loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Intangible Assets recognised as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of Intangible Assets.

The useful lives of Intangible Assets are assessed as either finite or indefinite.

Intangible Assets with finite lives are amortised on a Straight-Line Method over the useful economic life and assessed for impairment whenever there is an indication that the Intangible Asset may be impaired. The amortisation period and the amortisation method for an Intangible Asset are reviewed at least at the end of each reporting period and adjusted, if appropriate. The useful economic lives estimated for various classes of Intangible Assets are as follows:

Class of Intangible Assets	Useful life (in years)
Goodwill	5
Trademark and Logo	10
Software	3

Intangible Assets with indefinite useful lives are not amortised, but are tested for impairment annually.

### 2.9 Finance Costs

Borrowing costs that are directly attributable to the acquisition/construction of Qualifying Assets or for long term project development are capitalised as part of their cost of such land till the revenue is recognised for the project.

Other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.10 Non-Current Assets held for Sale

Non-Current Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Non-Current Assets classified as held for sale and their related Liabilities are presented separately in the Balance Sheet. Non-Current Assets are not depreciated or amortised while they are classified as Held for Sale.

### 2.11 Inventories

#### **Construction Materials and Consumables**

Construction material and Consumables are valued at lower of cost and net realisable value.

#### **Land/Development Rights**

Land/Development Rights are valued at lower of cost and net realisable value.

#### **Construction work in Progress**

Completed units and project development forming part of Work in Progress are valued at lower of cost and net realizable value. Cost includes direct materials, labour, project specific direct indirect expenses.

#### **Finished Goods**

Finished goods of completed projects and Stock in trade of units is valued at lower of cost or net realisable value.

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

### 2.12 Cash and Cash Equivalent

Cash and Cash Equivalent in the Balance Sheet comprise Cash at Banks and on Hand and Short- Term Deposits maturing within twelve months from the date of Balance Sheet, which are subject to an insignificant risk of changes in value.

### 2.13 Financial Instruments

#### **A. Financial Instruments - Initial recognition and measurement**

Financial Assets and Financial Liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its Financial Assets and Liabilities at initial recognition. All Financial Assets are recognised initially at fair value plus, in the case of Financial Assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### **B.1. Financial Assets—Subsequent measurement**

The Subsequent measurement of Financial Assets depends on their classification which is as follows:

##### **a. Financial Assets at fair value through Profit or Loss**

Financial Assets at fair value through Profit and Loss include Financial Assets Held for Sale in the near term and those designated upon initial recognition at fair value through profit or loss.

##### **b. Financial Assets measured at amortised cost**

Loans and Receivables are non-derivative Financial Assets with fixed or determinable payments that are not quoted in an active market. Trade Receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowance for estimated irrecoverable amounts based on the ageing of the receivables balance and historical experience. Additionally, a large number of minor Receivables are grouped into homogenous groups and assessed for impairment collectively. Individual Trade Receivables are written off when management deems them not to be collectible.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### c. Financial Assets at fair value through OCI

All Equity Investments, except Investments in Subsidiaries, Joint Ventures and Associates, falling within the scope of Ind AS 109, are measured at fair value through Other Comprehensive Income (OCI). The Company makes an irrevocable election on an instrument by instrument basis to present in Other Comprehensive Income subsequent changes in the fair value. The classification is made on initial recognition and is irrevocable.

If the Company decides to designate an Equity Instrument at fair value through OCI, then all fair value changes on the instrument, excluding Dividends, are recognized in the OCI.

### B.2. Financial Assets—Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the Assets expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

Upon derecognition of Equity Instruments designated at fair value through OCI, the associated fair value changes of that equity instrument is transferred from OCI to Retained Earnings.

### C. Investment in Subsidiaries, Joint Ventures and Associates

Investments made by the Company in Subsidiaries, Joint Ventures and Associates are measured at cost in the Standalone Financial Statements of the Company.

### D.1. Financial liabilities—Subsequent measurement

The Subsequent measurement of financial liabilities depends on their classification which is as follows:

#### a. Financial Liabilities at fair value through Profit or Loss

Financial Liabilities at fair value through Profit or Loss include Financial Liabilities Held for Trading, if any.

#### b. Financial Liabilities measured at amortised cost

Interest bearing loans and borrowings including debentures issued by the Company are subsequently measured at amortised cost using the Effective Interest Rate method (EIR). Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are integral part of the EIR. The EIR amortised is included in finance costs in the Statement of Profit and Loss

### D.2. Financial Liabilities—Derecognition

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

### E. Offsetting Financial Instruments

Financial Assets and Financial Liabilities are offset and the net amount reported in the Statement of Financial Position, if and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the Assets and settle the Liabilities simultaneously.

### F. Fair value measurement

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

- In the principal market for the Assets or Liability or
- In the absence of a principal market, in the most advantageous market for the Asset or Liability.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

The Company uses valuation technique that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Level 1 - Quoted (unadjusted) market prices in active market for identical Assets or Liabilities.

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

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

### 2.14 Selling Costs

Selling expenses related to specific projects/units are being charged to Statement of Profit and Loss in the year in which the expenses are incurred.

### 2.15 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes, duties or other charges collected on behalf of the government/authorities.

The specific recognition criteria for the various types of the Company's activities are described below:

#### **Revenue from Real Estate Projects**

Ind AS 115 has been notified by Ministry of Corporate Affairs (MCA) on March 28, 2018 and is effective from accounting period beginning on or after April 01, 2018.

The Company has applied full retrospective approach in adopting the new standard and accordingly recognised revenue in accordance with Ind AS 115 as compared to earlier Percentage of Completion method as per the Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable)

In accordance with the principles of Ind AS 115 revenue in respect of real estate project is recognised on satisfaction of Performance obligation at a point in time by transferring a promised good or services (i.e. an asset) to a customer and the customer obtains control of that asset.

To determine the point in time at which a customer obtains control of a promised asset and the entity satisfies a performance obligation, the company considers following indicators of the transfer of control to customers:

- (a) the company has a present right to payment for the asset;
- (b) the company has transferred to the buyer the significant risks and rewards of ownership of the real estate;
- (c) the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the real estate sold;
- (d) the amount of revenue can be measured reliably;
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably;
- (f) the customer has accepted the asset.

