

We touch<sup>TM</sup>  
senses

**ARIHANT**<sup>TM</sup>  
SUPERSTRUCTURES LTD.  
CONTINUING STABILITY

Unlocking Potential...

Annual Report 2013-2014

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## **CORPORATE INFORMATION BOARD OF DIRECTORS**

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

## **AUDIT COMMITTEE**

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

## **STAKEHOLDERS RELATIONSHIP COMMITTEE**

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

## **COMPANY SECRETARY**

Miss. Pranita Bhise (till 05th August, 2014)

## **Compliance Officer**

Mr. Naveen Ranka

## **AUDITORS**

M/s. Kailash Chand Jain & Co, Chartered Accountants, Mumbai

## **BANKER**

The Federal Bank Ltd.

## **REGISTRAR & SHARE TRANSFER AGENT**

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

## **ARIHANT SUPERSTRUCTURES LIMITED**

Regd. Office: 302, Persipolis Building, Plot No. 74,  
Sector-17, Vashi, Navi Mumbai –400703, Maharashtra, India,  
CIN - L51900MH1983PLC029643  
Phones: 022 – 41113333, 41292222 Fax: 022-27882946



## Dear Shareholders,

Despite a challenging environment, slow approvals and rising cost, the results of financial year ending March 2014 was satisfactory and our business moved in the positive direction. In regard to the company's performance, although total revenues reached the one billion mark on consolidated basis; profit was impacted by the increased cost of inputs including development rights, construction cost and financial cost. For the financial year 2013-14, we clocked sales of 744 flats amidst of turbulent and recessive market. The year ahead, the business environment will continue to remain challenging and competitive.

Your company views the mega initiative of the Government to developing 100 smart cities as a landmark installation which will initiate a beginning of a new era. We await further details and guidelines for the development of these new cities. Further, the company foresees the Government initiatives, to promote Affordable Housing and REITS, would give a big boost to the real estate Industry.

Though the company has a product line in all segments – luxury, mid and affordable housing, we are focused and committed to affordable housing in gated communities. Your company which has pioneered prestigious projects in MMR and Jodhpur regions is hopeful of launching some big projects in the upcoming year.

Our strategy of working in different municipal localities ensured that the construction and approval of projects movement in the company inspite of unavoidable delays from various authorities. The financial year 2013-14 could see advance stages of construction achievement in ArihantAmodini at Taloja, ArihantAdita at Jodhpur and project completion of ArihantAkriti at Badlapur. The ArihantAmisha at Taloja, ArihantArshiya at Khalapur, ArihantAnmol at Badlapur, ArihantAarohi and ArihantAyati at Jodhpur could see lot of traction in their starting phase of construction. The projects which would commence in the year 2014-15 are ArihantAloki at Karjat, ArihantAkanksha at Panvel, ArihantAnshula&ArihantAnaika at Taloja respectively.

Our new initiative, loyalty program "Ganadores club" for the channel partners has received a thumping response will ensure us new sales figures for the company in the coming days.

In Jodhpur, our construction and development activities have achieved new heights as we have completed the club house "De Palo" at ArihantAdita project, Jodhpur. The club house "de Palo" at ArihantAdita, Jodhpur is one of its kinds and boasts of changing lifestyle and luxury and I am confident that this would boost the buyer's sentiment & in turn sales of ArihantAdita.

On the industrial venture, trial production for the manufacturing of AAC (Autoclaved Aerated Concrete) blocks has started at Barmer in Jodhpur. The facility at its 100% operation will produce 1,50,000 cubic metre of blocks per year.

In the year 2013-14, we have continued the CSR philosophy that Children's are the future of the society and they need to be nurtured with education. Thus our major CSR activity focuses on the "Child Education" and we have extended our CSR activities from school to college.

Youth of today needs to have overall 360 degree development to face today's competitive world. Along with Technical Education one needs to sharpen on the soft skills and personality development for the challenges of corporate world. We supported Jai NarainVyas University, Jodhpur for the construction of the Dias &Amphi theatre for Community Ground and this would go in long run for the students who conduct various co- curricular activities for their development & the College Cultural Committee for various cultural programs & events.

We also contributed towards the CM Relief fund, Rajasthan by donating equivalent amount of the money collected from the auction of drawing and paintings by kids held at a function "The Expressions" at ArihantAdita, Jodhpur.

Today the Company enjoys high respect in the business community, due to its business philosophy and transparency in dealings. Assisting the Company in this endeavor is our eminent panel of independent directors. Experts in their respective fields, they bring with them a fresh and unbiased perspective and contribute towards the creation and sustenance of a robust governance mechanism.

I would like to thank each and every one of our employees, channel partners, vendors and contractors for their efforts towards the growth of company as well as the central and state governments and bodies for their support.

I would also like to thank you, all our shareholders, for your continued support in our journey of delivering consistent, competitive, profitable and responsible growth.

Proud to be Arihant!

With warm regards,

Sd/-

Ashok Chhajer

(Chairman & Managing Director)

## *Board Of Directors*



**Mr. Dinkar Samant**  
Whole Time Executive Director



**Mr. Ashok B. Chhajer**  
Chairman & Managing Director



**Mr. Nimish Shah**  
Whole Time Director



**Mr. Dinesh Babel**  
Independent Director



**Mr. Vinayak V. Nalavde**  
Independent Director



**Mr. Virendra Mital**  
Independent Director

# CSR Activities

The Expression – Auction of Paintings made by kids.

Arihant donated to Chief Minister Relief Fund equivalent amount to the amount generated by Auction for the welfare of poor kid's education.



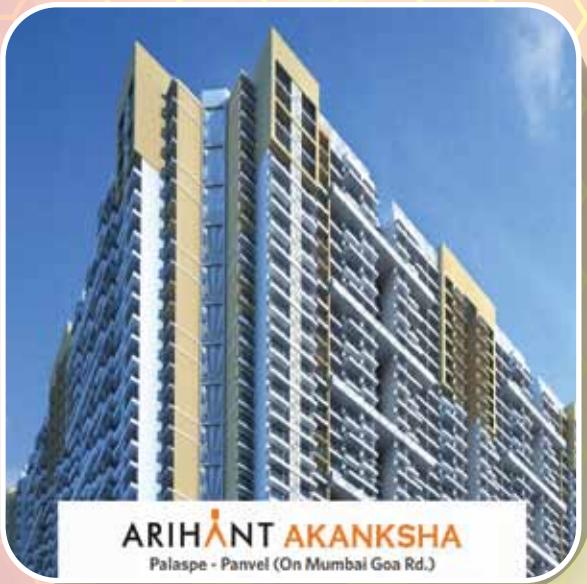
1. Students & Staff of Jai Narain Vyas University celebrating 'Independence Day' at the Amphi Theatre provided by Arihant.
2. CSR Appreciation letter and trophy from Trustees of JNV University, Jodhpur



# ARIHANT AKANKSHA

*Palaspe - Panvel (On Mumbai Goa Rd.)*

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



# ARIHANT ANMOL

*Badlapur (East)*

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



Current Status



# ARIHANT AAROHI

*Kalyan – Shil Road*

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



Current Status



# ARIHANT AMODINI

*Kharghar Extension Taloja*

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



Current Status



# ARIHANT AMISHA

Taloja Near. Panvel

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



Current Status

# ARIHANT ALOKI

*Karjat - Near Railway Station*

**Stilt + 10 storeyed, 1BHK & 2BHK (450 flats)**



# ARIHANT ARSHIYA

*Khopoli - Near Khalapur Toll Naka*

G + 4 Storeyed, 1BHK & 2BHK (1600 flats)



**Current Status**



# ARIHANT ARHAM

*Panvel*

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



## Current Status



# ARIHANT ADITA

*Jodhpur*

G + 11 Storeyed, 2BHK & 3BHK (1000 flats)



Current Status



# ARIHANT ADITA

*Jodhpur*

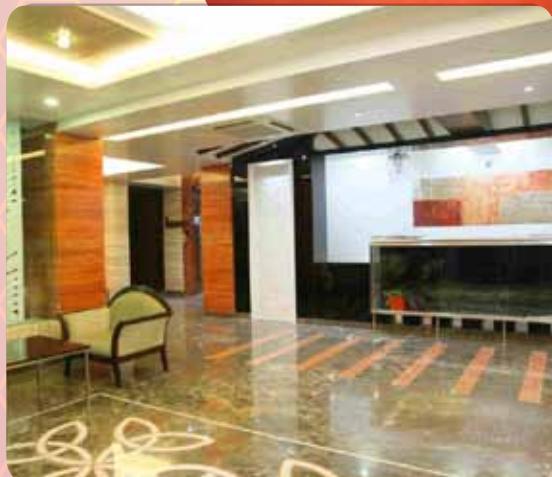
CLUB HOUSE



# ARIHANT ADITA

*Jodhpur*

## CLUB HOUSE



# ARIHANT AYATI

Jodhpur

3BHK ( 90 flats)



Current Status

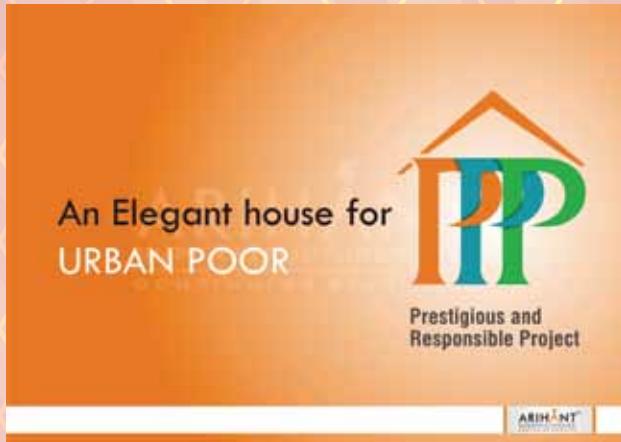
# ARIHANT AGRIMA

*Jodhpur*

PPP (Public Private Partnership) Project



Current Status



### THE ALLIANCE

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



Arihant  
believes in  
giving more

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

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

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

# Why Arihant

Arihant Superstructures Limited

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



# Arihant goes the Extra Mile

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

We replaced the kadappa kitchen platform to Granite Platform.

We replaced the normal sink to best quality STAINLESS STEEL SINK.

We provided Full Tile DADO IN BATHROOM.

We introduced BETTER QUALITY of internal plaster.

We provided BETTER QUALITY of external paint.

We enhanced quality of building elevation by adding JODHPUR STONE WORK

We provided concrete road in place of ordinary road.

We provided BETTER QUALITY PLUMBING & ELECTRICAL FIXTURES.



## CLINICAL CONSTRUCTION PROCESS

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



## WINNING TRUST

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

# Quality that fetches RECOGNITION

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

Sample Flat



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

# ARIHANT

## AAC Blocks Manufacturing

Barmer, Rajasthan



## NOTICE

**NOTICE** is hereby given that the Thirty First Annual General Meeting of the Members of Arihant Superstructures Limited will be held on Thursday, 25<sup>th</sup> September, 2014 at 12.00 noon at Hotel The Regenza by Tunga, Plot No 37, Sector 30A, Vashi, Navi Mumbai, Maharashtra, India to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2014 and Profit and Loss Account for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
2. To declare a Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Nimish Shah (DIN: 03036904), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regards to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under and pursuant to the recommendation of the Audit Committee, M/s Kailash Chand Jain & Co, Chartered Accountants, Mumbai (Firm Registration No. 112318W) the retiring Auditors of the Company, be reappointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (“AGM”), until the conclusion of the fourth consecutive AGM of the Company to be held in the year 2018 (subject to ratification of the appointment by the Members at every AGM held after this AGM), at a remuneration to be determined by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of the Audit.”

### **SPECIAL BUSINESS:**

5. To consider and if thought fit, to pass, with or without modification(s), as an ORDINARY RESOLUTION, the following:

**“RESOLVED THAT** pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules framed there under (including any Statutory modification(s) or re-enactment thereof for the time being in force), Mr. Virendra Mital (DIN 00376830), Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and whose period of office was liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956, being so eligible, be appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years commencing from 1<sup>st</sup> April, 2014.”

6. To consider and if thought fit, to pass, with or without modification(s), as an ORDINARY RESOLUTION, the following:

**“RESOLVED THAT** pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules framed there under (including any Statutory modification(s) or re-enactment thereof for the time being in force), Mr. Dinesh Babel (DIN 03042254), Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and whose period of office was liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956, being so eligible, be appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years commencing from 1<sup>st</sup> April, 2014.”

7. To consider and if thought fit, to pass, with or without modification(s), as an ORDINARY RESOLUTION, the following:

**“RESOLVED THAT** pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules framed there under (including any Statutory modification(s) or re-enactment thereof for the time being in force), Mr. Vinayak Vaman Nalavde (DIN 02047436), Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Companies Act, 2013 and whose period of office was liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956, being so eligible, be appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years commencing from 1<sup>st</sup> April, 2014.”

8. To consider and if thought fit, to pass, with or without modification, the following resolution as an **SPECIAL RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of sections 196 and 197 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) 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, approval of the Company be accorded for the increase in the remuneration of Mr. Dinkar Samant (DIN: 00023459), Whole-time Executive Director of the Company to ₹ 40,00,000/- (Rupees Forty Lacs ) per annum for a period of one year with effect from 1<sup>st</sup> April, 2014 with other terms and conditions remaining unchanged as per the agreement entered into between him and the Company and with the power to the Board of Directors to alter and modify the same, in consonance with the provisions of the Act.

**FURTHER RESOLVED THAT** the approval of the Company be accorded to the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include any duly authorised Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) to revise the basic salary payable to Mr. Dinkar Samant, Whole-time Executive Director (hereinafter referred to as "the appointee") within the above mentioned scale of salary.

**FURTHER RESOLVED THAT** the remuneration payable to the appointee (including the salary, commission, perquisites, benefits and amenities) shall not exceed the limits laid down in section 197 of the Act including any statutory modification(s) or re-enactment thereof.

**FURTHER RESOLVED THAT** subject to the provisions of the Companies Act, 2013, in the event of loss or inadequacy of profits, the remuneration payable to Mr. Dinkar Samant will be as per the applicable Schedule V of the Companies Act, 2013.

**FURTHER RESOLVED THAT** for the purpose of giving effect to this Resolution, the Board be authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

9. To consider and if thought fit, to pass, with or without modification, the following resolution as a **SPECIAL RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of sections 196 and 197 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) 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, approval of the Company be accorded for the increase in the remuneration of Mr. Nimish Shah (DIN: 03036904), Whole-time Executive Director of the Company to ₹ 36,00,000/- (Rupees Thirty Six Lacs) per annum for a period of one year with effect from 1<sup>st</sup> April, 2014 with other terms and conditions remaining unchanged as per the agreement entered into between him and the Company and with the power to the Board of Directors to alter and modify the same, in consonance with the provisions of the Act.

**FURTHER RESOLVED THAT** the approval of the Company be accorded to the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include any duly authorised Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) to revise the basic salary payable to Mr. Nimish Shah, Whole-time Executive Director (hereinafter referred to as "the appointee") within the above mentioned scale of salary.

**FURTHER RESOLVED THAT** the remuneration payable to the appointee (including the salary, commission, perquisites, benefits and amenities) shall not exceed the limits laid down in section 197 of the Act including any statutory modification(s) or re-enactment thereof.

**FURTHER RESOLVED THAT** subject to the provisions of the Companies Act, 2013, in the event of loss or inadequacy of profits, the remuneration payable to Mr. Nimish Shah will be as per the applicable Schedule V of the Companies Act, 2013.

**FURTHER RESOLVED THAT** for the purpose of giving effect to this Resolution, the Board be authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

10. To consider and if thought fit, to pass, with or without modification(s), as an ORDINARY RESOLUTION, the following:

**"RESOLVED THAT** pursuant to the provisions of section 148 of the Companies Act, 2013 ("the Act"), the Companies (Audit and Auditors) Rules, 2014 and all other applicable provisions of the Act and the Rules framed there under (including any statutory modification or re-enactment thereof for the time being in force), Mr. Vinod Subramanium, Cost Accountants, appointed by the Board of Directors of the Company as Cost Auditors for conducting the audit of the Cost Records of the Company, if required, for the Financial Year ending 31st March, 2015, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.

**FURTHER RESOLVED** that the Board of Directors of the Company be authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

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

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

**Vashi, 5<sup>th</sup> August 2014**

**Registered Office:**  
**302, Persipolis, Plot No. 74, Sector 17,**  
**Vashi, Navi Mumbai 400 704**  
**Website: [www.asl.net.in](http://www.asl.net.in)**  
**CIN No. L51900MH1983PLC029643**

#### **NOTES:**

- I. The information required to be provided under the Listing Agreement entered into with the Stock Exchanges, regarding the Directors who are proposed to be appointed/re-appointed and the relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under items 4 , 5, 6, 7, 8, 9, 10 is set out above are annexed hereto and form a part of this Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY, OR, WHERE THAT IS ALLOWED, ONE OR MORE PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND THAT A PROXY NEED NOT BE A MEMBER.** Pursuant to Section 105 of the Companies Act, 2013 and Rule 19 the Companies (Management & Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

Proxies, in order to be effective, must be received at the Registered office of the Company at 302, Persipolis, Plot No. 74, Sector 17, Vashi, Navi Mumbai 400703, not less than forty-eight hours before the commencement of the AGM i.e. by 12.00 noon on 23<sup>rd</sup> September, 2014.

Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

3. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are Adroit Corporation Services Pvt. Ltd., 19, Jaferbhoy Industrial Estate, 1st floor, Makwana Road, Marol Naka, Andheri (East), Mumbai 400 059.
4. The Register of Members and Transfer Books of the Company will be closed **from Friday 19<sup>th</sup> September, 2014 to Thursday, 25<sup>th</sup> September, 2014** (both days inclusive)
5. Members are requested to furnish bank details, Email address, change of address etc. to the Company's Registrar and Share Transfer Agents so as to reach them latest, in order to take note of the same. In respect of members holding shares in electronic mode, the details as would be furnished by the Depositories as at the close of the aforesaid date will be considered by the Company. Hence, Members holding shares in demat mode should update their records at the earliest.
6. The dividend, if declared at the Annual General Meeting, would be paid/despatched on or after Thursday, 25<sup>th</sup> September 2014 to those persons or their mandates:
  - (a) whose names appear as Beneficial Owners as at the end of the business hours on 18<sup>th</sup> September, 2014 (last trading day before book closure) in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic mode; and
  - (b) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/its Registrar and Transfer Agents on or before 18<sup>th</sup> September, 2014
7. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except Saturdays and Sundays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
8. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to Adroit Corporation Services Pvt. Ltd at the above mentioned address. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
9. Under the Companies Act, 1956 dividends that are unclaimed/unpaid for a period of seven years are required to be transferred to the Investor Education and Protection Fund ("IEPF") administered by the Central Government. As there is no unpaid or unclaimed Dividend lying with the Company that need to be transferred to IEPF, there is no information under this head.
10. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer Agents for payment of dividend through Electronic Clearing Service ("ECS") to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of/change in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Members who wish to change such bank account details are therefore requested to advise their Depository Participants about such change, with complete details of bank account.
11. Pursuant to sections 101 and 136 of the Companies Act, 2013 read with the Rules framed thereunder, the Notice calling the Annual General Meeting along with the Annual Report 2013-14 would be sent by electronic mode to those Members whose e-mail addresses are registered with the Depository or the Company's Registrar and Transfer Agents, unless the Members have requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies would be sent by the permitted mode. Members are requested to support this Green Initiative by registering/updating their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) or with the RTA (in case of Shares held in physical form).
12. The Company has designated an exclusive e-mail id viz. [investor@asl.net.in](mailto:investor@asl.net.in) to enable Investors to register their complaints, if any

**13. Members are requested to:**

- a. intimate to the Company's Registrar and Transfer Agents, Adroit Corporation Services Private Limited changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;
- b. intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of Shares held in dematerialised form;
- c. quote their folio numbers/Client ID/DP ID in all correspondence; and
- d. consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names
- e. Bring their copy of the Annual Report to the Annual General Meeting.

**14. Members/Proxies/Representatives are requested to bring the Attendance Slip enclosed in the Annual Report for attending the Meeting**

**15. IMPORTANT – E-Voting Instructions:**

- (i) The voting period begins on Friday, 19<sup>th</sup> September 2014 at 10:00 a.m.(IST) and ends on Monday, 22<sup>nd</sup> September 2014 10:00 a.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 29th August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN (I40826040) for the relevant Arihant Superstructures Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders& Custodians:
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates and Custodians respectively.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk. [evoting@cdslindia.com](mailto:evoting@cdslindia.com).
  - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

The Company has appointed CS D. A. Kamat, Practicing Company Secretary (FCS 3843) as a Scrutinizer for the e-Voting and the Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s Website [www.asl.net.in](http://www.asl.net.in) and on the website of CDSL <https://www.evotingindia.com> within 2 (two) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited, where the shares of the Company are listed.

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

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out material facts relating to the business under items 4 to 10 of the accompanying Notice dated August 5, 2014

### **Item No. 4:**

This explanatory statement is provided though strictly not required as per the Section 102 of the Act.

M/s Kailash Chand Jain & Co., Chartered Accountants, Mumbai were appointed as the Statutory Auditors of the Company for the financial year 2013-2014 at the Annual General Meeting held on 26<sup>th</sup> September, 2013.

As per the Section 139 of the Companies Act, 2013 no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of 5 consecutive years. The Section 139 of the Act has also provided a period of 3 years from the date of commencement of the Act to comply with this requirement.

In the view of the above, M/s Kailash Chand Jain & co, Chartered Accountants, being eligible for re-appointment and based on the recommendations of the Audit Committee, the Board of Directors has at its meeting held on 05<sup>th</sup> August, 2014 proposed the appointment of M/s Kailash Chand Jain & Co, as the Statutory Auditors of the Company for a period of 4 years to hold the office from the conclusion of this AGM till the conclusion of the AGM to be held in the year 2018 (subject to the ratification of their appointment at every AGM)

The Board recommends the Resolution in Item No. 4 for the approval of the Shareholders.

None of the Directors or Key Managerial Personnel (KMP) or relatives of the Directors and KMP is concerned or interested in the Resolution at Item No. 4 of accompanying Notice.

### **Item Nos. 5 to 7:**

Mr. Virendra Mital, Mr. Dinesh Babel and Mr. Vinayak Nalavde are the Independent Directors on the Board of Directors of the Company. They were appointed on the Board on 23/04/2010, 23/04/2010 ,and 11/02/2012 respectively, and were appointed as Non-Executive Independent Directors liable to retire by rotation.

As per section 149 of the Companies Act, 2013 ("the Act"), the Company should have at least one third of the total number of Directors as Independent Directors on the Board of the Company. An Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company and no Independent Director shall hold office for more than two consecutive terms.

In terms of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and read with rules under 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 Schedule IV of the Companies Act, 2013 and in compliance with the listing agreement as amended from time to time, Mr. Virendra Mital, Mr. Dinesh Babel and Mr. Vinayak Nalavde are proposed to be appointed as an Independent Directors up to March 31, 2019, for a period of 5 years from the date of commencement of the Companies Act, 2013.

Mr. Virendra Mital, Mr. Dinesh Babel and Mr. Vinayak Nalavde are already Independent Directors of the Company under Clause 49 and also satisfy the conditions of being an Independent Director under the Companies Act, 2013. The above proposed resolution is for regularizing their appointment as an Independent Director under Companies Act, 2013.

As per the Companies Act, 2013, the Independent Director need not retire by rotation. While under the Companies Act, 2013 an Independent Director can be appointed for 2 terms of 5 years, under revised Clause 49 of the Listing Agreement, if a person has completed more than 5 years, he can be appointed for one term of 5 years from October 1, 2014.

As per their original terms of appointment and resolutions passed under Companies Act, 1956, and the Clause 49 of the Listing Agreement, Mr. Virendra Mital, Mr. Dinesh Babel and Mr. Vinayak Nalavde would have retired in an Annual General Meeting of the Company. But, this provision no longer applies as per new Companies Act, 2013. Therefore, it is not a case of appointment of a new Independent Director. In view of the above, special notice and deposit of requisite amount is not required to be paid.

All the above mention Directors are persons of integrity and possess appropriate skills, experience, knowledge and qualifications in their respective field which are beneficial to the interests of the Company.

In the opinion of the Board, the above mentioned Independent Directors fulfill the conditions for appointment as Independent Directors as specified in the Act and the Rules framed thereunder.

Keeping in view the vast experience and knowledge which these Directors possess, the Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors.

The said appointments have been recommended by the "Nomination Remuneration Committee". A brief resume of the above mentioned Directors, nature of their expertise in specific functional areas and name of the Companies in which they hold Directorships and Memberships / Chairmanships of Board Committees, Shareholding and relationship between Directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with Stock Exchanges.

Copy of the draft letter for appointment of the Independent Directors setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company. The Board considers that this continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Virendra Mital, Mr. Dinesh Babel and Mr. Vinayak Nalavde as Independent Directors.

The above Independent Directors are interested in the Resolutions as set out at Item Nos. 5 to 7 of the Notice to the extent of their respective appointments and shareholding interest, if any, in the Company.

The relatives of the above mentioned Independent Directors viz. Mr. Virendra Mital, Mr. Dinesh Babel and Mr. Vinayak Nalavde may be deemed to be interested in the Resolutions set out at Item Nos. 5 to 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in these Resolutions except to the extent of their shareholding interest, if any, in the Company.

The Board recommends the Ordinary Resolutions set out at Item Nos. 5 to 7 of the Notice for the approval by the Members.

#### **Item No 8**

Mr. Dinkar Samant was appointed as a Whole-time Executive Director of the Company, on 04/08/2012 and his appointment was approved by the Shareholders in the AGM held on 22/09/2012 for a period of five years. The remuneration paid for the financial year 2013-2014 was ₹ 37,00,000/- as approved by the members of the Company through Postal Ballot. Mr. Dinkar Samant has, during his tenure, contributed immensely for the business activities of the company and to guide the company in its expansion activities. Considering the increased scope of work being handled by Mr. Dinkar Samant 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 would propose to increase the remuneration payable to Mr. Dinkar Samant as stated in the Resolution.

Pursuant to sections 196, 197 and all other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Act, the increase in remuneration payable to Mr. Dinkar Samant is now being placed before the Members at the Annual General Meeting for their approval by way of Special Resolution.

Your Directors recommend passing of the Resolutions at Item No. 8 of the Notice as a Special Resolution.

Apart from Mr. Dinkar Samant, 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 these items of businesses, except to the extent of their shareholding interest, if any, in the Company.

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.

### **Item No. 9**

Mr. Nimish Shah was appointed as a Whole-time Executive Director of the Company, on 13/04/2010 and his appointment was approved by the Shareholders in the AGM held on 03/08/2011 for a period of five years . Mr. Nimish Shah has, during his tenure, contributed immensely for the business activities of the company and to guide the company in its expansion activities. Considering the increased 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 would propose to increase the remuneration payable to Mr. Nimish Shah as stated in the Resolution.

Pursuant to sections 196, 197 and all other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Act, the increase in remuneration payable to Mr. Nimish Shah is now being placed before the Members at the Annual General Meeting for their approval by way of Special Resolution.

Your Directors recommend passing of the Resolutions at Item No. 9 of the Notice as a Special Resolution.

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 these items of businesses, except to the extent of their shareholding interest, if any, in the Company.

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.

### **Item No. 10**

The Board of Directors, at its Meeting held on 05<sup>th</sup> August, 2014, on the recommendation of the Audit Committee, approved the appointment of Mr. Vinod Subramanium, Cost Accountants, as Cost Auditors of the Company for conducting the audit of the cost records of the Company, if required, for the year ending 31<sup>st</sup> March, 2015 at a remuneration of Rs. 20,000 (Rupees Twenty Thousand only) (excluding all taxes and reimbursement of out of pocket expenses).

Pursuant to section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Members of a company are required to ratify the remuneration to be paid to the cost auditors of that company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 17 of the Notice for ratification of the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company, if required, for the financial year ending 31st March, 2015.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution except to the extent of their shareholding, if any, in the Company.

The Resolution at Item No. 10 of the Notice is recommended by the Directors to be passed as an Ordinary Resolution.

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

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

**Vashi, 5<sup>th</sup> August 2014**

**Registered Office:**  
**302, Persipolis, Plot No. 74, Sector 17,**  
**Vashi, Navi Mumbai 400 704**  
**Website: [www.asl.net.in](http://www.asl.net.in)**  
**CIN No. L51900MH1983PLC029643**

**STATEMENT OF ADDITIONAL INFORMATION TO BE ATTACHED TO THE NOTICE OF THE 3<sup>1</sup>ST AGM AS PER SCHEDULE V TO THE ACT [FOR ITEM NO. 8 AND ITEM NO. 9] AND FORMING A PART OF THE NOTICE AND EXPLANATORY STATEMENT**

**I. GENERAL INFORMATION {Common to both Appointees}**

[1] Nature of Industry	Construction and Infrastructure Industry												
[2] Date or expected date of commencement of commercial production	The company is in business since 1983. The company has commenced its construction and infrastructure business since 2009.												
[3] In case of new companies, expected date of commencement of activities as per the project approved by financial institutions appearing in the prospectus	Not Applicable												
[4] Financial Performance based on given indicators	<p>As per the audited financial statements as on 31<sup>st</sup> March 2014:</p> <table> <thead> <tr> <th style="text-align: left;"><b>Particulars</b></th> <th style="text-align: right;"><b>Rupees (in lakhs)</b></th> </tr> </thead> <tbody> <tr> <td>Gross Turnover &amp; Other Income</td> <td style="text-align: right;">5634.26</td> </tr> <tr> <td>Net Profit as per Profit &amp; Loss Statement (After Tax)</td> <td style="text-align: right;">279.54</td> </tr> <tr> <td>Net Worth</td> <td style="text-align: right;">6574.30</td> </tr> <tr> <td>Book Value Per Share</td> <td style="text-align: right;">15.97/-</td> </tr> </tbody> </table>			<b>Particulars</b>	<b>Rupees (in lakhs)</b>	Gross Turnover & Other Income	5634.26	Net Profit as per Profit & Loss Statement (After Tax)	279.54	Net Worth	6574.30	Book Value Per Share	15.97/-
<b>Particulars</b>	<b>Rupees (in lakhs)</b>												
Gross Turnover & Other Income	5634.26												
Net Profit as per Profit & Loss Statement (After Tax)	279.54												
Net Worth	6574.30												
Book Value Per Share	15.97/-												
[5] Foreign Investments or collaborations, if any	Nil												

**II. INFORMATION ABOUT THE APPOINTEE(S)**

	<b>Mr. Dinkar Samant</b>	<b>Mr. Nimish Shah</b>
[1] Background Details	<p>Mr. Dinkar Samant is a Graduate from Sir J. J. College of Architecture with First Class Honors &amp; Masters in Civil- Town Planning from Pune Engineering Institute.</p> <p>He is 57 years of age and has an expertise of over 25 years in Architecture and Town Development Planning. He has worked for a premier Public Sector Organisation and New Town Development Authority CIDCO for over 25 years.</p> <p>He is widely recognised in his field of expertise.</p>	<p>Mr. Nimish Shah is a Bachelor of Engineering in the Civil Stream.</p> <p>He is one of the most experienced person in the Company having more than 17 years of experience in construction and related activities. He is actively involved in all the nuances of engineering including detailed Planning &amp; Execution, Project Estimations, Infrastructure &amp; Site organization of the projects. He was Involved in several turnkey projects of Water supply &amp; Sewerage Scheme for Govt. of Maharashtra and successfully commissioned them.</p>
[2] Past Remuneration	₹ 37,00,000/- per annum	₹ 35,00,000/- per annum
[3] Recognition or awards	<ol style="list-style-type: none"> <li>Received Prime Minister Award at Vidhyans Bhawan, New Delhi on behalf of CIDCO for excellence in Urban Planning</li> <li>Recently Nominated by CIDCO as an Technical member on two separate Steering Committee deciding with Nature Park of Navi Mumbai and Navi Mumbai as a Smart City</li> </ol>	NIL

[4] Job Profile & his suitability	Whole-time Executive Director. Taking into consideration his qualifications and expertise in relevant fields, the Executive Director is best suited for the responsibilities currently assigned to him by the Board of Directors.	Whole-time Executive Director & Chief Project Officer.  Taking into consideration his qualifications and expertise in relevant fields, the Executive Director is best suited for the responsibilities currently assigned to him by the Board of Directors.
[5] Remuneration proposed	₹ 40,00,000/- per annum	₹ 36,00,000/- per annum
[6] Comparative Remuneration Profile w.r.t. industry, size of company, profile of the position & person	Taking into consideration the size of the Company, the profile of Mr. Dinkar Samant, the responsibilities shouldered by him and the industry bench marks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies	Taking into consideration the size of the Company, the profile of Mr. Nimish Shah, the responsibilities shouldered by him and the industry bench marks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies
[7] Pecuniary Relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Besides the remuneration proposed to be paid to him, the Executive Director does not have any other pecuniary relationship with the Company or relationship with the managerial personnel.	Besides the remuneration proposed to be paid to him, the Executive Director does not have any other pecuniary relationship with the Company or relationship with the managerial personnel.

### III. OTHER INFORMATION {Common to both Appointees}

<b>Reasons for loss or inadequate profits</b>	The Company has posted a net profit after tax of ₹ 2.80 Crores during the year ended 31 <sup>st</sup> March, 2014.  Sales receipts were in line with the previous year, in fact Arihant Group has achieved record sales of 822 units in the financial year 2013-2014, however the construction cost and administration expenses have been increasing which has lowered the profits of the Company.
<b>Steps taken or proposed to be taken for improvement</b>	Company has launched big projects, the projects have been able to generate outstanding sales bookings, however the Construction in these Projects has just commenced and hence as per the principles Accounting standards revenues could not be recognized from the same as construction has not reached up to 25% However the construction activities are in full swing, hence looking at the response which these projects have witnessed we are very positive that in the coming years we will be able to show stronger results than ever
<b>Expected increase in productivity and profits in measurable terms</b>	Normal product cycle of the Real estate company is at least 3-4 years, since we have launched couple of good projects in the last one year and few other expected to be launched in this Financial year.

### IV. DISCLOSURES:

The information and Disclosures of the remuneration package of the Whole-time Directors have been mentioned in the Annual Report in the Corporate Governance Report Section under the heading "Remuneration Paid/ Payable to the Managing Director and Executive (Whole-time) Directors for the year ended 31<sup>st</sup> March 2014.

Both, Mr. Dinkar Samant and Mr. Nimish Shah satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under Section 196(3) of the Act and are not disqualified to act as Directors in terms of Section 164 of the Act.

Other details as required to be reported in terms of Clause 49 of the Listing Agreement is attached to this Notice and forms a part of the Annual Report.

### ANNEXURE TO THE NOTICE

#### Details of the Directors seeking Appointment / Re-appointment at the 31<sup>st</sup> Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement)

##### I. Independent Directors:

Particulars	Mr. Dinesh Babel	Mr. Virendra Mital	Mr. V. V. Nalavde
<b>Date of Birth</b>	23 <sup>rd</sup> July, 1943	29 <sup>th</sup> April, 1948	14 <sup>th</sup> July, 1943
<b>Date of Appointment</b>	23 <sup>rd</sup> April, 2010	23 <sup>rd</sup> April, 2010	11 <sup>th</sup> February, 2012
<b>Qualifications</b>	Chartered Accountant and Bachelor of Law	B.Tech (IIT Delhi)	Graduate of Commerce (B.com) and passed the intermediate level of ICWA
<b>Expertise</b>	Enriched experience in the field of Management Finance, Taxation, Audit and Costing	Civil Engineering and management	Finance, Accounts and Administration
<b>Directorship in other Companies</b>	i. Kusam Electrical Industries Ltd ii. Arihant Technoinfra Private Limited	i. Adonis Energy And Power Private Limited ii. Mukand Vini Mineral Limited iii. Behraband North Extension Mine Private Limited iv. Mukand Vijayanagar Steel Limited v. Arihant Aashiyana Private Limited vi. Adeshwar Realty Private Limited	i. Arihant Gruhnirman Private Limited ii. Arihant Abode Limited
<b>Committee Positions in ASL</b>	<b>Chairman:</b> Audit Committee <b>Member:</b> Nomination & Remuneration Committee Stakeholders Relationship Committee Business Planning & Development Committee	<b>Chairman:</b> Stakeholders Relationship Committee <b>Member:</b> Nomination & Remuneration Committee Audit Committee	<b>Chairman:</b> Nomination & Remuneration Committee <b>Member:</b> Audit Committee Stakeholders Relationship Committee Business Planning & Development Committee
<b>Committee Positions in other Public Limited Companies</b>	Kusam Electrical Industries Ltd.	NIL	NIL
<b>Relation between Directors</b>	NIL	NIL	NIL
<b>Number of Shares held in the Company</b>	NIL	NIL	NIL

##### II. Whole-time Executive Directors:

Particulars	Mr. Nimish Shah	Mr. Dinkar Samant
<b>Date of Birth</b>	11 <sup>th</sup> April, 1974	15th June, 1956
<b>Date of Appointment</b>	13 <sup>th</sup> April, 2010	04th August, 2012
<b>Qualifications</b>	B.E. (Civil)	Graduate from Sir J.J.College of Architecture with First Class Honors and Masters in Civil Town Planning from Pune
<b>Expertise</b>	Real Estate	Real Estate
<b>Directorship in other Companies</b>	NIL	NIL
<b>Committee Positions in ASL</b>	<b>Member:</b> Executive Committee Stakeholder Relationship Committee	
<b>Committee Positions in other Public Limited Companies</b>	NIL	NIL
<b>Relation between Directors</b>	NIL	NIL
<b>Number of Shares held in the Company</b>	NIL	NIL

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the 31<sup>st</sup> Annual Report of the Company for the Financial Year ending on 31<sup>st</sup> March 2014.

### **FINANCIAL RESULTS**

(₹ in Lacs)

<b>FINANCIAL RESULTS</b>	<b>2013 - 2014</b>		<b>2012-2013</b>	
	<b>(Consolidated)</b>	<b>(Standalone)</b>	<b>(Consolidated)</b>	<b>(Standalone)</b>
Sales and Other Income	10052.24	5634.26	7163.20	7844.14
Profit before interest, depreciation & tax	2015.05	1190.34	924.16	1601.49
Interest	1380.18	734.89	937.70	842.77
Depreciation	55.28	35.14	37.39	33.26
Profit/ (Loss) before Tax	579.59	420.31	-50.93	725.47
Provision for Tax	404.93	140.77	237.40	234.62
Profit/ (Loss) after Tax	168.61	279.54	-288.33	490.85
Profit/(Loss) for the year	168.61	279.54	-287.83	490.85
Add: Balance of Profit and Loss Account	576.67	1774.88	966.64	1379.71
Share of Minority	141.02	0	-0.51	0
Profit available for Appropriation	576.67	1774.88	678.81	1870.56
<i>Less: Appropriation</i>				
Proposed Equity Dividend	102.9	102.9	82.32	82.32
Tax on Proposed Equity Dividend	16.70	16.70	13.35	13.35
Less/Add: Earlier year provisions	0	0	0	0
<b>Balance of profit carried to Balance Sheet</b>	<b>598.09</b>	<b>1655.28</b>	<b>583.14</b>	<b>1774.88</b>

During the year under review, your Company's total income has been registered at ₹ 5634.26 lacs in comparison of ₹ 7844.14 lacs of the previous financial year. The profit after tax (PAT) has been registered at ₹ 279.54 lacs in comparison of ₹ 490.85 lacs of the previous financial year.

### **RESERVES AND DIVIDEND:**

The Board of Directors has recommended a Final Dividend of ₹ 0.25 per Equity Share for the financial year ending on 31<sup>st</sup> March 2014. The Board has transferred an amount of ₹ 102.90 Lacs to the General Reserves Account, out of the amount available for appropriation.

### **OPERATIONS REVIEW:**

#### **PROJECT "ARIHANT AMODINI"**

This is a residential project located at Taloja (Navi Mumbai). Amodini consists of approximately 126 flats, having approximately 1 acre sq. ft. developable / saleable area. Arihant Amodini consists a stilt+22 Storied Tower comprising elegant 2BHK. The land has been conveyed in the name of Arihant Superstructures Limited by way of Tripartite Agreement. 97% construction activities are completed. The project has internal & external amenities such as intercom facility, UPVC sound resistance French windows, velvet touch paint with POP in all rooms, health club, gymnasium, Roof Top Garden, power backups for lifts, indoor game room & library.

#### **PROJECT "ARIHANT AAROHI"**

This is a residential project located at KalyanShil Road, Navi Mumbai. Arihant Aarohi consists of approximately 172 flats, having approximately 2 acres land area. Arihant Aarohi consists a stilt + 15 storeyed tower comprising elegant 1BHK & 2BHK. Construction is in full swing. The project has internal & external amenities such as Intercom facility, UPVC sound resistant french windows, granite top kitchen platform, swimming pool, library, children play area, health club, gymnasium, party lawn with garden, indoor game room, power backups for lifts.

**PROJECT “ARIHANT ADITA”**

The residential project is situated at Pal Gangana Road, Jodhpur (Rajasthan) and is just 1 km from the National Highway 65. This is first of its type high rise Residential project in Jodhpur. The project will provide the people of Jodhpur all state of the art facilities and amenities, forming part of the similar projects in Mumbai and other Metro cities only, which is till now only a dream to the people of Jodhpur. The project has amenities such as Swimming Pool, Indoor Badminton Court, Gazebo, Kids Crech, Mini Movie Theater, Banquet Hall, Library, Rain dance floor, Amphitheatre, Garden Lawn, Steam Room, Gymnasium, Super Market , etc. to name a few

**PROJECT “ARIHANT AYATI”**

The residential project named as “Arihant Ayati” is situated at heart of the city Devnagar, Pal Link Road, Jodhpur (Rajasthan). This Project is stilt + 17 storied Towers consisting 3 BHK & 4 BHK Super Luxurious Flats having the External Amenities like swimming pool at roof top, Health Club with Gymnasium, stem Sauna, Jaccuzi, Foot Therapy, Spa table, Party Area, 5 star category Designer Entrance Lobby and spacious designer lobby at every floor, Drivers Lounge, 3 Level Parking etc.