The satisfaction of performance obligation and the control thereof is transferred from the company to the buyer upon possession or upon issuance of letter for offer of possession ("deemed date of possession"), whichever is earlier, subject to realisation/ certainty of realisation.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

**Obligations:** The company is under an obligation to comply with the following in terms of the Real Estate (Regulation and Development) Act 2016 (RERA)

- (a) Obligation to keep 70% of the amounts realized from real estate project from allottees from time to time, in a separate account in a scheduled bank
- (b) To enable formation of the association or society of allottees
- (c) Liability to rectify structural defect or defect in workmanship within 30 days if brought to notice of the company by allottee within 5 years from the date of handing over possession.

### **Interest income**

Interest income from Debt Instruments (including Fixed Deposits) is recognised using the Effective Interest Rate method. The Effective Interest Rate is that rate that exactly discounts estimated future cash receipts through the expected life of the Financial Asset to the gross carrying amount of a Financial Asset. While calculating the Effective Interest Rate, the Company estimates the expected cash flows by considering all the contractual terms of the Financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

### **Dividends**

Revenue is recognised when the Company's right to receive the payment is established.

### **Delayed Payment Charges**

Delayed Payment Charges claimed to expedite recoveries are accounted for on realisation.

### **Other Income**

Other Income is accounted for on accrual basis except, where the receipt of income is uncertain.

## **2.16 Foreign Currency Transactions**

Foreign Currency Transactions are translated into Indian rupee using the exchange rates prevailing on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of these transactions and from the translation of monetary Assets and Liabilities denominated in foreign currencies at year end exchange rates are recognised in the Statement of Profit or Loss.

## **2.17 Income Taxes**

### **Current Tax**

The Current Tax expense for the period is determined as the amount of tax payable in respect of taxable income for the period, based on the applicable income tax rates.

Current Tax relating to items recognised in Other Comprehensive Income or Equity is recognised in Other Comprehensive Income or Equity, respectively.

### **Deferred Tax**

Deferred Tax is provided using the liability method on temporary differences between the tax bases of Assets and Liabilities and their carrying amounts for Financial reporting purposes at the reporting date.

Deferred Tax liabilities are recognised for all taxable temporary differences. Deferred Tax Assets are recognised for all deductible temporary differences and, the carry forward of unused tax credits and any unused tax losses. Deferred Tax Assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred Tax Assets and Liabilities are measured at the tax rates that are expected to apply in the year when the Asset is realised or the Liability is settled, based on tax rates (and tax laws) that have been enacted at the Reporting date.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Deferred Tax relating to items recognised in Other Comprehensive Income or Equity is recognised in Other Comprehensive Income or Equity, respectively.

Deferred Tax Assets and Deferred Tax Liabilities are offset if a legally enforceable right exists to set off Current Tax Assets against Current Tax Liabilities.

### 2.18 Provisions, Contingent Liabilities and Contingent Assets

A Provision is recognised when the Company has present determined obligations as a result of past events an outflow of resources embodying economic benefits will be required to settle the obligations. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

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

A Contingent Liability is not recognised but disclosed in the Notes to the accounts, unless the probability of an outflow of resources is remote.

A Contingent Asset is generally neither recognised nor disclosed.

### 2.19 Earnings Per Share

The basic Earnings Per Share (EPS) is calculated by dividing the net profit or loss for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating Diluted Earnings Per Share, the net profit or loss for the year attributable to the Equity Shareholders and the weighted average number of Equity Shares outstanding during the year are adjusted for the effects of all dilutive potential Equity Shares.

### 2.20 Exceptional Items

Exceptional items refer to items of income or expense within Statement of Profit and Loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

### 2.21 Impairment of Non-Financial Assets

The carrying amounts of Assets are reviewed at each reporting date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an Asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less cost of disposals and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value is the price that would be received to sell an Asset or paid to transfer a Liability in orderly transaction between market participants at the measurement date. After impairment, depreciation is provided on the revised carrying amount of the Asset over its remaining useful life.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for the Company Cash Generating Unit's (CGU) to which the individual Assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the Statement of Profit and Loss in expense categories.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the Asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the Asset in prior years.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.22 Critical Accounting Estimates

#### Property, Plant and Equipment

Property, Plant and Equipment represent a proportion of the Asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an Asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's Assets are determined by management at the time the Asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar Assets as well as anticipation of future events, which may impact their life, such as changes in technology.

#### Intangible Assets

The Company tests whether Intangible Assets have suffered any impairment on an annual basis. The recoverable amount of a Cash Generating Unit is determined based on value in use calculations which require the use of assumptions.

#### Investment Property

The charge in respect of periodic depreciation on Investment Properties is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's Investment Properties are determined by management at the time the asset is acquired and reviewed periodically, including at each Financial Year end. The lives are based on historical experience with similar Assets as well as anticipation of future events, which may impact their life, such as changes in technology.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lacs)

### Note 3 Property, Plant & Equipment

The changes in carrying value of Property, Plant & Equipment for the Year Ended March, 31 2020

Particulars	Building	P&M and Office Equipment	Computer Equipment	Furniture & Fixtures	Vehicles	Total
<b>Gross carrying value as of April 1, 2019</b>	14.42	604.08	93.90	337.45	402.43	1,452.28
Additions	-	17.71	8.41	0.80	69.46	96.38
Deletions	-	-	-	-	-	-
<b>Gross carrying value as of March 31, 2020</b>	<b>14.42</b>	<b>621.79</b>	<b>102.31</b>	<b>338.25</b>	<b>471.89</b>	<b>1,548.66</b>
<b>Accumulated Depreciation as of April 1, 2019</b>	1.68	145.95	36.87	60.31	155.63	400.44
Depreciation	0.56	81.31	26.59	36.92	53.78	199.16
Accumulated depreciation on deletion	-	-	-	-	-	-
<b>Accumulated Depreciation as of March 31, 2020</b>	<b>2.24</b>	<b>227.26</b>	<b>63.46</b>	<b>97.23</b>	<b>209.41</b>	<b>599.60</b>
<b>Carrying Value as of March 31, 2020</b>	<b>12.18</b>	<b>394.53</b>	<b>38.85</b>	<b>241.02</b>	<b>262.48</b>	<b>949.06</b>
<b>Carrying Value as of April 1, 2019</b>	<b>12.74</b>	<b>458.13</b>	<b>57.03</b>	<b>277.14</b>	<b>246.80</b>	<b>1,051.84</b>