**PROJECT “ARIHANT AGRIMA”**

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

**PROJECTS UNDER SUBSIDIARIES:****PROJECT “ARIHANT AKANKSHA”**

This is a residential project located at Panvel, Navi Mumbai. The project consists of 8 Buildings having 2200 flats approx. Arihant Akanksha a stilt + podium + 32 storey tower comprising elegant studio, 2BHK & 3BHK & 4BHK apartments. The project having internal & external amenities such as video door security with camera, Velvet touch paint with POP in all rooms granite top kitchen platform, elegant entrance lobby, 4 high speed lifts in each building, business lounge, landscapes garden, swimming pool, gymnasium with club house, children play area, amphitheatre with party lawn, Jogging Track, Meditation Center, ample car parking, basket ball court, library, temple.

**PROJECT “ARIHANT ARSHIYA”**

This residential project named as “Arihant Arshiya” is situated at Khalapur, Khopoli. This project consists of 1600 flats approx having 20 acres land area. The construction of project is in full swing. Arihant Arshiya is a ground +3 storey tower comprising elegant 1RK, 1BHK, 2BHK flats. The project is having internal & external amenities such as swimming pool, library, children play area, health club, gymnasium, landscape garden, indoor game room, power backups for lifts, Ganesh temple, complex owned shuttle bus service.

**PROJECT “ARIHANT ANMOL”**

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

**PROJECT “ARIHANT AMISHA”**

This residential project named as “Arihant Amisha” situated at Wawanje Taloja, Panvel. This project consists of 700 flats having 8 acres land area. The construction of the project is started in full swing. The project has various amenities such as intercom facility, Ganesh Temple, Swimming Pool, Health Club with Gymnasium & Steam Room, Community hall, library, external camera for security check, beautiful landscaped garden etc.

**PROJECT “ARIHANT ALOKI”**

This residential project named as “Arihant Aloki” situated at Bhisegaon Karjat (W). This project consists of 450 flats having 5 acres land area. The project is just launched. Arihant Aloki is a stilt + 10 storey tower comprising elegant 1BHK, 2BHK & 3BHK flats. The project has internal & external amenities such as intercom facility, granite top kitchen platform, burner gas hob & chimney, swimming pool, Ganesh temple, children play area, health club, gymnasium, landscape garden, indoor game room, power backups for lifts.

### **SUBSIDIARIES:**

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

All the subsidiary companies are non-material, non-listed subsidiary companies as defined under Clause 49 of the Listing Agreements entered into with the stock exchanges. A statement pursuant to Section 129 (3) of the Companies Act, 2013 relating to the subsidiary companies is attached to the accounts. There has been no material change in the nature of the business of the subsidiaries.

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

The Statement pursuant to section 212 of the Companies Act, 1956 containing details of the Company's subsidiaries is attached.

### **LISTING:**

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

### **CASH FLOW STATEMENT:**

In conformity with the provisions of Clause 32 of the Listing Agreement with the Stock Exchanges, the cash flow statement for the year ended 31st March, 2014 is annexed hereto.

### **BOARD OF DIRECTORS:**

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

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

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

The Company had, pursuant to the provisions of the Clause 49 of the Listing Agreement entered into with Stock Exchange, appointed Mr. Dinesh Babel, Mr. Virendra Kumar Mital and Mr. Vinayak Nalavde as the Independent Directors of the Company. As per the section 149(4) of the Companies Act, 2013, (Act), which came into effect from 01<sup>st</sup> April, 2014, every listed public company is required to have atleast 1/3<sup>rd</sup> of the total number of the directors as Independent Directors. In accordance with the provisions of Section 149 of the Act, these Directors are being appointed as Independent Directors to hold office as per their tenure of the appointment mentioned in the Notice of the forthcoming Annual General Meeting of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Dinkar Samant and Mr. Nimish Shah are Whole-time Executive Directors of the Company, who have contributed immensely in the expansion and continual growth of the business of the Company. The Board, on the recommendations of the Nomination & Remuneration Committee, proposes to increase their remuneration for the Financial Year 2014-15. The details pertaining to these Directors are stated in the Notice and the Explanatory Statement to the Notice. All additional disclosures required under Schedule V to the Act have been made in the Corporate Governance Report.

On account of the requirement of Section 152 of the Companies Act, 2013 and the Articles of Association, Mr. Nimish Shah is liable to retire by rotation at the ensuing Annual General meeting and being eligible, offer himself for reappointment.

The Board recommends the re-appointment and appointment of all the above Directors.

#### **COMMITTEE OF THE BOARD OF DIRECTORS:**

In pursuance of the Clause 49 of the Listing Agreement, the Company is required to have certain mandatory committees. In addition to those, the Company has certain non-mandatory Committee of the Board of Directors. The details of the Committee of Directors as on 31<sup>st</sup> March, 2014 are as follows:

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

The Company Secretary is the Secretary for all mandatory Committees.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- (i) that in preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2014, the appropriate accounting standards have been followed;
- (ii) that Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;

- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the accounts for the financial year ended 31st March, 2014 on a going concern basis.

#### **AUDITORS :**

M/s Kailash Chand Jain & Co. Chartered Accountants, who are the statutory auditors of the company hold office till the conclusion of the forthcoming Annual General Meeting (AGM) and are eligible for re-appointment . Pursuant to the provisions of Section 139 of the Companies Act, 2013, and the Rules framed thereunder, it is proposed to appointed M/s Kailash Chand Jain & co, Chartered Accountants as Statutory Auditors of the Company from the conclusion of the forthcoming AGM till conclusion of the AGM to be held in the year 2018, subject to ratification of their appointment at every AGM.

#### **AUDITORS REPORT:**

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

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The management continuously reviews the internal control systems and procedures for the efficient conduct of the Company's business. The Company adheres to the prescribed guidelines with respect to the transactions, financial reporting and ensures that all its assets are safeguarded and protected against losses. The Internal Auditor of the Company conducts the audit on regular basis and the Audit Committee actively reviews internal audit reports and effectiveness of internal control systems.

Internal Control Systems are implemented to safeguard the Company's assets from loss or damage, to keep constant check on the cost structure, to prevent revenue leakages, to provide adequate financial and accounting controls and implement accounting standards

#### **COST AUDITOR:**

As per the Order of the Central Government and in pursuance of section 148 of the Companies Act, 2013, your Company carries out an audit of its cost records. The Board proposes to appoint Mr. VinodSubramanium , Cost Accountant as the Cost Auditors of the Company for the upcoming Financial Year, subject to the Central Government Approval, as required. As per the section, the remuneration of the Cost Auditor is required to be approved by the Shareholders, and hence the resolution for the same is being proposed in the 31<sup>st</sup> AGM.

#### **FIXED DEPOSIT:**

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

#### **CORPORATE GOVERNANCE:**

The Company adheres to sound Corporate Governance practices, which enables to maintain transparency and serve the long-term interest of the Shareholders. The Management Discussion and Analysis Report as well as report on Corporate Governance as of 31<sup>st</sup> March 2014 are attached hereto as a part of this Annual Report.

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

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

**CORPORATE SOCIAL RESPONSIBILITY**

In the year 2013-14, we have continued the CSR philosophy that Children's are the future of the society and they need to be nurtured with education. Thus our major CSR activity focuses on the "Child Education" and we have extended our CSR activities from school to college.

Youth of today needs to have overall 360 degree development to face today's competitive world. Along with Technical Education one needs to sharpen on the soft skills and personality development for the challenges of corporate world. We supported Jai Narain Vyas University, Jodhpur for the construction of the Dias & Amphi theatre for Community Ground and this would go in long run for the students who conduct various co-curricular activities for their development & the College Cultural Committee for various cultural programs & events.

We also contributed towards the CM Relief fund, Rajasthan by donating equivalent amount of the money collected from the auction of drawing and paintings by kids held at a function "The Expressions" at Arihant Adita, Jodhpur.

**PARTICULARS OF EMPLOYEES:**

During the financial year 2013-2014, no employee of the Company has been paid remuneration in excess of prescribed limit under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

**INVESTORS' RELATION AND GRIEVANCES**

Investors' relations have been cordial during the year. As a part of compliance, the Company has formed Shareholders' and Investors' Grievance Committee to deal with the issues relating to investors. During the year under review, the company has received one (!) complaint/grievance which was resolved by the company. Thus, there were no investors' grievances pending as on 31st March, 2014. A confirmation to this effect has been received from the Company's Registrar and Share Transfer Agent. The Company has a dedicated e-mail address [investor@asl.net.in](mailto:investor@asl.net.in) for communication with the Investors.

**ACCOUNTING STANDARDS AND CONSOLIDATED FINANCIAL STATEMENTS:**

The consolidated financial statements of the Company and its subsidiaries, prepared in accordance with Accounting Standards, issued by the Institute of Chartered Accountants of India, which forms part of the Annual Report.

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

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

**PERSONNEL:**

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

**ACKNOWLEDGEMENTS:**

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

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

Sd/-

**Ashok B. Chhajer  
Chairman & Managing Director**

Place : Navi Mumbai  
Date : 05/08/2014

## ANNEXURE A

Information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 forming part of Directors' Report for the year ending March 31, 2014

### **1. Conservation of energy:**

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

### **2. Research and Development:**

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

### **3. Technological absorption:**

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

### **4. Foreign Exchange Earnings and Outgo:**

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

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

**Place : Navi Mumbai  
Date : 05/08/2014**

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

## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY

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

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

### BOARD OF DIRECTORS

The Board of Directors (the Board), an apex body formed by the shareholders, serve and protect the overall interests of stakeholders; provides and evaluates the strategic directions of the Company; formulates and reviews management policies and ensure their effectiveness. As of 31<sup>st</sup> March 2014, the Chairman & Managing Director managed the business of the Company under the overall supervision and guidance of the Board.

### COMPOSITION

The Board represents an optimum mix of professionalism, knowledge and experience. As on 31<sup>st</sup> March 2014, the total strength of the Board is 6 directors with an Executive Chairman. The Board comprises of 3 Independent Directors (50%) and 3 Executive Directors (50%).

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

### **Board Meetings**

The meetings of the Board are held at the Registered Office of the Company at 302, Persipolis Building, Plot No 74, Sector 17, Vashi, Navi Mumbai 400703. During the financial year 2013-2014 ,there were 4 Board meetings held and the gap between two board meetings did not exceed four months. The dates on which the Board meetings were held are as follows:

11<sup>th</sup> May, 2013, 13<sup>th</sup> August, 2013, 12<sup>th</sup> November, 2013, 12<sup>th</sup> February, 2014

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

### **Composition And Attendance**

The names and categories of the Directors on the Board, their attendance at Board Meetings held during and the number of Directorships and Committee Chairmanships/Memberships held by them in other public companies as on 31<sup>st</sup> March, 2014 are given herein below.

<b>Name of Directors</b>	<b>Category</b>	<b>No. of Board Meetings Held in Financial Year 2013-2014 (No. of Meeting Attended)</b>		<b>Whether attended last AGM held on 26<sup>th</sup> September, 2013</b>	<b>No. of Directorship in other companies<sup>#</sup></b>		<b>No. of Committee Positions held in other public limited companies<sup>##</sup></b>	
		Held	Attended		Chairman	Director	Chairman	Member
Mr. Ashok Chhajer	Chairman & Managing Director	4	4	Yes	NIL	I	NIL	NIL
Mr. Dinkar Samant	Whole-time Executive Director	4	3	Yes	NIL	NIL	NIL	NIL
Mr. Nimish Shah	Whole-time Director	4	3	Yes	NIL	NIL	NIL	NIL
Mr. Dinesh Babel	Independent Non-Executive	4	4	Yes	NIL	I	NIL	I
Mr. Virendra Mital	Independent Non-Executive	4	4	Yes	NIL	I	NIL	NIL
Mr. Vinayak Nalavde	Independent Non-Executive	4	3	Yes	NIL	NIL	NIL	NIL

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

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

### **Notes:**

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

## **COMMITTEES OF THE BOARD**

### **A. Audit Committee**

The Audit Committee of the Company is constituted in line with the provision of the Clause 49 of the Listing agreements entered into with the Stock Exchanges read with Section 292A of the Companies Act, 1956 ("Act").

#### **Terms of Reference:**

The Audit Committee is entrusted with the responsibility to supervise the Company's financial control and reporting process and inter-alia perform the following functions:

1. Overseeing financial reporting process and disclosure of financial information, to ensure that the financial statements are correct, sufficient and credible;
2. Recommending appointment and removal of the statutory auditors, fixation of audit fee and approval for payment of any other services;
3. Reviewing with the management, the periodical financial statements including of subsidiaries/ associates, in particular the investments made by the unlisted subsidiaries of the Company, before submission to the Board for approval;
4. Reviewing with the management and the statutory and internal auditors, the adequacy of internal control systems and recommending improvements to the management;
5. Reviewing the adequacy of internal audit function, approving internal audit plans and efficacy of the functions including the structure of the internal audit department, staffing, reporting structure, coverage and frequency of internal audit;
6. Discussion with internal auditor on any significant findings and follow-up thereon;
7. Reviewing the findings of any internal investigations by internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
8. Discussion with statutory auditors before the audit commences, about the nature and scope of audit, as well as post-audit discussions to ascertain any area of concern;
9. Reviewing the management discussion and analysis of financial condition and results of operations, statement of significant related party transactions, management letters/letter of internal control weakness issued by statutory auditors, internal audit reports etc.;
10. Reviewing the Company's financial and risk management policies;
11. Reviewing the uses/applications of funds raised through public offerings; and
12. To perform such other function(s) as may be delegated by the Board from time to time.

#### **Meetings and Attendance**

During the year 2013-14 four meetings of the Audit Committee were held as follows:

11<sup>th</sup> May, 2013, 13<sup>th</sup> August, 2013, 12<sup>th</sup> November, 2013, 12<sup>th</sup> February, 2014

<b>Members</b>	<b>Category</b>	<b>No of Meetings held during their tenure</b>	<b>No. of Meetings Attended</b>
Mr. Dinesh Babel (Chairman)	Independent Non-Executive	4	4
Mr. Virendra Mital	Independent Non-Executive	4	4
Mr. Vinayak Nalavde	Independent Non-Executive	4	3
Mr. Dinkar Samant	Whole-time Executive Director	4	3

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

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

## B. Shareholders'/Investors' Grievance Committee

### Composition

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

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

### Terms of Reference

1. The Committee looks into the redressal of Shareholders'/Investors' complaints/ grievances pertaining to transfer or credit of shares, non-receipt of annual reports, dividend payments and other miscellaneous complaints/grievances.
2. The Committee reviews performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of investor services.

### Meetings and Attendance

During the year 2013-14 four meetings of the Shareholders'/Investors Grievances Committee were held as follows:

11<sup>th</sup> May, 2013, 13<sup>th</sup> August, 2013, 12<sup>th</sup> November, 2013, 12<sup>th</sup> February, 2014

Members	Category	No of Meetings held during their tenure	No. of Meetings Attended
Mr. Virendra Kumar Mital	Independent Non-Executive	4	4
Mr. Dinesh Chandra Babel	Independent Non-Executive	4	4
Mr. Vinayak Nalavde	Independent Non-Executive	4	3

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

### Compliance Officer

The Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreement with Stock Exchanges

### Redressal of Investor Grievances

The Company's policy is to address all complaints, suggestions and grievances expeditiously and to send/issue replies at earliest except in case of dispute over facts or other legal impediments. During the year under review, one (1) investors' complaint was received and resolved. There was no pending complaint and/or requests for share transfer, dematerialization etc., as on 31st March, 2014.

## C. Share Transfer Committee

### Composition

As on 31<sup>st</sup> March, 2014, the Share Transfer Committee comprised of three Directors. Mr. Ashok Chhajer is the Chairman of the committee. The other members of the Committee are Mr. Dinkar Samant and Mr. Nimish Shah, Whole Time Directors of the Company.

### Terms of Reference

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

### Meetings and Attendance

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

## D. Remuneration Committee

### Composition

As on 31<sup>st</sup> March 2014, Remuneration Committee comprises of three Independent Non-Executive Directors. Mr. Vinayak Nalavade, Independent Non-Executive Director, acts the Chairman of the Committee. The other members of the Committee are Mr. Virendra Mital and Mr. Dinesh Babel, Independent Directors.

### Terms of Reference

1. Determining Remuneration Policy of the Company;
2. Recommending remuneration including periodic revision, performance bonus, incentives, commission, stock options, other services, perquisites and benefits payable to the Managing, Whole-time and other Director(s) including their relatives;
3. Framing policies and fixation of compensation including salaries, incentives, bonuses, promotions, benefits, stock options and performance targets for executives of the Company; and
4. Formulation of the detailed terms and conditions of stock options, granting of administration and superintendence thereof.
5. Ensuring due compliance with the provisions pertaining to the Managerial Remuneration and Remuneration to the Board of Directors, as per the compliances of the Companies Act, 1956.

### Remuneration Policy

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

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

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

### Meetings and Attendance

During the year 2013-2014 two meeting of the Remuneration Committee was held on 11<sup>th</sup> May, 2013 and 13<sup>th</sup> August, 2013 respectively.

Members	Category	No of Meetings held during their tenure	No. of Meetings Attended
Mr. Vinayak Nalavde	Independent Non-Executive	2	2
Mr. Virendra Mital	Independent Non-Executive	2	2
Mr. Dinesh Babel	Independent Non-Executive	2	2

### Directors' Remuneration

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

Details of remuneration for the year ended 31<sup>st</sup> March 2014.

**(I) Non-Executive Directors**

Name of the Director	Sitting Fees paid (₹)
Mr. Vinayak Nalavde	95,000/-
Mr. Dinesh Babel	1,30,000/-
Mr. Virendra Mital	1,30,000/-

**(II) Managing Director and Executive Directors**

Name of Director	Salary and Allowance (₹)	Service Contract
<b>Mr. Ashok Chhajer, Managing Director</b>	2,00,000/- p.m.	5 yrs. w.e.f 15.01.2014
<b>Mr. Nimish Shah, Whole-time Director</b>	2,91,667/- p.m	5 yrs. w.e.f 13.04.2010
<b>Mr. Dinkar Samant, Whole-time Executive Director</b>	3,08,333/-p.m.	5 yrs. w.e.f 04.08.2012

During the financial year, there was no pecuniary relationship or transaction between the Company and its Non-Executive Directors. The Company has not granted any stock options to any of its Non-Executive Directors. The Directors are not liable to any commission, options or any other benefits over and above the remuneration as stated above, which is fixed and not performance linked compensation.

The contract entered into between the Company and the Managing Directors and the Whole-time Executive Directors are as per the terms of the resolution approved by the Shareholders, respectively.

**(a) Equity Shares held by Directors as on 31<sup>st</sup> March 2014**

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

Name of the Director	No. of shares
Mr. Ashok Chhajer	2,81,51,306

**CODE OF CONDUCT**

The Code of Conduct (the Code) as adopted by the Board is a comprehensive Code to ensure good governance and to provide for ethical standards of conduct on matters including conflict of interest, acceptance of positions of responsibility, treatment of business opportunities and the like. The Code is applicable to all the Directors and Senior Management Personnel of the Company including its subsidiaries. An Annual affirmation has been obtained from all members of the Board and Senior Management Personnel as on 31<sup>st</sup> March, 2014. In terms of Clause 49 of the Listing Agreement, a declaration signed by the Managing Director is annexed at the end of the Report.

**SUBSIDIARY MONITORING FRAMEWORK**

The subsidiaries of the Company namely are Arihant Abode Limited, Arihant Vatika Realty Private Limited, Adeshwar Realty Private Limited, Arihant Gruhnirman Private Limited, Arihant Technoinfra Private Limited, Arihant Aashiyana Private Limited. The subsidiaries are managed by their respective Boards having rights and obligations to manage such companies in the best interest of their stakeholders. As a majority shareholder, the Company monitors and reviews the performance of such companies' inter-alia, by the following means:

- Financial Statements, in particular, the investments made by the unlisted subsidiary companies, have been reviewed periodically by the Audit Committee;
- Minutes of the meetings of the unlisted subsidiary companies are placed before the Company's Board, periodically;
- Statements containing significant transactions and arrangements entered into by the unlisted subsidiary companies are periodically placed before the Board of Directors; and
- None of the unlisted company is material subsidiary in terms of Clause 49 of the Listing Agreement.
- The Company has also appointed an Independent Directors of Boards of their WoS to improve their monitoring

## **GENERAL BODY MEETINGS**

### i. General Meeting

#### a. Annual General Meeting:

YEAR	LOCATION	DAY, DATE & TIME	SPECIAL RESOLUTION
2010-2011	Hotel Royal Orchid Central Grazia, Plot L-3, Sector-19, Palm Beach Road, Vashi, Navi Mumbai – 400705	Wednesday, 03 <sup>rd</sup> August, 2011 at 05.00 p.m.	Yes
2011-2012	Hotel Royal Orchid Central Grazia, Plot L-3, Sector-19, Palm Beach Road, Vashi, Navi Mumbai – 400705	Saturday, 22 <sup>nd</sup> September, 2012 at 06.00 p.m.	Yes
2012-2013	Hotel Four Points by Sheraton, Plot No. 39/I, 6 to 15, Sector 30A, Vashi, Navi Mumbai- 400701	Thursday, 26 <sup>th</sup> September, 2013 at 5.00 p.m	Yes

#### b. Extraordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the year 2013-2014

#### c. Postal Ballot:

During the year 2013-2014, the Postal ballot was conducted in the month May, 2013 and the results for the same were declared on 27<sup>th</sup> June, 2013.

## **DISCLOSURES**

### a) Material Contracts/Related Party Transactions

None of the transactions with any of the related parties were in conflict with the interest of the Company. Details of transactions with related parties are disclosed in Schedule XIV to the Accounts in the Annual Report. All related party transactions are negotiated at arms' length basis and are only intended to further the interest of the Company. The Board has received disclosures from key management personnel relating to material, financial and commercial transactions where they and / or their relatives have personal interest.

### b) Compliances

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

## **MEANS OF COMMUNICATION**

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

The financial results are normally published in Economic Times (English & Gujarati), Free Press Journal (English), Navshakti (Marathi), and Navbharat Times (Hindi). Annual Report containing inter-alia Audited Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report, Management Discussion & Analysis Report and Corporate Governance Report including information for the Shareholders and other important information is circulated to the members and others entitled thereto.

### Website and Exclusive Designated e-mail id

The Company's website [www.asl.net.in](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.

## GENERAL SHAREHOLDERS' INFORMATION

### a) Annual General Meeting

Day : Thursday  
 Date : 25<sup>th</sup> September, 2014  
 Time : 12.00 noon  
 Venue : Hotel The Regenza by Tunga, Plot No 37, Sector 30A, Vashi, Navi Mumbai, Maharashtra, India.

### b) Financial Calendar (Tentative)

#### Financial Year 1st April, 2014 to 31st March, 2015

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

Quarter ended	Latest by
30th June, 2014	14 <sup>th</sup> August, 2014
30th September, 2014	14 <sup>th</sup> November, 2014
31st December, 2014	14 <sup>th</sup> February, 2015
31st March, 2015	By end of May, 2015*

\*Instead of publishing quarterly unaudited financial results, the Company may also opt to publish Audited Annual Accounts by 30<sup>th</sup> May, 2015.

### c) Book Closure Dates

From Friday 19<sup>th</sup> September, 2014 to Thursday 25<sup>th</sup> September, 2014 (both days inclusive)

### d) Dividend Payment Date

The Final Dividend, if declared, shall be paid/credited to the Shareholders on or before Saturday 25<sup>th</sup> October, 2014

### e) Liquidity of Shares

The equity shares of the Company are listed on the Bombay Stock Exchange Limited (BSE), P. J. Tower, Dalal Street, Mumbai - 400 001. The shares of the Company are currently traded under the T group. The Company has paid the listing fees to BSE for 2014-15.

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

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

### g) Corporate Identification Number (CIN) : L51900MH1983PLC029643

### h) Registrar and Share Transfer Agent (RTA)

**Adroit Corporate Services Pvt Ltd,**

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

### i) Share Transfer Mechanism

The share transfers received in physical form are processed through Registrar and Share Transfer Agent (RTA), within seven days from the date of receipt, subject to the documents being valid and complete in all respects. The share certificates duly endorsed are returned immediately to the shareholders by RTA. The details of transfers/transmission so approved, is placed before the Share Transfer Committee for its confirmation. Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, Certificate on half-yearly basis confirming due compliance of share transfer formalities by the

Company, certificates for timely dematerialization of the shares as per SEBI (Depositories and Participants) Regulations, 1996 and a Secretarial Audit Report on Reconciliation of the Share Capital of the Company obtained from a Practicing Company Secretary have been submitted to The Bombay stock exchange within stipulated time.

**j) Market Price Data:**

The Equity Shares of the Company were traded on the Bombay Stock Exchange during the year 2013-2014.

Month	High Price	Low Price
Apr-13	51.10	47.50
May-13	49.20	42.50
Jun-13	43.10	37.00
Jul-13	39.15	36.10
Aug-13	39.00	36.85
Sep-13	38.00	36.00
Oct-13	39.85	36.10
Nov-13	37.25	35.25
Dec-13	38.00	35.10
Jan-14	37.10	34.00
Feb-14	35.40	34.25
Mar-14	36.00	30.00

**i) Share Ownership Pattern as on 31<sup>st</sup> March, 2014**

Sr. No.	Category	No. of shares held	%age
1.	Promoters and Promoter Group	30417468	73.91
2.	Foreign Institutional Investors	0	0
3.	NRIs & Foreign Nationals	153	0
4.	Mutual Funds & UTI	0	0
5.	Banks, FIIs & Insurance Companies	0	0
6.	Bodies Corporate	852437	2.08
7.	Public	9888322	24.02
8	Others- Clearing Member	1611	0
<b>TOTAL</b>		<b>4,11,59,991</b>	<b>100</b>

**ii) Distribution of equity Shareholding as on 31<sup>st</sup> March 2014**

Shares	No. of Shareholders	% of total Shareholders	Number of Shares	% of total no. of Shares
I – 5000	466	73.27	193396	0.47
5001 – 10000	13	2.04	98948	0.24
10001 & above	157	24.69	40867647	99.29
<b>TOTAL</b>	<b>636</b>	<b>100</b>	<b>41159991</b>	<b>100</b>

**k) Dematerialization of Shares**

The shares of the Company are in compulsory dematerialized segment and are available for trading in depository system of both National Securities Depository Limited and Central Depository Services (India) Limited. As on 31<sup>st</sup> March, 2014, 41,107,499 Equity Shares (constituting 99.88 %) were in dematerialized form.

#### I) Address for Investor Correspondence

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

**Adroit Corporate Services Pvt Ltd,**  
 19/20, Jaferbhoy Industrial Estate, 1st Floor,  
 Makwana Road, Marol Naka, Mumbai 400059  
 Telephone: 022-28594060/022-40052115  
 Fax: 022 - 28503748  
 Email: [info@adroitcorporate.com](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 during the year 2013 – 2014.

### **RISK MANAGEMENT**

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

### **COMPLIANCE CERTIFICATE FROM THE PRACTICING COMPANY SECRETARY**

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

### **ADOPTION OF MANDATORY AND NON- MANDATORY REQUIREMENTS**

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

- (a) **Remuneration Committee:** The Company has set-up a Remuneration Committee to command, review remuneration of managerial personnel including their relatives. The composition of the committee and the details of meetings held and attendance of members thereat are given elsewhere in this Report. The then Chairman of the Remuneration Committee was present at the last Annual General Meeting held on 26<sup>th</sup> September, 2013 to answer the Shareholders' queries.
- (b) The financial statements of the Company, on stand-alone basis, are **unqualified**.
- (c) **Presentations before Board/Committees:** Various presentations by Company's executives and expert agencies were made before the Audit Committee, Share transfer Committee and the Board in order to apprise the Directors about the business model of the Company, risk profile of its business, assessment of their responsibilities and suggesting ways to effectively discharge them.

### **CERTIFICATE FROM MANAGING DIRECTOR (CEO/CFO)**

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

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

### **RECONCILIATION OF SHARE CAPITAL**

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

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

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Directors and Executive Directors. In addition, the Company has adopted a Code of Conduct.

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

Sd/-  
**Ashok Chhajer**  
**Managing Director and Chairman**

**Date: 05<sup>th</sup> August, 2014**

**Pace: Navi Mumbai**

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## **CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of

### **ARIHANT SUPERSTRUCTURES LIMITED**

We have examined the compliance of the conditions of Corporate Governance by **Arihant Superstructures Limited** for the year ended on 31<sup>st</sup> March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

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

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company

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

Sd/-  
**D. A. Kamat**  
**Company Secretary**  
**PCS No. 4965**

**Place: Mumbai**

**Date: 05<sup>th</sup> August, 2014**

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

To,  
The Board of Directors

### Arihant Superstructures Limited

We, Ashok Chhajer, Managing Director and Aman Verma, C.F.O of Arihant Superstructures Ltd to the best of our knowledge & belief certify that:

- (A) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2014 and that to the best of their knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (D) We have indicated to the auditors and the Audit committee
  - (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting

Sd/-  
**Ashok Chhajer**  
Chairman & Managing Director

Sd/-  
**Aman Verma**  
C.F.O

**Place : Navi Mumbai**  
**Date : 05<sup>th</sup> August, 2014**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Global Economy:**

Global economic growth remained low during financial year 2013-14, averaging only 2.9%, which is the slowest it has been since 2009. The advanced economies have recently seen improved growth while emerging market economies have slowed, albeit the bulk of global growth continues to come from the emerging economies. The latest indicators point to somewhat better prospects in the near term but different growth dynamics between the major economies. The International Monetary Fund (IMF) has raised the global economic growth outlook for 2014 to 3.6% and this is expected to accelerate to 3.9% in 2015. Growth in the advanced economies is seen increasing to about 2.3% during FY2014–15, a 1% improvement over 2013. Key drivers for this improvement are a reduction in fiscal tightening and supportive monetary conditions.

Growth is expected to be the strongest in the United States at about 2.8% in 2015. In the European Union, growth is projected to be positive but varied. In the emerging markets and developing economies growth is projected to gradually pick up from 4.7% in 2013 to about 5% in 2014 and further to 5.3% in 2015. This will be aided by stronger external demand from advanced economies. Economic growth in China is projected to remain steady at 7.5% in 2014 as authorities seek to rein in credit and advance reforms, while ensuring a gradual transition to a sustainable growth path.

### **INDIAN ECONOMY**

The Indian economy weathered the global financial crisis well. It quickly recovered from the decline in FY2008-09 to a healthy growth rate of around 9% annually during FY2009-10 and FY2010-11. However, the recovery was short-lived as economic growth decelerated to 6.2% in FY2011-12 and further to 5.0% in FY2012-13. The Indian economy grew by 4.7% in FY14. This marks a second straight year of below 5% growth.

The IMF has estimated a better year ahead for the Indian economy per the old Economic Outlook that it released in January 2014. A series of reform measures have been taken including clearing several large-scale projects by the Cabinet Committee on Investment. These are collectively projected to help revive the Indian economy and investor sentiment. In addition, the resurgence of exports, prospects of a revival in the global economy and moderation in inflation point towards a better outlook for the domestic economy during FY2014-15.

### **REAL ESTATE SECTOR:**

#### **AN OVERVIEW**

The real estate sector continues to be at the core of the Indian Economy and a meaningful contributor to its GDP growth, employment, foreign direct investment and to the banking and finance industry (BFSI). Although FY2013-14 was a difficult year for the real estate sector the long-term potential for the sector remains intact and it continues to be an important catalyst to the nation's overall economic growth.

During FY2013-14, subdued sales, increased unsold inventory levels and high leverage undermined the sector's performance. Political uncertainty, slow economic growth, sustained weakening of the Indian Rupee, rising inflation and hardening interest rates continued to be the key barriers to improving demand. Further, adverse regulatory developments and increased borrowing rates pushed up project costs and delayed execution timelines. The real estate market also witnessed a general slowdown in absorption rates in the residential and commercial asset classes. Delays in obtaining approvals, demand-supply gaps and rising input costs continued to be a cause for concern. Monetary tightening on account of the Reserve Bank of India's (RBI) measures to control inflation was a major macro influence on the sector. Overall, liquidity in the sector remained tight as banks continued to be selective in extending loans.

In January 2014, RBI increased the repo rate to 8% as a measure to control inflation which affected borrowing costs and hampered supply and new launches. Increased lending rates translated into an increase in housing loan rates which in turn softened residential sales. On the policy front, the year witnessed the introduction of several new state and local approvals and environment clearances. While some of these regulations increased project costs and deadlines, some showcased the Government's inclination to increase investments and usher in transparency. An encouraging development during the year was the passing of draft guidelines on Real Estate Investment Trusts (REITs). Despite many obstacles, India's real estate market has been resilient, demonstrating steadiness even in times of economic sluggishness. The silver lining has been a slow but gradual increase in sales momentum, a moderate rise in capital values across a few cities and the holding up of prices across major cities.

## RESIDENTIAL REAL ESTATE

India's residential housing segment underperformed due to weak demand trends which slowed down sales, reduced absorption and increased inventory levels. According to the property research firm LiasForas, the pan-India residential inventory as on December 31, 2013 stood at approximately 779 million square feet (msf), as against quarterly sales of approximately 60-65 msf, indicating three years of available inventory. High cost of finance, escalating cost pressures and an opaque regulatory scenario have been the key impediments which led developers to curtail prices. For home buyers, the sentiment has been considerably soft with persistently high interest rates and real estate prices. Housing demand in India is seen exceeding supply over the next decade. Nevertheless, the opportunity needs to be well supported by development policies and regulations aimed at creating additional infrastructure and stimulating housing demand. Going forward, policy-based efforts are expected from the Government to make real estate more transparent and investment friendly.

### OPPORTUNITIES:

#### Housing Demand

Your Company expects demand from the mid income residential segment to remain strong as we believe there is significant demand in this category across the country. Increasing disposable incomes, rapid urbanization and strong demographics are some of the trends favoring the mid-income residential market.

#### Monetary Easing

The real estate sector performance is directly bound by the country's economic fundamentals and monetary policies. In January 2014, the RBI increased repo rates to 8% impacting the cost of borrowings and the interest rates on home loans. Monetary easing initiatives will provide an impetus to housing demand. Even a nominal roll-back in rates can positively impact sentiments and encourage home buyers and real estate developers.

#### Real Estate Reforms

In order to realize the long-term growth potential of the sector, there is a growing need to introduce reforms. Year 2013 has witnessed various measures initiated by the Indian Government to revive growth in the real estate sector, which if executed correctly, will encourage transparency, corporate governance and investment and improve the industry's long-term prospects. It is our hope that various regulations also incorporate provisions to address challenges the sector currently faces in terms of receiving project approvals.

#### Real Estate Regulation and Development Bill, 2013

The Real Estate Bill was introduced in the Rajya Sabha on August 14, 2013, post approval from the Union Cabinet in June 2013. The Bill aims to bring in a high level of transparency in real estate transactions in India and implementation of projects. State Governments, along with the Ministry of Consumer Affairs, the Competition Commission of India, the Tariff Commission among others have backed the Bill.

#### Foreign Direct Investment (FDI) in Real Estate

India allowed Foreign Direct Investment (FDI) in the real estate sector in 2005. Currently up to 100% FDI is allowed in the real estate sector through the automatic route. The construction sector in India attracted FDI worth ₹ 64 bn during April 2013 – February 2014. With an increased need of meeting the growing housing demand in India, the Ministry of Housing and Urban Poverty Alleviation made proposals in August 2013 to ease FDI norms in real estate projects.

#### Real Estate Investment Trusts (REITs)

The Real Estate Investment Trusts (REIT) structure consists of a single company or group owning and managing assets on behalf of their investors. REITs primarily invest in completed real estate assets that generate revenue and the majority of their earnings are distributed among investors. REITs are thus a low-risk investment avenue providing regular income. To attract foreign investment in the real estate sector, SEBI released draft guidelines on REITs in 2013. This move is expected to create a transparent environment thereby attracting retail investment and providing appropriate exits to developers in the office asset class. Globally REITs have proven to be an attractive investment option ensuring participation from retail investors, pension funds and insurance companies. The operation of REITs will deepen the market, attract long-term and low cost capital and usher in greater transparency and better levels of disclosures.

## THREATS AND CHALLENGES

### Economic Environment

The prospects of India's real estate sector are closely linked with the state of the economy. The overall economy has been weakened in the recent years with GDP growth, fiscal deficit, current account deficit and inflation being at unfavorable levels. This has impacted consumer and business sentiment adversely affecting demand across residential, commercial and retail segment. Sluggish domestic GDP growth along with weak global markets can significantly affect the sector.

### Regulatory Hurdles

Unfavorable changes in government policies and the regulatory environment can adversely impact the performance of the sector. There are substantial procedural delays with regards to land acquisition, land use, project launches and construction approvals. Retrospective policy changes and regulatory bottlenecks may impact profitability and affect the attractiveness of the sector and companies operating within the sector.

### Rising Construction Costs

Being the largest employment generator in India other than agriculture the sector faces substantial manpower shortages. Labor costs have considerably increased and the market is facing acute shortage of skilled labor. This is partly due to locally generated employment opportunities through government welfare schemes. These schemes, such as the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) are discouraging migrant laborers from moving away from their hometowns. The industry has also witnessed substantial increases in input costs such as sand, cement and steel

## THREATS, RISKS AND CONCERNs:

### Industry Cyclicality

The real estate market is inherently a cyclical market and is affected by macro-economic conditions, changes in applicable governmental schemes, changes in supply and demand forces of land .These laws often vary from state to state. Several of your Company's projects are in preliminary stages of planning and any delay in obtaining approvals could warrant revised scheduling of project timelines.

### Statutory Approvals

The real estate sector in India is heavily regulated by the central, state and local governments. Real estate developers are required to comply with a number of laws and regulations, including policies and procedures established and implemented by local authorities in relation to land acquisition, transfer of property, registration and use of land. These laws often vary from state to state. Several of your Company's projects are in preliminary stages of planning and any delay in obtaining approvals could warrant revised scheduling of project timelines.

### STRATEGY:

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

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

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

During the year, Arihant focused on portfolio adjustments towards liquidity preservation and de-leveraging through unlocking value from nonstrategic assets or assets which do not have any short to medium term utilization. Going forward, Arihant Intends to focus on its key business verticals – homes, office and hospitality. Property development is no longer merely constructing a building and leasing or selling it out.

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

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

### **FINANCIAL REVIEW 2013-14:**

#### **Revenue & Profitability**

In the Financial year 2013-14, the Company has recorded ₹ 48.36 Cr. as Total Revenue against ₹ 69.70 Cr revenue from previous year however Profit After Tax is ₹ 2.80 Cr in comparison to ₹ 4.91 Cr. in the previous year. Profit before interest depreciation and tax is ₹ 4.04 Cr. in comparison to ₹ 7.51 Cr. in the previous year.

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

#### **Homes**

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

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

Arihant's dominant position in Indian homes segment:

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

#### **Performance FY14**

The year 2013-14 started with carrying forward the success of mid-income homes launched in FY. However, with the change in the overall economic environment. This was primarily due to strong customer confidence and satisfaction in buying homes on account of certainty of future incomes, coupled with a perception and anticipation of price of homes being increased. Looking at the changed scenario, Arihant revamped few of its offerings and launched new Projects in line with the expectations of customers.

#### **Launches FY14**

Arihant Anmol a Project at Badlapur, Maharashtra

Arihant Amisha a Project at Taloja Panvel Road, Maharashtra

Arihant Aloki a project at Karjat, Maharashtra

Arihant Arshya a Project at Khopoli, Maharashtra

Arihant Adita a Project at Jodhpur, Rajasthan

Arihant Amodini a Project at Taloja, Phase II

Arihant Aarohi a Project at Kalyan Shil Phata, Thane

Arihant Akansha a Project at Panvel

Arihant Ayati a Project at Jodhpur, Rajasthan.