The changes in carrying value of Property, Plant & Equipment for the Year Ended March, 31 2019

Particulars	Building	P&M and Office Equipment	Computer Equipment	Furniture & Fixtures	Vehicles	Total
<b>Gross carrying value as of April 1, 2018</b>	14.42	583.41	65.28	227.37	297.22	1,187.70
Additions	-	20.67	28.62	110.08	107.04	266.41
Deletions	-	-	-	-	1.83	1.83
<b>Gross carrying value as of March 31, 2019</b>	<b>14.42</b>	<b>604.08</b>	<b>93.90</b>	<b>337.45</b>	<b>402.43</b>	<b>1,452.28</b>
<b>Accumulated Depreciation as of April 1, 2018</b>	1.12	72.01	12.99	30.83	102.53	219.48
Depreciation	0.56	73.94	23.88	29.48	54.37	182.23
Accumulated depreciation on deletion	-	-	-	-	1.27	1.27
<b>Accumulated Depreciation as of March 31, 2019</b>	<b>1.68</b>	<b>145.95</b>	<b>36.87</b>	<b>60.31</b>	<b>155.63</b>	<b>400.44</b>
<b>Carrying Value as of March 31, 2019</b>	<b>12.74</b>	<b>458.13</b>	<b>57.03</b>	<b>277.14</b>	<b>246.80</b>	<b>1,051.84</b>
<b>Carrying Value as of April 1, 2018</b>	<b>13.30</b>	<b>511.40</b>	<b>52.29</b>	<b>196.54</b>	<b>194.69</b>	<b>968.22</b>

### Note 4 Intangible Assets

The changes in carrying value of Intangible Assets for the year Ended March, 31 2020

Particulars	Software	Trademark	Total
<b>Gross carrying value as of April 1, 2019</b>	18.98	3.15	22.13
Additions	-	-	-
Deletions	-	-	-
<b>Gross carrying value as of March 31, 2020</b>	<b>18.98</b>	<b>3.15</b>	<b>22.13</b>
<b>Accumulated Depreciation as of April 1, 2019</b>	12.78	0.59	13.37
Depreciation	3.12	1.48	4.60
Accumulated depreciation on deletion	-	-	-
<b>Accumulated Depreciation as of March 31, 2020</b>	<b>15.90</b>	<b>2.07</b>	<b>17.97</b>
<b>Carrying Value as of March 31, 2020</b>	<b>3.08</b>	<b>1.08</b>	<b>4.16</b>
<b>Carrying Value as of April 1, 2019</b>	<b>6.20</b>	<b>2.56</b>	<b>8.76</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lacs)

The changes in carrying value of Intangible Assets for the year Ended March, 31 2019

Particulars	Software	Trademark	Total
<b>Gross carrying value as of April 1, 2018</b>	18.98	3.15	22.13
Additions	-	-	-
Deletions	-	-	-
<b>Gross carrying value as of March 31, 2019</b>	<b>18.98</b>	<b>3.15</b>	<b>22.13</b>
<b>Accumulated Depreciation as of April 1, 2018</b>	9.17	0.42	9.59
Depreciation	3.61	0.17	3.78
Accumulated depreciation on deletion	-	-	-
<b>Accumulated Depreciation as of March 31, 2019</b>	<b>12.78</b>	<b>0.59</b>	<b>13.37</b>
<b>Carrying Value as of March 31, 2019</b>	<b>6.20</b>	<b>2.56</b>	<b>8.76</b>
<b>Carrying Value as of April 1, 2018</b>	<b>9.81</b>	<b>2.73</b>	<b>12.54</b>

### Note 5 : INVESTMENT IN PROPERTY

Particulars	As at March 31, 2020	As at Mar 31, 2019
Investment in Property	984.06	-
<b>Total</b>	<b>984.06</b>	-

### Note 6 : INVESTMENTS

Particulars	As at March 31, 2020	As at Mar 31, 2019
<b>NON-CURRENT INVESTMENT :</b>		
<b><u>Investment in Equity Instruments</u></b>		
(i) Investment in associates	0.06	0.06
(ii) Investment in Partnership Firm	0.10	0.10
	0.16	0.16
<b>CURRENT INVESTMENT :</b>		
(i) Investment in Partnership Firm	16.99	17.13
<b>Total</b>	<b>17.15</b>	<b>17.29</b>

### Note 7 : LOANS & ADVANCES

Particulars	As at March 31, 2020	As at Mar 31, 2019
<b>NON-CURRENT</b>		
(Unsecured, considered good)		
(i) Loan to Related party	429.29	367.17
(ii) Loan to Others	106.87	107.83
	536.16	475.00
<b>CURRENT</b>		
(i) Loan to Related party	1,303.63	1,096.22
(ii) Loan to Others	1,006.03	463.48
(iii) Loan to Employee	8.32	4.96
	2,317.98	1,564.66
<b>Total</b>	<b>2,854.14</b>	<b>2,039.66</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lacs)

### Note 8 : OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2020	As at Mar 31, 2019
<b>NON CURRENT</b>		
Security Deposit	4,189.80	4,035.33
<b>Total</b>	<b>4,189.80</b>	<b>4,035.33</b>

### Note 9 : INVENTORIES

Particulars	As at March 31, 2020	As at Mar 31, 2019
(i) Finished goods	10,182.14	5,514.17
(ii) Work in Progress	27,992.21	36,030.02
(iii) Raw Material	636.18	628.78
<b>Total</b>	<b>38,810.53</b>	<b>42,172.97</b>

### Note 10 : TRADE RECEIVABLES

Particulars	As at March 31, 2020	As at Mar 31, 2019
Trade Receivables		
Unsecured, considered good	3,514.18	2,833.92
<b>Total</b>	<b>3,514.18</b>	<b>2,833.92</b>

The real estate sales are made on the basis of cash down payment or construction linked payment plan. In case of construction linked payment plan, invoice is raised on the customer in accordance with milestone achieved as per flat buyer agreement. The final possession of the property is offered to the customer subject to payment of full value of consideration. Accordingly, the company doesn't expect any credit loss.

### Note 11 : CASH & CASH EQUIVALENTS

Particulars	As at March 31, 2020	As at Mar 31, 2019
(i) Cash in hand	43.92	43.22
(ii) Balances with banks		
(a) In current accounts	524.88	435.78
(b) In deposit accounts		
Deposits with original maturity for more than 3 months but less than 12 months	-	-
Deposits with original maturity within 3 months	579.27	1,015.03
<b>Total</b>	<b>1,148.07</b>	<b>1,494.03</b>

### Note 12 Land

Particulars	As at March 31, 2020	As at Mar 31, 2019
Land	18,977.71	15,512.57
<b>Total</b>	<b>18,977.71</b>	<b>15,512.57</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lacs)

### Note 13 Current Tax Assets

Particulars	As at March 31, 2020	As at Mar 31, 2019
(i) Income Tax	30.20	
(ii) Deferred Tax Assets	6.82	2.24
<b>Total</b>	<b>37.02</b>	<b>2.24</b>

### Note 14 Other current assets

Particulars	As at March 31, 2020	As at Mar 31, 2019
<b>Unsecured, considered good</b>		
Prepaid expenses -	14.53	14.86
Advance to Supplier	528.52	975.41
Input Credit Receivable	1,733.79	1,377.56
Advance for Land	994.72	994.72
Other Assets	1.33	1.76
<b>Total</b>	<b>3,272.90</b>	<b>3,364.31</b>

### Note 15a Equity

	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
(a) Authorised				
6,00,00,000 Equity shares of Rs10 each.	6,00,00,000	6,000.0	6,00,00,000.0	6,000.0
1,50,00,000 Preference Shares of Rs10 each.	1,50,00,000	1,500.0	1,50,00,000.0	1,500.0
(b) Issued				
Equity shares of Rs10 each with voting rights	4,11,59,991	4,116.00	4,11,59,991	4,116.00
(c) Subscribed and fully paid up				
Equity shares of Rs10 each with voting rights	4,11,59,991	4,116.00	4,11,59,991	4,116.00
<b>Total</b>	<b>4,11,59,991</b>	<b>4,116.00</b>	<b>4,11,59,991</b>	<b>4,116.00</b>

#### Notes:

- (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	Opening Balance	Changes	Closing Balance
Equity shares with voting rights			
Year Ended 31 March, 2019			
- Number of shares	4,11,59,991	-	4,11,59,991
- Amount (₹ in Lakhs)	4,116.00	-	4,116.00
Year Ended 31 March, 2020			
- Number of shares	4,11,59,991	-	4,11,59,991
- Amount (₹ in Lakhs)	4,116.00	-	4,116.00

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lacs)

Class of shares / Name of shareholder (holding more than 5%)	As at March 31, 2020		As at Mar 31, 2019	
	Number of shares	%	Number of shares	%
Equity shares with voting rights				
Ashok B. Chhajer	1,23,09,147	29.91	1,83,09,147	44.48
Sangeeta A. Chhajer	60,70,000	14.75	60,00,000	14.58
Parth A. Chhajer	60,00,000	14.58	60,00,000	14.58
Bhavik A. Chhajer	60,00,000	14.58	60,00,000	14.58

### b) Other Equity

Particulars	Other Equity				Total Equity Attributable to Equity Holders of the Company	
	Reserves & Surplus			Other Comprehensive Income		
	Security Premium Reserve	Capital Reserve	Retained Earnings			
Balance as of April, 01 2018	524.40	0.78	7,116.39	-	7,641.57	
Changes in Equity for the Year Ended March, 31 2019:						
Ind AS			(692.53)		(692.53)	
Dividends and DDT	-	-	(248.25)	-	(248.25)	
Profit / Loss of Firm	-	-	-	-	-	
Firm Tax	-	-	(0.02)	-	(0.02)	
Profit for the year	-	-	1,298.06	-	1,298.06	
<b>Balance as of March, 31 2019</b>	<b>524.40</b>	<b>0.78</b>	<b>7,473.65</b>	<b>-</b>	<b>7,998.83</b>	
Balance as of April, 01 2019	524.40	0.78	7,473.65	-	7,998.83	
Changes in Equity for the Year Ended March, 31 2020:						
Profit / Loss of Firm	-	-	(0.14)		(0.14)	
Firm Tax	-	-	(0.01)	-	(0.01)	
Profit for the year	-	-	562.12	-	562.12	
<b>Balance as of March, 31 2020.</b>	<b>524.40</b>	<b>0.78</b>	<b>8,035.63</b>	<b>-</b>	<b>8,560.80</b>	

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lacs)

### Note 16 Borrowings

Particulars	As at March 31, 2020	As at Mar 31, 2019
<b>Non-current borrowings</b>		
(a) Secured Loans		
- Vechile Loan	135.74	114.31
- Term Loan	16,118.98	16,837.67
(b) Unsecured Loans		
Loans From Related Parties	13,221.35	11,030.90
Loans From Others	2,211.48	2,073.87
	31,687.55	30,056.75
<b>Current borrowings</b>		
Unsecured Loans		
Loans From Related Parties	6,923.69	7,688.01
Loans From Others	57.64	32.43
	6,981.33	7,720.44
<b>Total</b>	<b>38,668.88</b>	<b>37,777.19</b>

- Term Loan : 13.50% Term Loan from Piramal Capital & Housing Limited is secured against Arihant Arshiya Phase I Project situated at Khopoli, Repayable till October 2021.
- Term Loan : 13.75% Construction Finance from STCI Finance Limited is secured against Arihant Adita Project situated at Jodhpur, Repayable till April, 2019.
- Construction Finance from ICICI Bank is secured against land (with all the buildings and structures thereon) at Village Ghot, Taluka Panvel, District Raigad. Rate of Interest is 12.45% and repayment till April 2020.
- 55,00,000 secured redeemable non convertible debentures of Rs. 100 each aggregating to Rs. 5500 Lakhs allotted to India Real Estate Investment Fund. Coupon for these bonds is 16.50%, Repayable till April 2022.
- 16% Construction Finance from Capri Global Capital Limited is secured against land (with all the buildings and structures thereon) Project Anaika situated Koyanavile, Maharashtra and repayable till February 2021.
- Construction Finance from HDFC Limited is secured against Land (with all the buildings and structures thereon) at Phalspe, Taluka Panvel, District Raigad. Repayable till May 2023.
- Vehicles loans are secured against the vehicle itself.