## Future Outlook

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

## INTERNAL CONTROL SYSTEMS AND ADEQUACY

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

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

## HUMAN RESOURCE:

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

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

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

## FINANCE AND CONTROL:

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

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

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

**LEGAL:**

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

**INFORMATION TECHNOLOGY:**

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

**Outlook**

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

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

**Cautionary Statement**

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

## INDEPENDENT AUDITORS' REPORT

To  
The Members of

**Arihant Superstructures Limited**

### Report on the Financial Statements

- I. We have audited the accompanying financial statements of M/s **Arihant Superstructures Limited** ('the Company'), which comprise the Balance Sheet as at **31<sup>st</sup> March, 2014** and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

### Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (the "Act") read with the General Circular 15/2013 dated 13 September 2013 of Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

### Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at **31<sup>st</sup> March, 2014**
  - (b) In the case of the Statement of Profit and Loss, of the **profit** for the year ended on that date;
  - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet and Statement of Profit and Loss dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.; and
  - (e) On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

**For and on behalf of  
KAILASH CHAND JAIN & CO.  
CHARTERED ACCOUNTANTS  
Firm Reg. No.112318W.**

Sd/-  
**DIPESH MEHTA  
PARTNER  
Mem. No. 134607**

**Place : Mumbai**  
**Dated : 28/04/2014**

**Annexure to the Auditors' Report of  
Arihant Superstructure Limited**

(Referred to in paragraph I of our Report of even date)

- I    a) According to the information and explanation given to us the company has maintained proper records showing full particulars including quantitative details & situation of fixed assets.
- b) All the assets have been physically verified by management during the year and no material discrepancies were noticed on such verification.
- c) During the year the company has not disposed any substantial part of fixed assets affecting going concern of the company.
- d) None of the fixed assets have been revalued during the year.
- 2    a) As per the information and explanation given to us, the inventory is physically verified during the year by the management of the company. In our opinion, the frequency of such verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of company and nature of its business
- c) As per explanation given to us the company is maintaining proper records of inventory and no discrepancies were noticed on verification between physical inventories and books records.
- 3    a) The company has granted unsecured loan to its six subsidiary companies. The maximum balance outstanding during the year was Rs 9,768.27 Lakhs. And year-end balance of such loans amounted to ₹ 4,751.16 Lakhs.
- b) In our opinion, the rate of interest and terms and conditions of such loans are prima facie not prejudicial to the interest of the company.
- c) The receipt of principal amounts and interest has been as per stipulation.
- d) There is no amount overdue in respect of loan granted to companies, firms or other parties listed in the register maintained under section 301 of the Act.
- e) The Company has taken loan from three entities covered in the registered maintained under section 301 of the Act. The maximum amount outstanding during the year was Rs 3208.32 Lakhs and the year end balance was Rs 967.70 Lakhs.
- f) In our opinion, the rate of interest and other terms and condition for such loan are prima facie not prejudicial to the interest of the company.
- g) In respect of loan taken, the company is regular in paying the principal amounts and interest as per terms and condition agreed.
- 4    In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and its nature of its business with regard to purchase of inventory, fixed assets and with regards to sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- 5    According to the information and explanation given to us, In case of transaction exceeding the value of ₹ 5 Lakhs in the financial year in respect of a party that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956:
  - a) The transaction that needs to enter in the register maintained u/s 301 of the company Act, 1956 have been so entered.
  - b) In our opinion, each of these transactions has been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6    In our opinion, and according to information and explanation given to us, the company has not taken any deposits in accordance with section 58A, 58AA of the companies' act 1956 during the year.
- 7    In our opinion the company has an internal audit system commensurate with its size and nature of its business.

- 8 The central government of India has not prescribed the maintenance of cost records under clause (d) of sub section (l) of section 209 of the Act for any of the product of the company.
- 9 a) According to the information and explanation given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, profession tax, tax deducted at sources, wealth tax, service tax and other material statutory dues applicable to it.
  - b) According to information and explanation given to us there is no amount payable in respect of income tax, sales tax, service tax and other statutory dues that have not been deposited with appropriate authorities on account of any dispute.
- 10 The company has no accumulated losses. The company has not incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
- 11 Based on our audit procedures and on the information and explanation given by management, we are of the opinion that the company has not defaulted in repayment of its due to any financial institution and bank during the year.
- 12 As informed, the Company has not granted loans and advances on the basis of securities by way of pledge of shares, debenture and other securities. Accordingly, the provision of clause 4 (xiii) of the order are not applicable.
- 13 In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors Report) (Amendment) Order 2004 are not applicable to the Company.
- 14 In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors Report) (Amendment) Order 2004 are not applicable to the Company.
- 15 The company has given guarantee of ₹ 16,60,00,000/- for loan taken by subsidiary (Arihant Technoinfra Pvt. Ltd.) from Bank. In our opinion, the terms and conditions whereof are not prejudicial to the interest of the company.
- 16 According to the information and explanation given to us , terms loans were applied for the purpose for which the loan were obtained..
- 17 According to the information and explanation given to us and on an overall examination of Balance Sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.
- 18 During the year, the company has not made preferential allotment of shares to parties & Companies covered in the Register maintained U/s 301 of the Companies Act, 1956.
- 19 The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- 20 We have verified the end use of money raised by right issue from the draft prospectus filed with SEBI, the offer document and as documents and as disclosed in the notes to the financial statements.
- 21 We have been informed that there is no fraud on or by the Company has been either noticed or reported during the financial year 2013-2014.

**For and on behalf of  
KAILASH CHAND JAIN & CO.  
CHARTERED ACCOUNTANTS  
Firm Reg. No. I12318W.**

Sd/-  
**DIPESH MEHTA  
PARTNER  
Mem. No. 134607**

**Place : Mumbai**  
**Dated : 28/04/2014**

**BALANCE SHEET AS AT 31 MARCH, 2014**

(Amount in ₹)

Particulars	Notes	31 March, 2014	31 March, 2013
<b>A EQUITY AND LIABILITIES</b>			
<b>I Shareholders' funds</b>			
(a) Share capital	3	<b>411,599,910</b>	411,599,910
(b) Reserves and surplus	4	<b>245,830,334</b>	229,928,310
		<b>657,430,244</b>	641,528,220
<b>2 Share application money pending allotment</b>		-	-
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	5	<b>196,686,529</b>	322,330,683
(b) Deferred tax liabilities (net)	27	<b>1,583,462</b>	1,009,621
		<b>198,269,991</b>	323,340,304
<b>4 Current liabilities</b>			
(a) Short-term borrowings	6	<b>211,319,725</b>	345,217,416
(b) Trade payables	7	<b>38,244,414</b>	45,069,420
(c) Other current liabilities	8	<b>526,620,626</b>	259,313,785
(d) Short Term provisions	9	<b>48,300,985</b>	105,857,895
		<b>824,485,750</b>	755,458,516
<b>TOTAL</b>		<b>1,680,185,985</b>	1,720,327,040
<b>B ASSETS</b>			
<b>I Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10.A	<b>24,570,606</b>	24,618,525
(ii) Intangible assets	10.B	<b>1,156,711</b>	1,777,932
(b) Non-current investments	11	<b>10,711,000</b>	711,000
(c) Loans & Advances	12	<b>32,129,770</b>	32,129,770
		<b>68,568,087</b>	59,237,227
<b>2 Current assets</b>			
(a) Current Investment	13	<b>660,293</b>	660,293
(b) Inventories	14	<b>800,349,916</b>	607,741,089
(c) Trade receivables	15	<b>18,786,323</b>	-
(d) Cash and cash equivalents	16	<b>16,546,898</b>	(6,734,047)
(e) Short-term loans and advances	17	<b>518,140,766</b>	855,010,579
(f) Other Current Assets	18	<b>257,133,702</b>	204,411,899
		<b>1,611,617,898</b>	1,661,089,813
<b>TOTAL</b>		<b>1,680,185,985</b>	1,720,327,040

See accompanying notes forming part of the financial statements

I & 2

In terms of our report attached.

**M/S KAILASH CHAND JAIN & CO.**

CHARTERED ACCOUNTANTS

Firm Reg. No.: 112318W

Sd/-

**Dipesh Mehta**

Partner

M.No.: 134607

Place : Mumbai

Date : 28/04/2014

For and on behalf of the Board of Directors

Sd/-

**Ashok B. Chhajer**

Chairman & MD

Sd/-

**Nimish Shah**

Whole Time Director

Sd/-

**Pranita Bhise**

Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

(Amount in ₹)

Particulars	Notes	31st March 2014	31st March 2013
<b>1 Revenue from operations</b>	19	<b>483,633,170</b>	696,990,047
<b>2 Other income</b>	20	<b>79,792,736</b>	88,010,956
<b>3 Total revenue (1+2)</b>		<b>563,425,906</b>	<b>785,001,003</b>
<b>4 Expenses</b>			
(a) Cost of construction, land and development expenses	21.a	<b>559,689,300</b>	728,544,493
(b) Purchase of stock in trade	21.b	-	47,940,000
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21.c	<b>(192,608,828)</b>	(233,900,644)
(d) Employee benefits expense	22	<b>28,765,463</b>	32,119,806
(e) Finance costs	23	<b>74,614,975</b>	85,105,748
(f) Depreciation expense	10	<b>3,513,555</b>	3,325,594
(g) Other expenses	24	<b>47,420,899</b>	49,319,321
<b>Total expenses</b>		<b>521,395,364</b>	<b>712,454,318</b>
<b>5 Profit / before tax (3 - 4)</b>		<b>42,030,542</b>	72,546,684
<b>6 Tax expense:</b>			
(a) Current tax expense		<b>13,502,960</b>	22,908,034
(b) Deferred tax		<b>573,841</b>	554,145
		<b>573,841</b>	<b>554,145</b>
<b>7 Profit / (Loss) from continuing operations (5-6)</b>		<b>27,953,740</b>	<b>49,084,505</b>
<b>8 Earnings per share (of ₹10/- each):</b>			
(a) Basic	26	<b>0.68</b>	1.19
See accompanying notes forming part of the financial statements	I & 2		

In terms of our report attached.

**M/S KAILASH CHAND JAIN & CO.**  
CHARTERED ACCOUNTANTS  
Firm Reg. No.: 112318W

**Sd/-**  
**Dipesh Mehta**  
Partner  
M.No.: 134607

Place : Mumbai  
Date : 28/04/2014

For and on behalf of the Board of Directors

**Sd/-**  
**Ashok B. Chhajer**  
Chairman & MD

**Sd/-**  
**Nimish Shah**  
Whole Time Director

**Sd/-**  
**Pranita Bhise**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars		(Amount in ₹)
	<b>31 March, 2014</b>	<b>31 March, 2013</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and before Extra ordinary Items :	42,030,542	72,546,684
<b>Adjustment for Non Cash Items</b>		
Depreciation	3,513,555	3,325,594
Gratuity provision	-	611,359
Add: Interest paid	73,488,674	-
<b>Less :- Non Operating Income</b>		
Gain on sale of Investment	-	(1,934,400)
Profit on sale of Investment	-	(626,054)
Interest Received	<u>(79,114,982)</u>	<u>(79,189,243)</u>
	<u>39,917,790</u>	<u>(5,266,060)</u>
<b>Changes in Working Capital:-</b>		
(Increase)/ Decrease in Inventories	(192,608,827)	(233,900,644)
(Increase)/ Decrease in term Loans & Advances	265,130,921	(473,908,593)
(Increase)/ Decrease in Trade & Other Receivable	(71,508,128)	4,815,746
Increase/ (Decrease) in Current Liabilities & Provision	<u>260,481,835</u>	<u>136,453,980</u>
Before extraordinary & exceptional items	<u>301,413,591</u>	<u>(571,805,571)</u>
Exceptional Items :	-	-
Less: Income tax paid	<u>(2,500,000)</u>	<u>-</u>
<b>Net Cash flow from operating activities</b>	<u>298,913,591</u>	<u>(571,805,571)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets ( Net )	(2,844,415)	(5,717,387)
Interest Received	79,114,982	79,189,243
Profit from Investment	-	626,054
Gain on sale of Investment	-	1,934,400
(Purchase)/Sale of Investments	<u>(10,000,000)</u>	<u>(630,371)</u>
<b>Cash Generated from Investment Activities</b>	<u>66,270,567</u>	<u>75,401,939</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Shares	-	137,199,970
Increase / (Decrease) in Secured Loans	(125,644,154)	439,333,233
Increase / (Decrease) in Unsecured Loans	(133,897,691)	(236,058,617)
Proceeds from Share Premium	-	27,439,994
Interest paid	(72,793,936)	-
Dividend and Dividend distribution tax Paid	<u>(9,567,434)</u>	<u>(9,567,434)</u>
<b>Cash Generated from Financial Activities</b>	<u>(341,903,215)</u>	<u>358,347,146</u>
Net Increase in Cash & Cash Equivalents	23,280,942	(138,056,486)
Opening Balance of Cash & Cash Equivalents	(6,734,047)	131,322,439
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<u>16,546,896</u>	<u>(6,734,047)</u>

In terms of our report attached.

**M/S KAILASH CHAND JAIN & CO.**  
CHARTERED ACCOUNTANTS  
Firm Reg. No.: 112318W

Sd/-  
**Dipesh Mehta**

Partner  
M.No.: I34607

Place : Mumbai  
Date : 28/04/2014

For and on behalf of the Board of Directors

Sd/-  
**Ashok B. Chhajer**  
Chairman & MD

Sd/-  
**Pranita Bhise**  
Company Secretary

Sd/-  
**Nimish Shah**  
Whole Time Director

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

### **1 Corporate information**

Arihant Superstructures Ltd. is registered under companies act, 1956 as public limited company. The company's registered office is located at 302, Persipolis Building Plot No. 74, Sector 17, Vahi, Navi Mumbai - 400703 and its registered office is situated in the state of Maharashtra, i.e. within the jurisdiction of the Registrar of Companies, Maharashtra, at Mumbai. The operation of the company span in all aspect of real estate development, from the identification and acquisition of land, planning, execution, construction and marketing of projects.

### **2 Significant accounting policies (Illustrative)**

#### **2.1 Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent.

#### **2.2 Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### **2.3 Inventories**

##### **i) Construction materials and consumables :**

The construction materials and consumables purchased are treated as consumables and added in work-in-progress.

##### **ii) Incomplete Project / Construction Work-In-Progress :**

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

(a) For projects where revenue is recognised : "Cost includes cost of land, development rights, rates and taxes, construction cost, borrowing cost, other direct expenditure, allocated overheads and other incidental expenses as per the Guidance Note on Accounting for real estate transactions (Revised 2012) issued by The Institute of Chartered Accountants of India".

(b) For projects where revenue is not recognised : "Cost includes direct expenses, construction cost, rates and taxes, borrowing cost, other direct expenditure, allocated overheads and other incidental expenses except land & development rights which is treated as other assets".

##### **iii) Finished Stock of Completed Projects :**

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

#### **2.4 Cash flow statement**

Cash flows are reported using the indirect method as per AS-3, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### **2.5 Depreciation and amortisation**

Depreciation has been provided on straight line basis method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 or on the basis of useful lives estimated by the management whichever is higher.

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

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

### **2.6 Revenue recognition**

Pursuant to issuance of revised Guidance Note on Accounting for Real Estate Transactions (Revised 2012), by The Institute of Chartered Accountants of India (ICAI), the Company revised its Accounting Policy of revenue recognition for all projects commencing on or after April 1, 2012 or project where the revenue is recognised for the first time on or after the above date. For project Arihant Adita Phase II revenue is recognized during the year due to the fulfilment of conditions of recognizing of revenue as per revised Guidance Note. Whereas projects Arihant Arohi, Arihant Ayati and Arihant Agrima which came under the purview of the revised guidance note but as at March 31, 2014, the conditions for recognizing revenue for these projects were not met.

Further for projects commenced before April 1, 2012 Arihant Amodini, Arihant Abhilasha, Arihant Arham and Arihant Adita Phase I, during the year the company has followed the "Percentage Completion Method". The revenue / income from real estate sales is recognized as revenue when there is no significant uncertainty exists regarding the realization and it is not unreasonable to expect ultimate collection. Revenue under this method is recognised in proportion to the actual project cost incurred as against the total estimated cost of the project under construction, subject to completion of construction work to a certain reasonable level depending on the type of the project.

### **2.7 Other income**

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

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

### **2.8 Tangible fixed assets**

Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

### **2.9 Intangible fixed assets**

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

### **2.10 Investments**

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

### **2.11 Borrowing costs**

Borrowing costs as per AS-16 include interest, amortisation of ancillary costs incurred. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

### **2.12 Foreign currency transactions and translations**

Treatment of exchange differences

Exchange differences arising on settlement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss.

### **2.13 Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability.

Deferred tax as per AS-22 is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

### **2.14 Earning Per Share**

Basic earnings per share as per AS-20 are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

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

### **2.15 Provisions**

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

### **2.16 Contingent Liabilities**

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

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

### **3 SHARE CAPITAL**

Particulars	31 March, 2014		31 March, 2013	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
6,00,00,000 Equity shares of ₹10 each	<b>60,000,000</b>	<b>600,000,000</b>	60,000,000	600,000,000
1,50,00,000 Preference Shares of ₹10 each	<b>15,000,000</b>	<b>150,000,000</b>	15,000,000	150,000,000
(b) Issued				
Equity shares of ₹10 each with voting rights	<b>41,159,991</b>	<b>411,599,910</b>	41,159,991	411,599,910
(c) Subscribed and fully paid up				
Equity shares of ₹10 each with voting rights	<b>41,159,991</b>	<b>411,599,910</b>	41,159,991	411,599,910
	<b>Total</b>	<b>41,159,991</b>	<b>411,599,910</b>	<b>41,159,991</b>

#### **Notes:**

- (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Other changes (give details)	Closing Balance
<b>Equity shares with voting rights</b>			
Year ended 31 March, 2014			
- Number of shares	41,159,991	-	41,159,991
- Amount (₹)	411,599,910	-	411,599,910
Year ended 31 March, 2013			
- Number of shares	27,439,994	13,719,997	41,159,991
- Amount (₹)	274,399,940	137,199,970	411,599,910

#### **Class of shares / Name of shareholder (holding more than 5%)**

	31 March, 2014		31 March, 2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
Ashok B. Chhajer	<b>22,151,306</b>	<b>53.82</b>	28,151,306	68.39
Parth A. Chhajer	<b>6,000,000</b>	<b>14.58</b>	-	-

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

**4 RESERVES AND SURPLUS** (Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
(a) Share Premium		
Opening balance	52,439,986	24,999,992
Add: addition during the year	-	27,439,994
Closing balance	<b>52,439,986</b>	52,439,986
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	177,488,324	137,971,253
Add: Profit / (Loss) for the year	27,953,740	49,084,505
less: Provision for Dividend	(10,289,997)	(8,231,998)
less: Provision for Dividend tax	(1,669,553)	(1,335,436)
less: Provision for tax	(92,167)	-
Closing balance	<b>193,390,348</b>	177,488,324
<b>Total</b>	<b>245,830,334</b>	229,928,310

**5 LONG-TERM BORROWINGS** (Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
(a) Other loans and advances		
<b>Secured Loans</b>		
Car Loan A/c with Federal Bank, Jodhpur(Fortuner)	-	676,070
Car Loan with Federal Bank Ford-Figo-Jodhpur	179,517	318,821
Car Loan with Fedral Bank-Jodhpur(Endever)	1,577,449	-
Kotak Mahindra Prime Ltd (BMW GT)	1,776,245	2,905,714
Kotak Mahindra Prime Ltd (Honda City Black)	-	(1,235)
Kotak Mahindra Prime Ltd (Mahindra)	137,761	252,409
Kotak Mahindra Prime Ltd (Metal Honda City Loan)	-	(1,216)
Kotak Mahindra Prime Ltd (White Honda City Car )	-	(1,235)
Term Loan A/c Federal Bank -13697100002334 (Ayati)	21,324,359	-
Term Loan -HDFC (A/c No-6210177887) ARHAM	48,489,083	189,454,735
Term Loan ICICI Bank Ltd (Amodini)-A168301001	<b>123,202,115</b>	128,726,620
<b>Total</b>	<b>196,686,529</b>	322,330,683

**Note :**

1. Term Loan from ICICI Bank is secured against land (with all the buildings and structures thereon) at admeasuring about 3949.41 sq.mtrs. Bearing plot no. 4, sector 24, village taloja, taluka panvel, district thane.
2. Term Loan from HDFC Bank is secured against land bearing (i) survey no. 27, hissa no. 2A/1 , (ii) survey no. 27, hissa no. 2A/2, (iii) survey no. 25, hissa no. 2 being at village koproli, taluka panvel, district raigad together with construction thereon present and future.
3. Term Loan from Federal Bank is secured against land (with all the buildings and structures thereon) at admeasuring about 192786 sq.mtrs. Bearing plot no. 6, 7, 8 & 9 at pal link road, dev nagar, jodhpur, rajasthan.
4. Vehicles loans are secured against the vehicle itself.