### Note 17 Trade Payables

Particulars	As at March 31, 2020	As at Mar 31, 2019
(a) Trade Payables Due to:		
Micro and Small Enterprise	-	-
Other than Micro and Small Enterprise	4,954.04	2,726.21
Retention	1,342.79	1,322.38
<b>Total</b>	<b>6,296.83</b>	<b>4,048.59</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lacs)

“Disclosure of Payable to vendors as defined under “” Micro, Small and Medium Enterprises Development Act 2006 “” is based on the information available with company regarding the status of registration of such vendors under said act, as per intimation received from them on request made by the company. There are no overdue principal amount/ interest payable amounts for delayed payment to such vendors at Balance Sheet date.

The company has send notices to all vendors to provide details regard their Micro, Small and Medium Enterprises Status. No vendor has informed its status as Micro, Small and Medium Enterprises.”

### Note 18 Other Financial Liabilities

Particulars	As at March 31, 2020	As at Mar 31, 2019
<b>Current Other Financial Liabilities</b>		
(a) Customer security deposit	42.83	26.83
(b) Other payables		
Society Maintenance	259.25	481.72
Book O/D	65.40	1,141.42
Salary Payable	52.88	82.31
<b>Total</b>	<b>420.36</b>	<b>1,732.28</b>

### Note 19 Advances from Customers

Particulars	As at March 31, 2020	As at Mar 31, 2019
Bookings Received	14,449.80	14,357.98
<b>Total</b>	<b>14,449.80</b>	<b>14,357.98</b>

### Note 20 Other Current Liabilities

Particulars	As at March 31, 2020	As at Mar 31, 2019
(a) Other payables		
(i) Statutory remittances	87.67	130.46
(ii) Others Payable	88.76	96.31
<b>Total</b>	<b>176.43</b>	<b>226.77</b>

### Note 21 Provisions

Particulars	As at March 31, 2020	As at Mar 31, 2019
<b>Current</b>		
Provision for Expenses	55.28	715.24
Provision for Gratuity	11.33	11.33
<b>Total</b>	<b>66.61</b>	<b>726.57</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lacs)

### Note 22 Current Tax Liabilities

Particulars	As at March 31, 2020	As at Mar 31, 2019
Income Tax	-	88.70
<b>Total</b>	<b>-</b>	<b>88.70</b>

### Note 23 Revenue from operations

Particulars	Year ended 31 Mar 2020	Year ended 31 March 2019
(i) Manufactured finished/unfinished	23,201.47	23,526.24
(ii) Sale of Service	100.00	401.00
<b>Total - Sale of products</b>	<b>23,301.47</b>	<b>23,927.24</b>

### Note 24 Other income

Particulars	Year ended 31 Mar 2020	Year ended 31 March 2019
(i) Interest income comprises:		
Fixed Deposits	49.99	39.33
Other balances	316.97	217.96
(ii) Others Income	93.75	99.96
<b>Total - Other non-operating income</b>	<b>460.71</b>	<b>357.25</b>

### Note 25.(a) Cost of construction, land and development expenses

Particulars	Year ended 31 Mar 2020	Year ended 31 March 2019
Purchases	3,329.09	5,193.38
Land Cost	390.91	3,909.76
Direct Expenses	8,196.36	10,446.24
<b>Total</b>	<b>11,916.36</b>	<b>19,549.38</b>

### Note 25.(b) Changes in inventories

Particulars	Quarter ended 31 Dec 2019	Quarter ended 31 Mar 2019
<b>Inventories at the end of the period:</b>		
Finished Goods	10,182.14	5,514.17
Incomplete projects (WIP)	27,992.21	36,030.02
Raw Material at site	636.18	628.78
	<b>38,810.53</b>	<b>42,172.97</b>
<b>Inventories at the beginning of the period:</b>		
Traded goods	5,514.17	4,042.25
Incomplete projects	36,030.02	32,302.04
Raw Material at site	628.78	720.32
	<b>42,172.97</b>	<b>37,064.61</b>
<b>Net (increase) / decrease</b>	<b>3,362.44</b>	<b>(5,108.36)</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lacs)

### Note 26 Employee benefit expenses

Particulars	Year ended 31 Mar 2020	Year ended 31 March 2019
Salaries, wages and bonus	1,160.36	1,304.82
Staff welfare expenses	28.09	47.20
Contribution to provident fund	23.03	29.19
<b>Total</b>	<b>1,211.48</b>	<b>1,381.21</b>

### Notes:

Particulars	Year ended 31 Mar 2020	Quarter ended 31 Mar 2019
Salary A/c	1,056.33	1,184.40
Director Remuneration	104.03	120.42
<b>Total</b>	<b>1,160.36</b>	<b>1,304.82</b>

### Note 27 Finance costs

Particulars	Year ended 31 Mar 2020	Year ended 31 March 2019
<b>Interest expense on:</b>		
Interest on secured loans	2,414.98	2,110.20
Interest on unsecured loans	572.27	845.46
Loan processing Fees	15.15	280.67
<b>Total</b>	<b>3,002.40</b>	<b>3,236.33</b>