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

<b>6 SHORT-TERM BORROWINGS</b>		(Amount in ₹)
Particulars	<b>31 March, 2014</b>	31 March, 2013
(a) Loans repayable on demand		
(i) Unsecured Loans		
<b>Loans From Directors</b>		
Ashok B Chhajer	78,419,347	248,556,376
Nimesh Shah	519,929	-
<b>Loan From Others</b>		
Adinath Realty Pvt. Ltd.	17,830,783	-
Desert Eagle Security Services Pvt. Ltd.	63,279,644	56,537,543
Sarvodaya Refinery Pvt. Ltd.	3,000,000	3,000,000
Viratra Investment Consultants & Trading Pvt. Ltd.	20,000,000	20,000,000
Good Fly Distributors Pvt Ltd	28,270,022	17,123,497
<b>Total</b>	<b>211,319,725</b>	<b>345,217,416</b>
<b>7 TRADE PAYABLES</b>		(Amount in ₹)
Particulars	<b>31 March, 2014</b>	31 March, 2013
(a) Trade payables:		
Sundry creditors	16,718,498	32,344,416
Retention	21,525,916	12,725,004
<b>Total</b>	<b>38,244,414</b>	<b>45,069,420</b>
<b>8 OTHER CURRENT LIABILITIES</b>		(Amount in ₹)
Particulars	<b>31 March, 2014</b>	31 March, 2013
(a) Bookings	522,611,299	250,331,401
(b) Customer security deposit	1,909,667	-
(c) Other payables		
(i) Statutory remittances		
VAT Payable	402,222	(720,084)
Service tax payable	(6,111,001)	2,146,136
TDS Payable	2,363,915	3,211,365
WCT - Sales Tax	-	525,223
(ii) Others		
Gratuity Payable	466,718	711,359
Audit Fees Payable	575,000	581,463
Salary Payable	3,682,152	2,158,034
Other liabilities	720,654	368,888
<b>Total</b>	<b>526,620,626</b>	<b>259,313,785</b>
<b>9 SHORT TERM PROVISIONS</b>		(Amount in ₹)
Particulars	<b>31 March, 2014</b>	31 March, 2013
Provision for Income Tax	36,341,434	96,290,461
Provision for Dividend	10,289,998	8,231,998
Provision for Dividend tax	1,669,553	1,335,436
<b>Total</b>	<b>48,300,985</b>	<b>105,857,895</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

	<b>A. Tangible assets</b>	<b>Gross block</b>			<b>Accumulated depreciation and impairment</b>			<b>Net block</b>		
		<b>Balance as at 1 April, 2013</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance as at 31 March, 2014</b>	<b>Depreciation as at 1 April, 2013</b>	<b>Depreciation for the year</b>	<b>Eliminated on disposal of assets</b>	<b>Balance as at 31 March, 2014</b>	<b>Balance as at 31 March, 2013</b>
	(a) Building Owned Shop (A. Siddhi)	1,644,720	-	-	1,644,720	71,394	26,809	-	98,203	1,546,517
	(a) Computer Owned Computer Printer UPS Scanner	2,273,167 153,749 180,100 155,509	187,747 12,500 - -	- - - -	2,460,914 166,249 180,100 155,509	925,183 59,894 65,008 63,088	384,775 25,933 29,194 25,209	- - - -	1,309,958 85,827 94,202 88,297	1,150,956 80,422 85,898 67,212
	(b) Plant and Equipment Owned Construction Machinery Container Generator Projector	605,517	85,500	-	691,017	58,085	29,318	-	87,403	603,614
		210,500	-	210,500	2,246	9,999	-	12,245	198,255	208,254
		397,007	-	397,007	10,953	18,858	-	29,811	367,196	386,054
		29,500	-	29,500	4,544	1,401	-	5,945	23,555	24,956
	(c) Furniture and Fixtures Owned Vehicles	3,818,227	-	-	3,818,227	527,371	241,695	-	789,066	3,049,161
		112,495	-	-	112,495	25,141	10,688	-	35,829	76,666
		18,799,892	2,290,462	-	21,090,354	3,972,477	1,855,635	-	5,828,112	15,262,242
	(e) Equipment Owned Camera Equipment Television Air Conditioner D.G. Set	169,879	51,206	-	169,879	12,664	8,069	-	20,733	149,146
		491,899	-	-	543,105	37,122	23,983	-	61,105	482,000
		234,650	-	-	234,650	21,317	11,148	-	32,465	202,185
		456,750	-	-	456,750	47,991	21,696	-	69,687	387,063
		350,000	-	-	350,000	31,297	16,625	-	47,922	302,078
	Battery & Inverter Mini Lift	92,000	-	-	92,000	9,200	2,023	-	2,023	89,977
		99,750	-	-	99,750	1,973	4,738	-	6,711	93,339
		328,057	-	-	328,057	30,151	15,585	-	45,736	282,321
	Mobile Note Counting Machine Refrigerator	65,612	-	-	65,612	5,881	3,118	-	8,999	56,613
		17,600	-	-	17,600	2,275	836	-	3,111	14,489
	<b>Total</b>	30,594,580	2,719,415	-	33,313,995	5,976,055	2,767,334	-	8,743,389	24,570,506
	<b>Previous year</b>	25,658,926	4,935,654	-	30,594,580	3,394,351	2,581,705	-	5,976,056	24,618,575
										22,264,575
	<b>B. Intangible assets</b>	<b>Gross block</b>			<b>Accumulated depreciation and impairment</b>			<b>Net block</b>		
		<b>Balance as at 1 April, 2013</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance as at 31 March, 2014</b>	<b>Depreciation as at 1 April, 2013</b>	<b>Depreciation for the year</b>	<b>Eliminated on disposal of assets</b>	<b>Balance as at 31 March, 2014</b>	<b>Balance as at 31 March, 2013</b>
	(a) Computer Software	3,570,586	125,000	-	3,695,586	₹ 1,837,970	₹ 723,450	-	₹ 2,561,420	₹ 1,134,166
	(b) Software J.D.H	25,357	-	-	25,357	11,241	5,071	-	16,312	9,045
	(c) Trade Mark	88,300	-	-	88,500	57,300	17,700	-	75,000	13,500
	<b>Total</b>	3,684,443	125,000	-	3,809,443	1,906,511	746,221	-	2,652,732	1,156,711
	<b>Previous year</b>	2,902,710	781,733	-	3,684,443	1,162,621	743,889	-	1,906,510	1,777,932
										1,740,089

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

### **11 NON-CURRENT INVESTMENTS**

(Amount in ₹)

Particulars	31 March, 2014 Unquoted	31 March, 2013 Unquoted
<b>Investments (At cost):</b>		
A. Trade		
(a) Investment in equity instruments		
(i) of subsidiaries		
Arihant Abode Ltd.	300,000	300,000
Adeshwar Realty Pvt Ltd	110,000	110,000
Arihant Aashiyana Pvt Ltd	105,000	105,000
Arihant Gruhnirman Pvt Ltd	60,000	60,000
Arihant Technoinfra Pvt Ltd	66,000	66,000
Arihant Vatika Realty Pvt. Ltd	60,000	60,000
(b) Investment in Properties		
Sai Mahaavir Developers	10,000,000	-
(c) Investment in LLP		
Arihant Aksh Realty LLP	10,000	10,000
<b>Total</b>	<b>10,711,000</b>	<b>711,000</b>

### **12 LONG TERM LOANS AND ADVANCES**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
<b>Security Deposits</b>		
Ashok B Chhajer (Deposit Jodhpur Office)		
	2,000,000	2,000,000
Deposit-JDA	2,500,000	2,500,000
Deposit-Jodhpur Development Authority	5,000,000	5,000,000
J.V.N. Ltd Agrima	293,949	293,949
J.V.N. Ltd , Jodhpur	51,380	51,380
Security Deposit-Nagar Nigam Jodhpur-Ayati	1,065,000	1,065,000
Debris Deposit A/c (A-Arohi)	610,056	610,056
Permission Deposit A/c (A-Arohi)	564,302	564,302
Registrar City Civil Court	45,083	45,083
Sangeeta Chhajer (Deposit Ag.Office)	20,000,000	20,000,000
<b>Total</b>	<b>32,129,770</b>	<b>32,129,770</b>

### **13 CURRENT INVESTMENTS**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
<b>Investment in LLP</b>		
Arihant Aksh Realty LLP(Current A/c)		
	660,293	660,293
<b>Total</b>	<b>660,293</b>	<b>660,293</b>

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

<b>14 INVENTORIES</b>	(Amount in ₹)	
Particulars	<b>31 March, 2014</b>	31 March, 2013
(a) Finished goods	22,427,730	9,445,578
(b) Work in Progress	777,922,186	598,295,510
<b>Total</b>	<b>800,349,916</b>	<b>607,741,088</b>

<b>15 TRADE RECEIVABLES</b>	(Amount in ₹)	
Particulars	<b>31 March, 2014</b>	31 March, 2013
<b>Trade receivables</b>		
Unsecured, considered good	18,786,323	-
<b>Total</b>	<b>18,786,323</b>	-

<b>16 CASH AND CASH EQUIVALENTS</b>	(Amount in ₹)	
Particulars	<b>31 March, 2014</b>	31 March, 2013
(a) Cash on hand	1,566,065	1,047,864
(b) Balances with banks		
(i) In current accounts	(4,586,667)	(16,025,859)
(ii) In escrow account	100,000	368,948
(iii) In deposit accounts		
Deposits with original maturity for more than 3 months but less than 12 months	5,637,500	7875000
Deposits with original maturity within 3 months	13,830,000	-
<b>Total</b>	<b>16,546,898</b>	(6,734,047)

<b>17 SHORT-TERM LOANS AND ADVANCES</b>	(Amount in ₹)	
Particulars	<b>31 March, 2014</b>	31 March, 2013
<b>(a) Loans and advances to related parties</b>		
Unsecured, considered good		
Adeshwar Realty Pvt Ltd	186,312,043	203,802,176
Arihant Aashiyana Pvt Ltd	118,954,390	185,886,260
Arihant Abode Ltd	45,294,117	311,289,546
Arihant Gruhnirman Pvt.Ltd.	46,903,149	2,453,818
Arihant Technoinfra Pvt.Ltd.	77,652,601	7,438,481
Arihant Vatika Realty Pvt. Ltd.	-	36,999,829
<b>Total</b>	<b>475,116,300</b>	747,870,110

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

Particulars	31 March, 2014	31 March, 2013
<b>(b) Security deposits</b>		
Unsecured, considered good		
Deposit-Bombay Stock Exchange	1,646,400	1,646,400
Security Deposit-Cidco Ltd-Fire	20,000	20,000
Security Deposit - MSEDC A-Abhilasha	91,300	21,200
Security Deposit-MSEDC A.Arham	16,780	16,780
Security Deposit-MSEDC Amodini	41,154	41,154
Security Deposit-Cidco Ltd - Abhilasha	124,000	124,000
	<b>1,939,634</b>	<b>1,869,534</b>
<b>(c) Loans and advances to employees</b>	<b>105,510</b>	<b>538,524</b>
	<b>105,510</b>	<b>538,524</b>
<b>(d) Advance Tax &amp; Tds</b>		
Advance Tax A.Y.2011-12	-	25,084,200
Advance Tax A.Y.2012-13	-	35,299,530
Advance Tax A.Y.2013-14	12,500,000	12,500,000
Advance Tax A.Y.2014-15	2,500,000	-
TDS Rec. A.Y. 2011-12	-	9,730,474
TDS Rec. A.Y. 2012-13	148,890	4,273,578
TDS Rec. A.Y. 2013-14	11,506,573	11,497,142
TDS Rec. A.Y. 2014-15	7,976,372	-
Income Tax Refund	54,017	54,017
	<b>34,685,852</b>	<b>98,438,941</b>
<b>(e) Others</b>		
Advances Against Land	5,700,000	5,700,000
Anil Corporation,Suchit Bachlili & Ankohley & Co.	593,470	593,470
	<b>6,293,470</b>	<b>6,293,470</b>
<b>Total</b>	<b>518,140,766</b>	<b>855,010,579</b>

Particulars	31 March, 2014	31 March, 2013	(Amount in ₹)
Land -Arihant Aditha (Gangana) Jodhpur	22,172,281	25,843,568	
Land -Arihant Ayati (Devnagar) Jodhpur	120,317,340	103,415,904	
Land-(Padle) Arohi	113,878,500	74,664,500	
Prepaid expenses - Unsecured, considered good	155,185	339,124	
Interest accrued on fixed deposits	536,796	148,803	
Preliminary Expenses	73,600	-	
<b>Total</b>	<b>257,133,702</b>	<b>204,411,899</b>	

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

### **19 REVENUE FROM OPERATIONS**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
Sale of products (Refer Note (i) below)	<b>483,633,170</b>	696,990,047
<b>Total</b>	<b>483,633,170</b>	<b>696,990,047</b>
<b>Note</b>		
(i) Manufactured finished/unfinished products		
Arihant Arham	<b>137,388,206</b>	229,437,321
Arihant Adita	<b>227,279,968</b>	146,176,713
Arihant Amodini	<b>115,585,096</b>	135,632,358
Arihant Abhilasha	<b>3,379,900</b>	130,032,955
<b>Traded goods</b>		
Arihant Abhilasha Flats	-	55,710,700
<b>Total - Sale of products</b>	<b>483,633,170</b>	<b>696,990,047</b>

### **20 OTHER INCOME**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
(a) Interest income		
Others (Refer note (i) below)	<b>79,114,982</b>	84,837,956
(b) Other non-operating income (Refer note (ii) below)	<b>677,754</b>	3,173,000
<b>Total</b>	<b>79,792,736</b>	<b>88,010,956</b>
<b>Note</b>		
(i) Interest income comprises:		
Fixed Deposits	<b>476,662</b>	5,648,712
Other balances	<b>78,638,320</b>	79,189,244
<b>Total - Interest income</b>	<b>79,114,982</b>	<b>84,837,956</b>
(ii) Other non-operating income comprises:		
Rent Received	<b>35,000</b>	-
Insurance Claim Received	<b>61,329</b>	1,522
Income from Mutual Funds	-	1,934,400
Share Profit-Arihant Aksh Reality LLP	-	626,054
Other Income	-	2,550
Welfare fund	<b>377,509</b>	-
Discount Received	<b>203,916</b>	608,474
<b>Total - Other non-operating income</b>	<b>677,754</b>	<b>3,173,000</b>

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

### **21. a Cost of construction, land and development expenses**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
Purchases (Refer note (i) below)	<b>296,097,767</b>	395,239,135
Land Cost (Refer note (ii) below)	<b>6,535,747</b>	19,275,421
Direct Expenses (Refer note (iii) below)	<b>257,055,786</b>	314,029,937
<b>Total</b>	<b>559,689,300</b>	728,544,493

#### **Notes :**

##### **i) Purchases**

Arihant Arham	<b>34,840,570</b>	140,380,848
Arihant Adita	<b>145,624,610</b>	89,122,568
Arihant Arohi	<b>11,463,724</b>	6,389,945
Arihant Ayati	<b>26,523,342</b>	12,807,136
Arihant Amodini	<b>32,002,648</b>	62,995,371
Arihant Abhilasha	<b>12,498,336</b>	43,670,274
Arihant Agrima	<b>33,144,537</b>	39,872,992
	<b>296,097,767</b>	395,239,134

##### **ii) Land Cost**

Arihant Adita	<b>6,535,747</b>	19,275,421
	<b>6,535,747</b>	19,275,421

##### **iii) Direct Expenses**

Arihant Arham	<b>10,886,476</b>	81,648,868
Arihant Adita	<b>106,005,130</b>	72,465,604
Arihant Arohi	<b>20,541,451</b>	12,630,424
Arihant Ayati	<b>19,254,633</b>	10,510,675
Arihant Amodini	<b>33,491,922</b>	37,205,202
Arihant Abhilasha	<b>503,364</b>	32,618,497
Arihant Agrima	<b>66,372,810</b>	66,950,666
	<b>257,055,786</b>	314,029,936

### **21. b Purchase of stock in trade**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
Flats	-	47,940,000
	-	47,940,000

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

### **21. c Changes in inventories of finished goods**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
<b>Inventories at the end of the year:</b>		
<b>Traded goods (Refer note (i) below)</b>		
Traded goods (Refer note (i) below)	<b>22,427,730</b>	9,445,578
Incomplete projects (WIP) (Refer note (ii) below)	<b>777,922,186</b>	598,295,510
	<b>800,349,916</b>	607,741,088
<b>Inventories at the beginning of the year:</b>		
Traded goods (Refer note (iii) below)	<b>9,445,578</b>	4,437,532
Incomplete projects (WIP) (Refer note (iv) below)	<b>598,295,510</b>	369,402,912
	<b>607,741,088</b>	373,840,444
<b>Net (increase) / decrease</b>	<b>(192,608,828)</b>	<b>(233,900,644)</b>
<b>Notes :</b>		
<b>Inventories at the end of the year :</b>		
i) <b>Traded goods</b>		
Arihant Arham	<b>22,427,730</b>	9,445,578
	<b>22,427,730</b>	<b>9,445,578</b>
ii) <b>Incomplete projects (WIP)</b>		
Arihant Arham	-	95,404,554
Arihant Adita	<b>141,675,637</b>	112,968,701
Arihant Adita phase 2	<b>69,584,654</b>	17,500,000
Arihant Adita phase 3	<b>6,579,095</b>	-
Arihant Arohi	<b>52,052,664</b>	20,087,254
Arihant Ayati	<b>70,635,424</b>	24,955,260
Arihant Amodini	<b>143,430,756</b>	143,339,174
Arihant Abhilasha	-	-
Arihant Agreeema	<b>293,963,956</b>	184,040,567
	<b>777,922,186</b>	<b>598,295,510</b>
<b>Inventories at the beginning of the year :</b>		
iii) <b>Traded goods</b>		
Arihant Arham	<b>9,445,578</b>	4,437,532
	<b>9,445,578</b>	<b>4,437,532</b>
iv) <b>Incomplete projects (WIP)</b>		
Arihant Arham	<b>95,404,554</b>	90,793,338
Arihant Adita	<b>112,968,701</b>	55,600,899
Arihant Adita phase 2	<b>17,500,000</b>	-
Arihant Arohi	<b>20,087,254</b>	1,066,885
Arihant Ayati	<b>24,955,260</b>	1,637,460
Arihant Amodini	<b>143,339,174</b>	130,489,460
Arihant Abhilasha	-	12,588,810
Arihant Agreeema	<b>184,040,567</b>	77,226,060
	<b>598,295,510</b>	<b>369,402,912</b>

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

### **22 EMPLOYEE BENEFITS EXPENSE**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
Salaries, wages and bonus (Refer note (i) below)	<b>26,274,784</b>	27,842,463
Staff welfare expenses	<b>2,290,915</b>	3,334,898
Gratuity expenses	-	611,359
Contribution to provident fund	<b>199,764</b>	188,686
Software training expenses	-	142,400
<b>Total</b>	<b>28,765,463</b>	<b>32,119,806</b>
<b>Notes:</b>		
Salary	<b>17,848,800</b>	21,145,495
Director Remuneration	<b>8,425,984</b>	6,696,968
<b>Total</b>	<b>26,274,784</b>	<b>27,842,463</b>

### **23 FINANCE COSTS**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
(a) Interest expense on:		
Interest on secured loans	<b>39,161,262</b>	41,219,129
Interest on unsecured loans	<b>34,327,412</b>	41,532,165
(b) Others		
Loan Processing fees	<b>1,126,300</b>	2,354,454
<b>Total</b>	<b>74,614,974</b>	<b>85,105,748</b>

### **24 OTHER EXPENSES**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
Selling & Distribution (Refer note (24.i))	<b>14,685,354</b>	17,906,571
Legal and Professional Fees (Refer note (24.ii))	<b>4,050,471</b>	3,089,396
Rent, Rates & Taxes (Refer note (24.iii))	<b>1,207,925</b>	1,276,267
CSR expenses	<b>881,681</b>	-
Compensation	<b>13,200,975</b>	13,763,625
Donation	<b>1,145,600</b>	36,000
Directors Sitting Fees	<b>355,000</b>	430,000
Audit fees	<b>429,770</b>	646,070
ROC Fees	<b>45,423</b>	14,100
Administrative Expenses (Refer note (24.iv))	<b>10,250,466</b>	10,631,967
Others (Refer note (24.v))	<b>1,168,234</b>	1,525,325
<b>Total</b>	<b>47,420,899</b>	<b>49,319,321</b>

#### **Notes:**

- (i) Payments to the auditors comprises (net of service tax input credit, where applicable):

As auditors	<b>429,770</b>	646,070
<b>Total</b>	<b>429,770</b>	<b>646,070</b>

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

### **24. i) Selling and Distribution Expenses**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
Advertisement Expenses	9,158,791	8,132,686
Branding	377,640	-
Brochure Expenses	360,360	181,500
Business Promotion	1,905,619	2,081,527
Corporate Promotion	-	2,759,964
Customer Delight	305,499	-
Exhibition Expenses	449,505	2,236,689
Retainer	1,750,000	2,073,904
Selling & Distribution	352,940	412,211
Seminar Expenses	10,000	28,090
Software Rent	15,000	-
<b>Total</b>	<b>14,685,354</b>	<b>17,906,571</b>

### **24. ii) Legal and Professional Fees**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
Consultancy Charges	128,000	134,813
Legal Expenses	445,316	61,694
Professional Fees	3,075,828	2,673,188
Stamping, Notarisation & Franking Charges	401,327	219,701
<b>Total</b>	<b>4,050,471</b>	<b>3,089,396</b>

### **24. iii) Rent, Rates and Taxes**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
Office Rent	960,000	960,000
NMMC Property Tax	77,168	77,168
Registration Charges	4,000	-
Society Maintenance Charges	166,757	126,272
Firm Tax	-	13,751
Service Tax	-	99,076
<b>Total</b>	<b>1,207,925</b>	<b>1,276,267</b>

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

### **24. iv) Administrative Expenses**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
Vehicle Expenses	3,184,131	1,916,459
AMC Charges	134,458	118,217
Power & Fuel	883,261	880,772
Communication	1,557,145	1,142,999
Electrical Material	845	12,348
Printing & Stationery	526,925	1,011,633
Travelling and conveyance	1,106,411	753,484
Computer Expenses	725,421	594,523
Postage and Courier	89,719	60,242
Repairs and Maintenance	111,045	74,562
Toll and Parking Charges	5,058	5,305
Labour Charges	6,800	163,231
Transport Expenses	200	28,246
Internet Expenses	57,415	49,071
Office Expenses	143,467	46,432
Sundry Balances Written Off	7,586	-
Right Issue Expenses	-	918,169
General Expenses	115,766	56,145
Bank Charges	26,819	73,537
Insurance Expenses	66,439	27,502
Miscellaneous Expenses	1,494,807	2,699,090
VAT (expenses)	6,748	-
<b>Total</b>	<b>10,250,466</b>	<b>10,631,967</b>

### **24. v) Others**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
Interest on Professional Tax	4,000	-
Interest on Service Tax	195,658	5,286
Interest on TDS	74,538	146,923
Interest on VAT	-	1,373,116
Interest on Income Tax	694,738	-
Penalty on Sales Tax	180,900	-
Preliminary Expenses Written Off	18,400	-
<b>Total</b>	<b>1,168,234</b>	<b>1,525,325</b>

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

### **25 DISCLOSURES UNDER ACCOUNTING STANDARDS 18**

#### **Related party transactions**

##### **Details of related parties:**

<b>Description of relationship</b>	<b>Names of related parties</b>
Subsidiaries	1. Arihant Abode Ltd. 2. Arihant Aashiyana Pvt. Ltd. 3. Adeshwar Realty Pvt. Ltd. 4. Arihant Gruhnirman Pvt. Ltd. 5. Arihant Vatika Realty Pvt. Ltd. 6. Arihant Technoinfra Pvt. Ltd.
Key Management Personnel (KMP)	1. Ashok B. Chhajer 2. Nimesh Shah 3. Dinkar Samant
Relatives of KMP	1. Sangeeta A. Chhajer
Company in which KMP / Relatives of KMP can exercise significant influence	1. Adinath Realty Pvt. Ltd. 2. Sai Mahaavir Developers

Note: Related parties have been identified by the Management.

##### **Details of related party transactions during the year ended 31 March, 2014 and balances outstanding as at 31 March, 2014:**

	<b>Subsidiaries</b>	<b>KMP</b>	<b>Relatives of KMP</b>	<b>Entities in which KMP / relatives of KMP have significant influence</b>	<b>Total</b>
<b>I. Transactions during the year :</b>					
<b>Loan Advance Given</b>					
1. Arihant Abode Ltd.	88,200,000	-	-	-	88,200,000
2. Arihant Aashiyana Pvt. Ltd.	116,900,000	-	-	-	116,900,000
3. Adeshwar Realty Pvt. Ltd.	90,350,000	-	-	-	90,350,000
4. Arihant Gruhnirman Pvt. Ltd.	41,700,000	-	-	-	41,700,000
5. Arihant Vatika Realty Pvt. Ltd.	8,800,000	-	-	-	8,800,000
6. Arihant Technoinfra Pvt. Ltd.	91,100,000	-	-	-	91,100,000
<b>Loan Advance Given Repaid</b>					
1. Arihant Abode Ltd.	372,031,144	-	-	-	372,031,144
2. Arihant Aashiyana Pvt. Ltd.	204,300,000	-	-	-	204,300,000
3. Adeshwar Realty Pvt. Ltd.	130,500,000	-	-	-	130,500,000
4. Arihant Vatika Realty Pvt. Ltd.	46,487,637	-	-	-	46,487,637
5. Arihant Technoinfra Pvt. Ltd.	25,200,000	-	-	-	25,200,000

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

	Subsidiaries	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
<b>Interest Received</b>					
1. Arihant Abode Ltd.	19,818,818	-	-	-	19,818,818
2. Arihant Aashiyana Pvt. Ltd.	22,742,367	-	-	-	22,742,367
3. Adeshwar Realty Pvt. Ltd.	25,177,630	-	-	-	25,177,630
4. Arihant Gruhnirman Pvt. Ltd.	3,054,812	-	-	-	3,054,812
5. Arihant Vatika Realty Pvt. Ltd.	764,230	-	-	-	764,230
6. Arihant Technoinfra Pvt. Ltd.	4,793,467	-	-	-	4,793,467
<b>Loan Taken</b>					
1. Ashok B. Chhajer	-	182,769,270	-	-	182,769,270
2. Nimesh Shah	-	500,000	-	-	500,000
3. Adinath Realty Pvt. Ltd.	-	-	-	32,500,000	32,500,000
<b>Loan Repaid</b>					
1. Ashok B. Chhajer	-	369,950,000	-	-	369,950,000
2. Adinath Realty Pvt. Ltd.	-	-	-	16,050,000	16,050,000
<b>Interest Paid</b>					
1. Ashok B. Chhajer	-	18,937,445	-	-	18,937,445
2. Nimesh Shah	-	19,929	-	-	19,929
3. Adinath Realty Pvt. Ltd.	-	-	-	1,534,205	1,534,205
<b>Directors Remuneration</b>					
1. Ashok B. Chhajer	-	2,400,000	-	-	2,400,000
2. Nimesh Shah	-	2,806,117	-	-	2,806,117
3. Dinkar Samant	-	3,219,867	-	-	3,219,867
<b>Investment in Properties</b>					
1. Sai Mahaavir Developers	-	-	-	10,000,000	10,000,000
<b>II. Balance Outstanding at the year end:</b>					
1. Arihant Abode Ltd.					
Closing Balance	45,294,117	-	-	-	45,294,117
Opening Balance	(311,289,546)	-	-	-	(311,289,546)
2. Arihant Aashiyana Pvt. Ltd.					
Closing Balance	118,954,390	-	-	-	118,954,390
Opening Balance	(185,886,260)	-	-	-	(185,886,260)
3. Adeshwar Realty Pvt. Ltd.					
Closing Balance	186,312,043	-	-	-	186,312,043
Opening Balance	(203,802,176)	-	-	-	(203,802,176)
4. Arihant Gruhnirman Pvt. Ltd.					
Closing Balance	46,903,149	-	-	-	46,903,149
Opening Balance	(2,453,818)	-	-	-	(2,453,818)

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

	Subsidiaries	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
5. Arihant Vatika Realty Pvt. Ltd.					
Closing Balance	-	-	-	-	-
Opening Balance	(36,999,829)	-	-	-	(36,999,829)
6. Arihant Technoinfra Pvt. Ltd.					
Closing Balance	77,652,601	-	-	-	77,652,601
Opening Balance	(7,438,481)	-	-	-	(7,438,481)
7. Ashok B. Chhajer					
Closing Balance	-	78,419,347	-	-	78,419,347
Opening Balance	-	(248,556,376)	-	-	(248,556,376)
8. Nimesh Shah					
Closing Balance	-	519,929	-	-	519,929
Opening Balance	-	-	-	-	-
9. Adinath Realty Pvt. Ltd.					
Closing Balance	-	-	-	17,830,783	17,830,783
Opening Balance	-	-	-	-	-
10. Ashok B. Chhajer (Security Deposit)					
Closing Balance	-	2,000,000	-	-	2,000,000
Opening Balance	-	(2,000,000)	-	-	(2,000,000)
11. Ashok B. Chhajer (Directors Remuneration)					
Closing Balance	-	50,000	-	-	50,000
Opening Balance	-	(200,000)	-	-	(200,000)
12. Nimesh Shah (Directors Remuneration)					
Closing Balance	-	223,125	-	-	223,125
Opening Balance	-	(200,000)	-	-	(200,000)
13. Dinkar Samant (Directors Remuneration)					
Closing Balance	-	246,667	-	-	246,667
Opening Balance	-	(211,029)	-	-	(211,029)
14. Sangeeta A. Chhajer (Security Deposit)					
Closing Balance	-	-	20,000,000	-	20,000,000
Opening Balance	-	-	(20,000,000)	-	(20,000,000)
15. Sai Mahaavir Developers					
Closing Balance	-	-	-	10,000,000	10,000,000
Opening Balance	-	-	-	-	-

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014**

**26 DISCLOSURES UNDER ACCOUNTING STANDARDS 20**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
Earnings per share		
Basic		
Continuing operations		
Net profit / for the year from continuing operations attributable to the equity shareholders	<b>27,953,740</b>	49,084,505
Weighted average number of equity shares	<b>41,159,991</b>	41,159,991
Par value per share	<b>10</b>	10
Earnings per share from continuing operations - Basic	<b>0.68</b>	1.19

**27 DISCLOSURES UNDER ACCOUNTING STANDARDS 22**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
<b>Deferred tax (liability) / asset</b>		
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book balance and tax balance of fixed assets	<b>2,017,161</b>	1,969,370
Tax effect of items constituting deferred tax liability	<b>2,017,161</b>	1,969,370
<b>Tax effect of items constituting deferred tax assets</b>		
Others	<b>433,698</b>	959,749
Tax effect of items constituting deferred tax assets	<b>433,698</b>	959,749
<b>Net deferred tax (liability) / asset</b>	<b>(1,583,462)</b>	(1,009,621)

In terms of our report attached.

**M/S KAILASH CHAND JAIN & CO.**  
CHARTERED ACCOUNTANTS  
Firm Reg. No.: 112318W

**Sd/-**  
**Dipesh Mehta**  
Partner  
M.No.: 134607

Place : Mumbai  
Date : 28/04/2014

For and on behalf of the Board of Directors

**Sd/-**  
**Ashok B. Chhajer**  
Chairman & MD

**Sd/-**  
**Nimish Shah**  
Whole Time Director

**Sd/-**  
**Pranita Bhise**  
Company Secretary

## INDEPENDENT AUDITOR'S REPORT

To  
 The Board of Directors of

### **Arihant Superstructures Limited**

We have audited the accompanying consolidated financial statement of Arihant Superstructures Limited ('the Company') and its subsidiaries, which comprise the consolidated Balance sheet as at 31st March 2014, the consolidated Statement of Profit & Loss and the consolidated Cash flow statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the consolidated Financial Statements**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, financial performance and consolidated cash flows of the company in the accordance with accounting principle generally accepted in India. The responsibility includes the design , Implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

### **Opinion**

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

- i. In the case of the consolidated Balance sheet, of the state of affairs of the company as at 31st March 2014.
- ii. In case of the consolidated statement of profit & Loss, of the profit for the year ended on that date and
- iii. In the case of consolidated Cash flow statement, of the cash flows for the year ended on that date.

For and on behalf of  
**KAILASH CHAND JAIN & CO.**  
 CHARTERED ACCOUNTANTS  
 Firm Registration No. I 12318W.

Sd/-  
**DIPESH MEHTA**  
 PARTNER  
 Membership No. 134607

Place : Mumbai  
 Dated : 28/04/2014

**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2014**

(Amount in ₹)

Particulars	Notes	As at 31 March, 2014	As at 31 March, 2013
<b>A EQUITY AND LIABILITIES</b>			
<b>I Shareholders' funds</b>			
(a) Share capital	3	<b>411,599,910</b>	411,599,910
(b) Reserves and surplus	4	<b>101,496,616</b>	<u>110,184,046</u>
		<b>513,096,526</b>	<u>521,783,956</u>
<b>2 Minority Interest</b>		<b>14,619,344</b>	517,199
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	5	<b>402,983,053</b>	334,666,066
(b) Deferred tax liabilities (net)	27	<b>2,942,312</b>	<u>1,138,525</u>
		<b>405,925,366</b>	<u>335,804,591</u>
<b>4 Current liabilities</b>			
(a) Short-term borrowings	6	<b>1,065,233,530</b>	917,623,556
(b) Trade payables	7	<b>80,789,760</b>	83,868,594
(c) Other current liabilities	8	<b>1,091,145,322</b>	546,159,586
(d) Short Term provisions	9	<b>73,546,604</b>	106,059,642
		<b>2,310,715,216</b>	<u>1,653,711,381</u>
<b>TOTAL</b>		<b>3,244,356,453</b>	<u>2,511,817,127</u>
<b>B ASSETS</b>			
<b>I Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10.A	<b>52,877,298</b>	34,538,372
(ii) Intangible assets	10.B	<b>1,242,151</b>	1,834,971
(iii) Capital WIP		<b>223,754,263</b>	51,290,739
(b) Non-current investments	11	<b>54,569,422</b>	10,000
(c) Loans & Advances	12	<b>32,129,770</b>	<u>32,129,770</u>
		<b>364,572,905</b>	<u>119,803,852</u>
<b>2 Current assets</b>			
(a) Current Investment	13	<b>660,293</b>	660,293
(b) Inventories	14	<b>1,295,955,175</b>	835,276,368
(c) Trade receivables	15	<b>32,394,759</b>	261,495
(d) Cash and cash equivalents	16	<b>54,587,620</b>	31,879,762
(e) Short-term loans and advances	17	<b>218,036,337</b>	199,415,182
(f) Other Current Assets	18	<b>1,278,149,364</b>	<u>1,324,520,175</u>
		<b>2,879,783,548</b>	<u>2,392,013,275</u>
<b>TOTAL</b>		<b>3,244,356,453</b>	<u>2,511,817,127</u>

See accompanying notes forming part of the financial statements I & 2

In terms of our report attached.

**M/S KAILASH CHAND JAIN & CO.**

CHARTERED ACCOUNTANTS

Firm Reg. No.: 112318W

Sd/-

**Dipesh Mehta**

Partner

M.No.: 134607

Place : Mumbai

Date : 28/04/2014

For and on behalf of the Board of Directors

Sd/-

**Ashok B. Chhajer**

Chairman & MD

Sd/-

**Nimish Shah**

Whole Time Director

Sd/-

**Pranita Bhise**

Company Secretary

## STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED

(Amount in ₹)

Particulars	Notes	31st March 2014	31st March 2013
<b>1 Revenue from operations</b>	19	<b>1,000,613,529</b>	704,490,047
<b>2 Other income</b>	20	<b>4,610,946</b>	12,295,158
<b>3 Total revenue (1+2)</b>		<b>1,005,224,474</b>	<b>716,785,205</b>
<b>4 Expenses</b>			
(a) Cost of construction, land and development expenses	21.a	<b>1,128,469,231</b>	845,582,264
(b) Purchase of stock in trade	21.b	-	47,940,000
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21.c	<b>(460,678,808)</b>	(385,420,559)
(d) Employee benefits expense	22	<b>60,695,348</b>	46,037,117
(e) Finance costs	23	<b>141,480,139</b>	92,820,642
(f) Depreciation expense	10	<b>5,527,662</b>	3,738,766
(g) Other expenses	24	<b>71,771,813</b>	71,978,277
<b>Total expenses</b>		<b>947,265,385</b>	<b>722,676,507</b>
<b>5 Profit / before tax (3 - 4)</b>		<b>57,959,089</b>	(5,891,303)
<b>6 Tax expense:</b>			
(a) Current tax expense for current year		<b>38,688,869</b>	23,045,738
(b) Deferred tax		<b>1,803,788</b>	648,069
		<b>40,492,657</b>	<b>23,693,807</b>
<b>7 Profit / (Loss) from continuing operations before minority interest</b>		<b>17,466,432</b>	(29,585,110)
<b>8 Minority Interest</b>		<b>(14,102,145)</b>	<b>93,994</b>
<b>9 Profit / (Loss) for the period</b>		<b>3,364,287</b>	(29,491,116)
<b>10 Earnings per share (of ₹10/- each):</b>			
(a) Basic	26	<b>0.42</b>	(0.72)
See accompanying notes forming part of the financial statements	I & 2		

In terms of our report attached.

**M/S KAILASH CHAND JAIN & CO.**  
CHARTERED ACCOUNTANTS  
Firm Reg. No.: 112318W

**Sd/-**  
**Dipesh Mehta**  
Partner  
M.No.: 134607

Place : Mumbai  
Date : 28/04/2014

For and on behalf of the Board of Directors

**Sd/-**  
**Ashok B. Chhajer**  
Chairman & MD

**Sd/-**  
**Nimish Shah**  
Whole Time Director

**Sd/-**  
**Pranita Bhise**  
Company Secretary

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED

(Amount in ₹)

Particulars	31st March 2014	31st March 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and before Extra ordinary Items :	<b>57,959,090</b>	(5,891,303)
<b>Adjustment for Non Cash Items</b>		
Depreciation	<b>5,527,662</b>	3,738,766
Gratuity Provision	-	611,359
Add: Interest paid	<b>103,348,338</b>	-
<b>Less :- Non Operating Income</b>		
Gain on sale of Investment	-	(1,934,400)
Profit on sale of Investment	-	(626,054)
Interest Received	<b>(2,286,996)</b>	(1,031,808)
<b>Cash flow from operating Activities before working capital changes</b>	<b>164,548,095</b>	(5,133,440)
<b>Changes in Working Capital:-</b>		
(Increase)/ Decrease in Trade & Other Receivable	<b>(259,583,999)</b>	(1,420,080,855)
Increase/ (Decrease) in Current Liabilities & Provision	<b>542,236,870</b>	380,995,635
Cash Flow from Operations before Income Tax	<b>447,200,965</b>	(1,044,218,660)
less: Income tax paid	<b>(2,642,037)</b>	(34,645)
Cash Flow from Operating Activities Before extraordinary & exceptional items	<b>444,558,928</b>	(1,044,253,305)
Exceptional Items :	-	-
<b>Net Cash flow from operating activities</b>	<b>444,558,928</b>	(1,044,253,305)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets ( Net )	<b>(200,530,760)</b>	(66,166,626)
Interest Received	<b>2,286,996</b>	1,031,808
Capital Advance Granted	-	(10,376,554)
Gain on sale of Investment	-	1,934,400
Profit on sale of Investment	-	626,054
(Purchase)/Sale of Investments	<b>(54,559,422)</b>	(630,371)
<b>Cash Generated from Investment Activities</b>	<b>(252,803,187)</b>	(73,581,290)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	137,199,970
Increase / (Decrease) in Secured Loans	<b>(31,218,117)</b>	923,180,645
Increase / (Decrease) in Unsecured Loans	<b>(25,608,731)</b>	(144,566,587)
Less: Interest Expenses	<b>(102,653,600)</b>	-
Proceeds from Share Premium	-	27,439,994
Dividend and Dividend distribution tax Paid	<b>(9,567,434)</b>	(9,567,434)
Cash Generated from Financial Activities	<b>(169,047,883)</b>	933,686,588
Net Increase in Cash & Cash Equivalents	<b>22,707,858</b>	(184,148,006)
Opening Balance of Cash & Cash Equivalents	<b>31,879,762</b>	216,027,768
Closing Balance of Cash & Cash Equivalents	<b>54,587,620</b>	31,879,762

In terms of our report attached.

**M/S KAILASH CHAND JAIN & CO.**  
CHARTERED ACCOUNTANTS  
Firm Reg. No.: 112318W

Sd/-  
**Dipesh Mehta**  
Partner  
M.No.: 134607

Place : Mumbai  
Date : 28/04/2014

For and on behalf of the Board of Directors

Sd/-  
**Ashok B. Chhajer**  
Chairman & MD

Sd/-  
**Nimish Shah**  
Whole Time Director

Sd/-  
**Pranita Bhise**  
Company Secretary

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 1 CORPORATE INFORMATION

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

### 2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

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

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

#### 2.1 Summary of significant accounting policies

##### a. Principles of Consolidation

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

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

- i) Consolidated Financial Statement normally includes Consolidated Balance Sheet, Consolidated Statement of Profit & Loss, Consolidated Statement of Cash Flows and Notes to the Consolidated Financial Statement and Explanatory Statements that form an integral part thereof. The Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the parent for Standalone Financial Statements.
- ii) The Consolidated Financial Statements include the Financial Statements of the Company and all its subsidiaries, which are more than 50 percent owned or controlled as at March 31, 2014.
- iii) The Financial Statements of the parent company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances / transactions and resulting unrealised profits in full. The amounts shown in respect of reserves comprise the amount of relevant reserves as per the balance sheet of the parent company and its share in the post acquisition increase in the relevant reserves of the subsidiaries.

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

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

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

##### b. Investments

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

##### c. Other Significant Accounting Policy

There are set out under Note 2 - Significant Accounting Policy as given in the company's Standalone/ Separate Financial Statements.