### Note 28 Other expenses

Particulars	Year ended 31 Mar 2020	Year ended 31 March 2019
Administrative Expenses	208.72	214.09
Selling & Distribution	1,375.40	1,544.86
Legal and Professional Fees	341.86	363.90
Rent, Rates & Taxes	162.81	217.38
Corporate social responsibility	104.11	12.62
Compensation	160.97	279.52
Directors Sitting Fees	18.61	23.50
Audit fees (Refer note below)	9.85	10.05
Vechile Running Exp	97.63	96.46
Donation	2.61	0.31
Others	25.22	4.97
<b>Total</b>	<b>2,507.79</b>	<b>2,767.66</b>

### Notes:

Particulars	For the Year Ended 31 Mar 2020	For the Year Ended 31 Mar 2019
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As Statutory Auditor	6.95	6.95
As Tax Auditor	2.40	2.40
Others	0.50	0.70
<b>Total</b>	<b>9.85</b>	<b>10.05</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lacs)

### Note 29:

#### Financial Instruments : Accounting classifications and fair value measurements

##### (i) Accounting classifications

The fair values of the financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The carrying amounts of trade receivables, cash and cash equivalents, bank balances, short term deposits, trade payables, payables for acquisition of property, plant and equipment, short term loans from banks, financial institutions and other current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

##### (ii) Fair value measurements

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

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

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

The following table presents carrying value and fair value of financial instruments by categories and also fair value hierarchy of assets and liabilities measured at fair value :

**31 March 2020**

Particulars	Note	Non- Current	Current	Carrying Value -Total	Classification			Fair Value						
					FVTPL	FVTOCI	Amortised Cost	Level-1	Level-2	Level-3				
<b>Financial Assets</b>														
<b>Non Current</b>														
Investment in Equity Instuments	6	0.06		0.06		0.06	-	-	-	0.06				
Investment in Firm	6	0.10	16.99	17.10	17.10					17.10				
Loans	7	536.16	2,317.98	2,854.14	-	-	2,854.14	-	-	2,854.14				
Other Financial Assets	8	4,189.80	-	4,189.80	-	-	4,189.80	-	-	4,190				
Trade Receivable	9	-	3,514.18	3,514.18	-	-	3,514.18	-	-	3,514.18				
Cash & Cash Equivalents	10	-	1,148.07	1,148.07	-	-	1,148.07	-	-	1,148.07				
<b>Total</b>		<b>4,726.12</b>	<b>6,997.22</b>	<b>11,723.34</b>	<b>17.10</b>	<b>0.06</b>	<b>11,706.19</b>	-	-	<b>11,723.34</b>				
<b>Financial Liabilities</b>														
Long term Borrowings	16	31,687.55	-	31,687.55	-	-	31,687.55	-	-	31,687.55				
Short term Borrowings	16	-	6,981.33	6,981.33	-	-	6,981.33	-	-	6,981.33				
Trade payables	17	-	6,296.83	6,296.83	-	-	6,296.83	-	-	6,296.83				
Other Financial Liabilities	18	-	420.36	420.36	-	-	420.36	-	-	420.36				
<b>Total</b>		<b>31,687.55</b>	<b>13,698.52</b>	<b>45,386.07</b>	-	-	<b>45,386.07</b>	-	-	<b>45,386.07</b>				

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lacs)

**31 March 2019**

Particulars	Note	Non- Current	Current	Carrying Value -Total	Classification			Fair Value						
					FVTPL	FVTOCI	Amortised Cost	Level-1	Level-2	Level-3				
<b>Financial Assets</b>														
<b>Non Current</b>														
Investment in Equity Instruments	6	0.06		0.06		0.06	-	-	-	0.06				
Investment in Firm	6	0.10	17.13	17.23	17.23					17.23				
Loans	7	475.00	1,564.66	2,039.65	-	-	2,039.65	-	-	2,039.65				
Other Financial Assets	8	4,035.33	-	4,035.33	-	-	4,035.33	-	-	4,035				
Trade Receivable	9	-	2,833.92	2,833.92	-	-	2,833.92	-	-	2,833.92				
Cash & Cash Equivalents	10	-	1,494.03	1,494.03	-	-	1,494.03	-	-	1,494.03				
<b>Total</b>		<b>4,510.49</b>	<b>5,909.74</b>	<b>10,420.23</b>	<b>17.23</b>	<b>0.06</b>	<b>10,402.93</b>	<b>-</b>	<b>-</b>	<b>10,420.23</b>				
<b>Financial Liabilities</b>														
Long term Borrowings	16	30,056.75		30,056.75	-	-	30,056.75	-	-	30,056.75				
Short term Borrowings	16	-	7,720.44	7,720.44	-	-	7,720.44	-	-	7,720.44				
Trade payables	17	-	4,048.59	4,048.59	-	-	4,048.59	-	-	4,048.59				
Other Financial Liabilities	18	-	1,732.28	1,732.28	-	-	1,732.28	-	-	1,732.28				
<b>Total</b>		<b>30,056.75</b>	<b>13,501.31</b>	<b>43,558.06</b>	<b>-</b>	<b>-</b>	<b>43,558.06</b>	<b>-</b>	<b>-</b>	<b>43,558.06</b>				

### Note 30:

#### Financial Risk Management

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The Company has identified financial risks and categorised them in three parts viz.

- (i) Credit Risk,
- (ii) Liquidity Risk and
- (iii) Market Risk.

#### Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors are responsible for developing and monitoring the Company's risk management.

The Company's risk management framework, are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

#### (i) Credit Risk

Credit risk refers to the possibility of a customer and other counterparties not meeting their obligations and terms and conditions which would result into financial losses. Such risk arises mainly from trade receivables, other receivables, loans and investments.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lacs)

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counterparty,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables, loans and advances. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

### a) Trade Receivables

- i) As at March 31, 2020, the ageing of trade receivables that were not impaired was as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Not due		
0-3 months	2,284.22	1,842.05
3-6 months	878.54	708.48
6-12 months	351.42	283.39
Beyond 12 months	-	-
<b>Total</b>	<b>3,514.18</b>	<b>2,833.92</b>

#### Note -

The Management believes that the unimpaired amounts which are past due are fully collectible

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

- ii) The movement in Provision for Doubtful Debts is as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Opening provision	-	-
Add: Provision made during the year	-	-
Less: Provision written back	-	-
Less: Provision reversed	-	-
<b>Closing provision</b>	<b>-</b>	<b>-</b>

- ii) Bad debts:

Particulars	As at March 31, 2020	As at March 31, 2019
Bad-debts recognised in statement of Profit and Loss a/c	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lacs)

### Note -

Financial Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in Statement of Profit and Loss.

#### b) Cash and cash equivalents

Credit risk from cash and bank balances is managed by the Company's treasury department in accordance with the Company's policy

#### (ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the Company operates.

#### a) Financing arrangements

The Company has access to funds from debt markets through loan from banks. The Company invests its surplus funds in bank fixed deposits.

#### b) Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows

#### As at March 31,2020

Particulars	Less than 1 year	1 - 5 years	More than 5 year	Gross carrying amount (INR)
Long term borrowings	-	31,687.55	-	31,687.55
Short term borrowings	6,981.33	-	-	6,981.33
Trade and other payables	6,296.51	-	-	6,296.51
Other financial liabilities	420.36	-	-	420.36
<b>Total</b>	<b>13,698.53</b>	<b>31,687.55</b>	-	<b>45,386.08</b>

#### As at March 31,2019

Particulars	Less than 1 year	1 - 5 years	More than 5 year	Gross carrying amount (INR)
Long term borrowings	-	30,056.75	-	30,056.75
Short term borrowings	7,720.44	-	-	7,720.44
Trade and other payables	4,048.27	-	-	4,048.27
Other financial liabilities	1,732.28	-	-	1,732.28
<b>Total</b>	<b>13,501.32</b>	<b>30,056.75</b>	-	<b>43,558.06</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In Lacs)

### (iii) Market Risk

The risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market price. Market risk further comprises of

- (a) Currency risk;
- (b) Interest rate risk; and

#### a) Currency risk

The Company is not exposed to any currency risk as the Company does not have any import payables, short term payables, short term borrowings and export receivables in foreign currency.

#### b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Management is responsible for the monitoring of the Company's interest rate position. Various variables are considered by the Management in structuring the Company's borrowings to achieve a reasonable, competitive, cost of funding.

#### - Exposure to interest rate risk

The Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest bearing financial instruments as reported to the Management of the Company is as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed rate borrowings	22,549.90	20,939.52
Variable Rate borrowings	16,118.98	16,837.67
<b>Total</b>	<b>38,668.88</b>	<b>37,777.19</b>

#### - Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

#### - Fair value sensitivity analysis for variable-rate instruments

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Interest sensitivity</b>		
Interest rate increase by 50 basis points	23,677.39	21,986.50
Interest rate decrease by 50 basis points	15,313.03	15,995.78

#### - Capital Management

The Company's capital management objectives are:

- a) to ensure the Company's ability to continue as a going concern
- b) to provide an adequate return to shareholders

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

The Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

### a) Debt Equity Ratio

The Company monitors capital using debt equity ratio. The Company's debt to equity ratios are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Long term borrowings	31,687.55	30,056.75
Short term borrowings	6,981.33	7,720.44
Total Borrowing	38,668.88	37,777.19
Less: Cash and cash equivalents	1,148.07	1,494.03
Net Debt	37,520.81	36,283.16
Total Equity	12,675.24	12,120.07
<b>Debt to Equity Ratio</b>	<b>2.96</b>	<b>2.99</b>

### b) Dividends

#### Dividends paid during the year

Particulars	As at March 31, 2020	As at March 31, 2019
- Interim Dividend	Rate per Share	NIL
	Amount in INR	NIL
- Final Dividend	Rate per Share	NIL
	Amount in INR	NIL

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 31 RELATED PARTY TRANSACTIONS

Related parties and transactions with them as specified in the Ind-AS 24 on “Related Parties Disclosures” prescribed under Companies (Accounting Standards) Rules, 2015 has been identified and given below on the basis of information available with the company and the same has been relied upon by the auditors.

#### Details of related parties:

Description of relationship	Names of related parties
Subsidiaries	Arihant Abode Limited Arihant Aashiyana Private Limited Arihant Gruhnirman Private Limited Arihant Vatika Realty Private Limited
Key Management Personnel (KMP)	Ashok B. Chhajer Nimesh Shah Sangeeta A. Chhajer Pradeep Mehta (till 30th October 2019) Deepak Lohia (from 12th February 2020) Govind Rao Parth A Chhajer Bhavik A Chhajir
Relatives of KMP	Jagdishchand Shankarlal Chhajer Shankarlal Virdhichand Chhajer
Company in which KMP / Relatives of KMP can exercise significant influence	Mahaavir Universal Homes Pvt. Ltd. Sarvodaya Vanaspatti Pvt. Ltd. Arihant Dream House Pvt Ltd Adinath Realty Private Limited Arihant Technoinfra Private Limited Arihant Paradise Realty Pvt. Ltd Arihant Enterprises

Note: Related parties have been identified by the Management.

#### Details of related party transactions for the year ended 31 March, 2020

	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Loans Taken	7,133.43	782.54		7,915.97
Loan Repaid	7,402.19	160.50	2.00	7,564.69
Interest Paid (Gross)	827.97	244.07	3.83	1,075.87
Loans Given			693.25	693.25
Loans Given Repaid			699.00	699.00
Interest Received			150.79	150.79
Remuneration	104.63			104.63
Rent Paid	8.36		136.50	144.86
Investment in Property			984.06	984.06
Purchase of Material			294.05	294.05
Professional Fees Paid			27.00	27.00
Professional Fees Received			100.00	100.00
Outstanding Loans and Payables	12,732.08	2,595.53	1,081.36	16,408.96
Outstanding Loans and Receivables			1,593.64	1,593.64
Deposits	20.00			20.00

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 32 Disclosures under Ind-AS 33 on “Earnings Per Share”

Particulars	As at March 31, 2020	As at Mar 31, 2019
<b>Earnings per share</b>		
Basic		
Continuing operations		
Net profit / for the year from continuing operations attributable to the Equity Shareholders (₹ in Lakhs)	562.12	1,298.39
Weighted average number of Equity Shares	4,11,59,991	4,11,59,991
Par value per share (₹)	10.00	10.00
Earnings per share from continuing operations		
Basic (₹)	1.37	3.15
Diluted (₹)	1.37	3.15

### Note 33 Disclosures under Ind-AS 12 on “Income Taxes”

Particulars	As at March 31, 2020	As at Mar 31, 2019
<b>Deferred tax (liability) / asset</b>		
Opening deferred tax (liability) / asset	2.24	(9.61)
Add/(less): Recognised/ reversed during the year	4.58	11.85
<b>Closing deferred tax (liability) / asset</b>	6.82	2.24

### Note 34 : Foreign currency transactions

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of the transaction. All monetary items denominated in foreign currency are converted into Indian rupees at the year-end exchange rate. Following expenses incurred by the company in foreign currency during the year:

Business Promotion Expenses - ₹ 3.40 Lakhs. (Previous Year ₹ 8.72 Lakhs. )

Purchase of Material - ₹ 323.86 Lakhs. (Previous Year ₹ 328.84 Lakhs)

### Note 35 : Contingent Liabilities :

- (i) Guarantees:
  - (a) Guarantees given to Banks & Financial Institutions for ₹ 3,000 Lakhs against financial facilities availed by the subsidiary companies. Balance outstanding against the facility ₹ 286.31 Lakhs (Previous Year ₹ 1726.90 Lakhs)
  - (b) Facilities against which Guarantee was given outstanding Fund amount is ₹ 1,726 Lakhs as on March 31, 2020 (Previous Year ₹ 1,726 Lakhs. Balance outstanding against the facility ₹ 51.87 Lakhs (Previous Year ₹ 262.18 Lakhs).
- (ii) Liability of Income Tax amounting to ₹ 3.38 Lakhs towards penalty u/s 271(1)(C)

### Note 36 : Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind-AS -19, Employee Benefits, notified in the Companies (Accounting Standard) Rules, 2015.

#### i) Provident fund

The Company makes contribution to statutory provident fund in accordance with the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. In terms with Ind-AS -19, Employee Benefits, notified in the Companies (Accounting Standard) Rules, 2015, the provident fund trust set-up by the Company is treated as a defined benefit plan since the Company has to meet the interest shortfall, if any. Accordingly, the contribution paid or payable and the interest shortfall, if any is recognised as an expense in the period in which services are rendered by the employee.

### Note 37 : Dues to Micro Enterprises and Small Enterprises

As at March 31,2020, there are no outstanding dues to Micro and small enterprises. There are no interest dues or outstanding on the same.

### Note 38 : Segment Information :

In accordance with Indian Accounting Standard 108 "Operating Segments" prescribed by Companies (Accounting Standards) Rules, 2015, the company has determined its primary business segment as a single segment of Real Estate Business. Since there are no other business segments in which the company operates, there are no other primary reportable segments. Therefore, the Segment Revenue, Segment Results, Segment Assets, Segment Liabilities, total cost incurred to acquire Segment Assets, depreciation charge are all as is reflected in the financial statements.

### Note 39 : Impairment of Assets

On the basis of physical verification of assets, as specified in IND AS - 36 and cash generation capacity of those assets, in the management perception there is no impairment of such assets as appearing in the Balance Sheet as on March 31, 2020.

### Note 40 : CSR Expenditure

The company has framed CSR policy pursuant to the companies Act, 2013. the company has spent ₹ 104.11 Lakhs (Previous Year ₹ 12.62 Lakhs) during the year against the gross requirement of ₹ 160.23 Lakhs (Incl. previous year ₹ 120.36 Lakhs) till date, as per provision of companies Act 2013. Remaining amount of ₹ 56.12 Lakhs (Previous Year ₹ 107.85) Lakhs to be spent in the subsequent year.

**Note 41 :** The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 have not been made since the requirement does not pertain to financial year ended March 31, 2020.

### Note 42 : Previous Year Figure's regrouping:

The previous year's figures have been regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date

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

**Saurabh Chouhan**  
Partner  
Membership No.-167453  
UDIN: 20167453AAAF9585

Place : Navi Mumbai  
Date: June 27, 2020

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

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

**Deepak Lohia**  
Chief Financial Officer

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

**Govind Rao**  
Company Secretary

**Particulars of Subsidiaries as at 31st March 2020 pursuant to first proviso to sub section (3) of section 129 of the Companies Act 2013, read with rule 5 of the Companies (Accounts) Rules, 2014 - AOC - 1.**

(₹ in Lacs)

Sr. No.	Particulars	Name of Subsidiary			
		Arihant Abode Limited	Arihant Vatika Realty Pvt. Ltd.	Arihant Gruhnirman Pvt. Ltd.	Arihant Aashiyana Pvt. Ltd.
		As on 31st March, 2020	As on 31st March, 2020	As on 31st March, 2020	As on 31st March, 2020
1	Capital	5.00	1.00	1.00	1.00
2	Reserves	(28.40)	3,325.74	(19.73)	1,679.98
3	Total Assets	23,217.15	15,178.36	1,409.96	10,181.20
4	Total Liabilities	23,217.15	15,178.36	1,409.96	10,181.20
5	Details of Investment	-	-	-	-
6	Turnover & Other Income	2,195.24	8,577.24	-	6,983.31
7	Profit / (Loss) before Taxation	(41.35)	1,356.34	(1.33)	473.82
8	Provision for Taxation/ (Deferred Tax)	(0.18)	340.37	-	114.35
9	Profit / (Loss) after Taxation	(41.17)	1,015.97	(1.33)	359.47
10	Proposed Dividend	-	-	-	-

In terms of our report attached.

**M/S KAILASH CHAND JAIN & CO.**

Chartered Accountants

Firm Reg. No. : 112318W

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

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

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

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

Place: Navi Mumbai  
Date: June 27, 2020

**Deepak Lohia**  
Chief Financial Officer

**Govind Rao**  
Company Secretary

## Notes

## Notes





**REGISTERED OFFICE**

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