### 3 SHARE CAPITAL

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	₹	Number of shares	₹
<b>(a) Authorised</b>				
6,00,00,000 Equity shares of ₹10 each	<b>60,000,000</b>	<b>600,000,000</b>	60,000,000	600,000,000
1,50,00,000 Preference Shares of ₹10 each	<b>15,000,000</b>	<b>150,000,000</b>	15,000,000	150,000,000
<b>(b) Issued</b>				
Equity shares of ₹10 each with voting rights	<b>41,159,991</b>	<b>411,599,910</b>	41,159,991	411,599,910
<b>(c) Subscribed and fully paid up</b>				
Equity shares of ₹10 each with voting rights	<b>41,159,991</b>	<b>411,599,910</b>	41,159,991	411,599,910
<b>Total</b>	<b>41,159,991</b>	<b>411,599,910</b>	41,159,991	411,599,910

#### Notes:

- (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Other changes (give details)	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2014			
- Number of shares	41,159,991	-	41,159,991
- Amount (₹)	411,599,910	-	411,599,910
Year ended 31 March, 2013			
- Number of shares	27,439,994	13,719,997	41,159,991
- Amount (₹)	274,399,940	137,199,970	411,599,910

### 4 RESERVES AND SURPLUS

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
Capital Reserve	<b>77,378</b>	<b>77,378</b>
	<b>77,378</b>	<b>77,378</b>
Share Premium		
Opening balance	<b>52,439,986</b>	24,999,992
Add: addition during the year	-	27,439,994
Closing balance	<b>52,439,986</b>	52,439,986
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	<b>57,666,683</b>	96,724,321
Add: Profit / (Loss) for the year	<b>3,364,287</b>	(29,491,116)
less: Provision for Dividend	<b>(10,289,997)</b>	(8,231,998)
less: Provision for Dividend tax	<b>(1,669,553)</b>	(1,335,436)
less: Provision for tax	<b>(92,167)</b>	-
less: Previous year tax adjustment	-	911
Closing balance	<b>48,979,253</b>	57,666,683
	<b>101,496,616</b>	<b>110,184,046</b>

**5 LONG-TERM BORROWINGS**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
(a) Other loans and advances		
<b>Secured Loans</b>		
Car Loan A/c with Federal Bank, Jodhpur(Fortuner)	-	676,070
Car Loan with Federal Bank Ford-Figo-Jodhpur	179,517	318,821
Car Loan with Federal Bank-Jodhpur(Endavour)	1,577,449	-
Car Loan with ICICI Bank (Jaguar)	3,611,633	4,379,653
Kotak Mahindra Prime Ltd (BMW GT)	1,776,245	2,905,714
Kotak Mahindra Prime Ltd (Honda City Black)	-	(1,235)
Kotak Mahindra Prime Ltd (Mahindra)	137,761	252,409
Kotak Mahindra Prime Ltd (Metal Honda City Loan)	-	(1,216)
Kotak Mahindra Prime Ltd (White Honda City Car )	-	(1,235)
Kotak Mahindra Prime Ltd (Santro Car)	124,304	235,439
Sundaram Finance- (Tata Winger)	180,615	341,468
Federal Bank Ltd- 0002318	26,917,083	370,135
Federal Bank Ltd- 0002326	85,462,889	7,008,688
Term Loan A/c Federal Bank -13697100002334 (Ayati)	21,324,359	-
Term Loan -HDFC	90,000,000	-
Term Loan -HDFC (A/c No-6210177887) ARHAM	48,489,083	189,454,735
Term Loan ICICI Bank Ltd (Amodini)-A168301001	123,202,115	128,726,620
<b>Total</b>	<b>402,983,053</b>	<b>334,666,066</b>

**Note :**

1. Term Loan from ICICI Bank is secured against land (with all the buildings and structures thereon) at admeasuring about 3949.41 sq.mtrs. Bearing plot no. 4, sector 24, village taloja, taluka panvel, district thane.
2. Term Loan from HDFC Bank (Arham) is secured against land bearing (i) survey no. 27, hissa no. 2A/1, (ii) survey no. 27, hissa no. 2A/2, (iii) survey no. 25, hissa no. 2 being at village koproli, taluka panvel, district raigad together with construction thereon present and future.
3. Term Loan from Federal Bank is secured against land (with all the buildings and structures thereon) at admeasuring about 192786 sq.mtrs. Bearing plot no. 6, 7, 8 & 9 at pal link road, dev nagar, jodhpur, rajasthan.
4. Term loan from federal bank ltd. is secured against land measuring 43948.79 sq. mtrs. at khasara no. 290/190 at village kamaipura, bhadresh, dist. Barmer, rajasthan. Further secured against factory building, shed and other structure to be constructed at an estimated cost of ₹ 1,317.06 Lakhs.
5. Term loan from HDFC Bank Ltd. Is secured against mortgage of 851971 sq. ft approx. of project land located at survey no. 20/1, 20/2, 20/3, 25/11, 22/4, 22/1, 21/2B, 22/2, 23/2, 25/9 and 22/3, pen road, adjacent to khalapur toll naka, dahivali, khopoli - 410203, Maharashtra.
6. Vehicles loans are secured against the vehicle itself.

**6 SHORT-TERM BORROWINGS**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
(a) Loans repayable on demand		
(i) From Bank		
Federal Bank Ltd-Buyer's Credit A/c	<b>36,708,664</b>	-
(ii) From Related Parties		
<b>Loans From Directors</b>		
Ashok B Chhajer	<b>125,381,479</b>	403,776,443
Nimesh Shah	<b>519,929</b>	-
<b>Loan From Others</b>		
Adinath Realty Pvt. Ltd	<b>17,830,783</b>	-
Desert Eagle Security Services Pvt. Ltd	<b>63,279,644</b>	56,537,543
Good Fly Distributors Pvt Ltd	<b>31,949,584</b>	20,411,021
Sarvodaya Refinery Pvt Ltd	<b>3,000,000</b>	3,000,000
Viratra Investment Consultants & Trading P. L	<b>20,000,000</b>	20,000,000
Akshay Agarwal	<b>99,666,965</b>	160,256,066
Sangeeta A Chhajer	<b>2,908,657</b>	22,729,168
Shree Bhairavnath Garment Pvt Ltd	<b>113,087,888</b>	103,533,152
Kirtika Agarwal	<b>16,627,287</b>	-
Arihant Universal Realty Pvt. Ltd	<b>415,584,151</b>	39,762,613
Sujata Agarwal	<b>66,618,724</b>	-
Balar Fabrics Pvt Ltd	-	4,562,570
Jagprem Chemicals Pvt Ltd	-	14,083,986
Marnite Enterprises Pvt. Ltd.	<b>13,807,743</b>	12,336,603
Marnite Shoppe Pvt. Ltd.	<b>29,016,424</b>	32,960,027
Marnite Steel Pvt. Ltd.	<b>4,033,245</b>	9,245,944
Pragya Textiles Pvt. Ltd	-	1,596,334
Tulsi Guru Textile Pvt Ltd	-	2,983,627
Vivek Textech Pvt Ltd	-	9,848,459
Vara Prashad Atluri	<b>5,212,363</b>	-
<b>Total</b>	<b>1,065,233,530</b>	<b>917,623,556</b>

**7 TRADE PAYABLES** (Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
(a) Trade payables:		
Sundry creditors	<b>54,850,892</b>	70,382,846
Retention	<b>25,938,868</b>	13,485,748
<b>Total</b>	<b>80,789,760</b>	<b>83,868,594</b>

**8 OTHER CURRENT LIABILITIES** (Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
(a) Bookings	<b>1,068,688,747</b>	527,265,871
(b) Customer security deposit	<b>1,909,667</b>	-
(c) Other payables		
(i) Statutory remittances		
VAT Payable	<b>2,892,211</b>	378,431
Service tax payable	<b>(1,352,300)</b>	3,691,460
TDS Payable	<b>7,635,123</b>	7,819,389
WCT Payable	<b>1,078</b>	672,406
(ii) Others		
Gratuity Payable	<b>716,322</b>	1,164,375
Audit Fees Payable	<b>765,000</b>	773,600
Salary Payable	<b>7,740,188</b>	3,871,141
Other liabilities	<b>2,149,286</b>	522,913
<b>Total</b>	<b>1,091,145,322</b>	<b>546,159,586</b>

**9 SHORT TERM PROVISIONS** (Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
Provision for Tax	<b>61,587,053</b>	96,492,208
Provision for Dividend	<b>10,289,998</b>	8,231,998
Provision for Dividend tax	<b>1,669,553</b>	1,335,436
<b>Total</b>	<b>73,546,604</b>	<b>106,059,642</b>

**Note I 0: Fixed assets**

(Amount in ₹)

<b>A. Tangible assets</b>		Gross block		Disposals		Balance as at 31 March, 2014		Balance as at 1 April, 2013		Depreciation for the year		Accumulated depreciation and impairment on disposal of assets		Eliminated on disposal of assets		Balance as at 31 March, 2014		Balance as at 31 March, 2014		Net block		
(a) Building																						
Owned																						
Shop (A. Sudhi)		1,644,720	-			1,644,720	-	71,394	76,809	-	-	98,203	-	1,546,517	-	1,573,326	-					
(b) Computer																						
Own use																						
Computer		2,448,784	1,789,91	-		4,738,775	-	992,820	722,97	-	-	1,715,79	-	3,022,98	-	1,955,76	-					
Printer		214,176	66,06	-		280,236	-	66,308	43,124	-	-	109,42	-	170,804	-	147,86	-					
UPS		180,100	261,49	-		441,509	-	65,008	66,925	-	-	131,93	-	309,576	-	15,09	-					
Plotter		-	80,00	-		80,000	-	-	11,121	-	-	11,121	-	68,879	-							
Scanner		155,509	-	-		155,509	-	63,088	25,209	-	-	88,297	-	67,212	-	92,42	-					
(c) Plant and Equipment																						
Owned																						
Construction Machinery		605,517	85,500	-		691,017	-	58,085	29,318	-	-	87,403	-	603,614	-	547,432	-					
Bar Bending & Cutting Machine		279,410	28,415	-		307,825	255	-	13,605	-	-	13,860	-	293,965	-	279,155	-					
Concrete Batching Plant		-	1,700,00	-		1,700,000	-	1,893,569	-	-	-	60,617	-	1,639,383	-							
Concrete Pump		-	1,893,569	-		1,893,569	-	763,687	2,246	-	-	67,520	-	67,520	-							
Container		210,500	553,187	-		461,882	-	461,882	-	-	-	16,229	-	445,653	-	208,254	-					
Tough Rider Machine		-	1,389,132	-		1,389,132	-	-	-	-	-	22,055	-	22,055	-							
Tower Cane		-	913,125	-		913,125	-	1,223,007	10,953	-	-	29,112	-	1,64,604	-	1,367,07	-					
Weight Scale		-	826,000	-		29,500	-	29,500	4,544	-	-	47,450	-	58,403	-	386,054	-					
Generator		397,007	-	-		12,300,677	-	768,330	726,846	-	-	1,495,676	-	10,805,001	-	23,555	-					
Projector		-	29,500	-		-	-	-	-	-	-	-	-	5,945	-	24,956	-					
(d) Furniture and Fixtures		5,137,580	7,163,97	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,368,750	-	
(e) Vehicles		-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Owned																						
Motor Cycle		112,495	-			112,495	-	25,14	10,688	-	-	35,829	-	76,666	-	87,354	-					
Motor Car		25,814,433	3,125,462	-		28,939,895	-	4,199,877	2,561,570	-	-	6,761,447	-	22,178,448	-	21,614,556	-					
(f) Equipment																						
Owned																						
Camera		206,098	5,400	-		211,498	-	17,567	9,856	-	-	27,423	-	184,075	-	188,531	-					
Equipment		491,899	520,771	-		1,012,670	-	37,122	32,856	-	-	69,978	-	942,692	-	454,777	-					
Television		234,650	23,850	-		260,500	-	21,317	11,464	-	-	32,781	-	22,719	-	21,333	-					
Air Conditioner		556,050	1,012,679	-		1,568,729	-	59,089	68,402	-	-	127,491	-	1,441,138	-	496,961	-					
D.G. Set		746,000	-			746,000	-	33,461	35,435	-	-	68,896	-	67,104	-	712,539	-					
Battery & Inverter		537,097	582,665	-		1,119,762	-	58,565	39,263	-	-	97,828	-	1,02,194	-	478,532	-					
Finger Print Machine		-	10,856	-		10,836	-	302	-	-	-	302	-	10,554	-							
Security Cabin		-	505,125	-		505,125	-	-	21,458	-	-	21,458	-	48,667	-							
Water Coffer		-	29,500	-		29,500	-	-	1,182	-	-	1,182	-	28,318	-							
Water Dispenser		-	10,300	-		10,300	-	-	448	-	-	448	-	9,852	-							
Mini Lift		-	99,750	-		99,750	-	1,973	4,738	-	-	6,711	-	93,039	-	97,777	-					
Mobile		371,457	-			371,457	-	17,646	17,646	-	-	47,955	-	323,502	-	34,148	-					
Microwave Oven		4,150	-			4,150	-	581	197	-	-	778	-	3,372	-	3,569	-					
Kitchen Appliances		7,000	8,800	-		15,800	-	954	536	-	-	1,490	-	14,310	-	6,046	-					
Note Counting Machine		65,612	-			65,612	-	5,881	3,118	-	-	8,999	-	56,613	-	59,731	-					
Office Appliances		62,619	10,856	-		73,475	2,091	-	3,103	3,103	-	5,194	-	68,281	-	60,528	-					
Tea Coffee Vending Machine		-	21,163	-		21,163	-	44,241	3,533	-	-	884	-	884	-	20,379	-					
Refrigerator		27,250	16,991	-		41,139,363	23,097,885	64,237,248	6,600,991	4,758,959	-	-	5,545	-	38,696	-	23,717	-				
Total		41,139,363	28,335,559	12,803,804	-	41,139,363	3,616,181	-	2,984,810	-	-	6,600,991	-	11,359,950	52,877,298	34,538,372	24,719,378	-				
B. Intangible assets																						
(a) Computer Software		3,637,691	175,884	-		3,813,575	-	1,948,036	745,933	-	-	2,593,969	-	1,219,606	-	1,789,655	-					
(b) Software D/H		25,357	-			25,357	-	11,241	5,071	-	-	16,312	-	9,045	-	14,116	-					
(c) Trade Mark		88,500	-			88,500	-	57,300	17,700	-	-	75,000	-	-	-	31,200	-					
Total		3,751,548	175,884	-		3,927,432	-	1,916,577	748,704	-	-	753,956	-	1,62,621	1,242,151	1,834,971	1,740,889	-				
Previous year		2,902,710	846,838	-		3,751,548	-	1,62,621	-	-	-	6,600,991	-	34,538,372	-	24,719,378	-					

**11 NON-CURRENT INVESTMENTS**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
	Unquoted	Unquoted
<b>Investments (At cost):</b>		
<b>A. Trade</b>		
(a) Investment in equity instruments		
Arihant Paradise Realty Pvt. Ltd.	<b>44,558,422</b>	-
Mahaavir Universal Homes Pvt. Ltd.	<b>1,000</b>	-
(b) Investment in Properties		
Sai Mahaavir Developers	<b>10,000,000</b>	-
(c) Investment in LLP		
Arihant Aksh Realty LLP	<b>10,000</b>	10,000
	<b>Total</b>	<b>54,569,422</b>
		<b>10,000</b>

**12 LONG TERM LOANS AND ADVANCES**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
<b>Security Deposits</b>		
Ashok B Chhajer (Deposit Jodhpur Office)	<b>2,000,000</b>	2,000,000
Deposit-JDA	<b>2,500,000</b>	2,500,000
Deposit-Jodhpur Development Authority	<b>5,000,000</b>	5,000,000
J.V.V.N. Ltd Agrima	<b>293,949</b>	293,949
J.V.V.N. Ltd., Jodhpur	<b>51,380</b>	51,380
Security Deposit-Nagar Nigam Jodhpur-Ayati	<b>1,065,000</b>	1,065,000
Debris Deposit A/c (A-Arohi)	<b>610,056</b>	610,056
Permission Deposit A/c (A-Arohi)	<b>564,302</b>	564,302
Registrar City Civil Court	<b>45,083</b>	45,083
Sangeeta Chhajer (Deposit Ag. Office)	<b>20,000,000</b>	20,000,000
	<b>Total</b>	<b>32,129,770</b>
		<b>32,129,770</b>

**13 CURRENT INVESTMENTS**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
<b>Interest in LLP</b>		
Arihant Aksh Realty LLP(Current A/c)	<b>660,293</b>	660,293
	<b>Total</b>	<b>660,293</b>
		<b>660,293</b>

**14 INVENTORIES**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
(a) Finished goods	22,427,730	9,445,578
(b) Work in Progress	1,273,527,445	825,830,789
<b>Total</b>	<b>1,295,955,175</b>	<b>835,276,367</b>

**15 TRADE RECEIVABLES**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
Trade receivables		
Unsecured, considered good	32,394,759	261,495
<b>Total</b>	<b>32,394,759</b>	<b>261,495</b>

**16 CASH AND CASH EQUIVALENTS**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
(a) Cash in hand	6,617,641	4,257,602
(b) Foreign Currency	223,048	223,048
(c) Balances with banks		
(i) In current accounts	(10,092,725)	(12,715,069)
(ii) In escrow account	100,000	368,948
(iii) In deposit accounts		
Deposits with original maturity for more than 3 months but less than 12 months	35,409,656	33,245,233
Deposits with original maturity within 3 months	22,330,000	6,500,000
<b>Total</b>	<b>54,587,620</b>	<b>31,879,762</b>

**17 SHORT-TERM LOANS AND ADVANCES**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
<b>(a) Security deposits</b>		
Unsecured, considered good		
Deposit-Bombay Stock Exchange	1,646,400	1,646,400
Security Deposit-Cidco Ltd-Fire	20,000	20,000
Security Deposit - MSEDCI A-Abhilasha	91,300	21,200
Security Deposit-MSEDCI-A.Arham	16,780	16,780
Security Deposit-MSEDCI-Amodini	41,154	41,154
Security Deposit-Cidco Ltd (Abhilasha)	124,000	124,000
Security Deposit-Diesel	50,000	50,000
Kalpana Maruti Patil - Shop Deposit	250,000	250,000
AEN CSDI (Deposit Temp. Ele Connection)	-	433,525
MSEDCI Deposit	172,383	87,883
Deposits-Kulgaon Badlapur Municipal Council	90,000	90,000
Other Deposits	350,000	982,329
	<b>2,852,017</b>	<b>3,763,271</b>

Particulars	31 March, 2014	31 March, 2013
<b>(b) Loans and advances to employees</b>	<b>1,906,368</b>	548,013
	<b>1,906,368</b>	<b>548,013</b>
<b>(c) Advance Tax &amp; Tds</b>		
Advance Tax A.Y.2011-12	-	25,084,200
Advance Tax A.Y.2012-13	-	35,299,530
Advance Tax A.Y.2013-14	12,500,000	12,500,000
Advance Tax A.Y.2014-15	14,500,000	-
TDS Rec. A.Y. 2011-12	-	9,730,474
TDS Rec. A.Y. 2012-13	148,890	4,335,325
TDS Rec. A.Y. 2013-14	12,065,781	12,056,350
TDS Rec. A.Y. 2014-15	8,942,706	-
Income Tax Refund	54,243	359,736
CENVAT Credit	11,108,492	823,328
Service Tax Credit	2,583,952	-
	<b>61,904,064</b>	<b>100,188,943</b>
<b>(d) Others</b>		
Advances Against Land	100,929,297	88,573,733
Other Advances	(148,879)	5,747,752
Anil Corporation, Suchit Bachlli & Ankohley & Co.	593,470	593,470
Mahaavir Universal Homes Pvt. Ltd.	50,000,000	-
	<b>151,373,888</b>	<b>94,914,955</b>
<b>Total</b>	<b>218,036,337</b>	<b>199,415,182</b>

**18 OTHER CURRENT ASSETS**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
Land -Arihant Aditha(Gangana) Jodhpur	22,172,281	25,843,568
Land -Arihant Ayati (Devnagar) Jodhpur	120,317,340	103,415,904
Land-(Padle) Arohi	113,878,500	74,664,500
Land Cost - Mahodar	138,031,732	133,249,132
Land Cost-Karjat	59,181,392	49,740,497
Land Cost- Ghot, Taloja	171,274,863	160,239,461
Land Cost- Palaspe	421,311,264	428,738,668
Land Cost- Dahivali	196,553,558	274,824,295
Land Cost- Juveli	20,026,470	72,608,831
Advance Against Land Techno	1,281,562	676,190
Prepaid expenses - Unsecured, considered good	611,020	354,324
Interest accrued on fixed deposits	1,240,329	164,804
Preliminary Expenses	12,269,052	-
<b>Total</b>	<b>1,278,149,364</b>	<b>1,324,520,175</b>

**19 REVENUE FROM OPERATIONS**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
(a) Sale of products (Refer Note (i) below)	<b>1,000,613,529</b>	704,490,047
<b>Total</b>	<b>1,000,613,529</b>	<b>704,490,047</b>
<b>Note</b>		
<b>(i) Manufactured Finished / Unfinished Goods Sold</b>		
Arihant Arham	<b>137,548,996</b>	169,741,821
Arihant Adita	<b>227,279,968</b>	146,176,713
Arihant Amodini	<b>115,585,096</b>	135,632,358
Arihant Abhilasha	<b>3,500,000</b>	102,173,704
Arihant Anmol	<b>340,527,052</b>	-
Arihant Arshiya	<b>176,453,307</b>	-
<b>Traded goods</b>		
Arihant Abhilasha Flats	-	55,710,700
Sale of Dhaivali Land	-	7,500,000
<b>Other operating revenue</b>		
Extra Amenities Abhilasha	<b>(120,100)</b>	27,859,251
Extra Amenities Arham	<b>(160,791)</b>	59,695,500
<b>Total - Sale of products</b>	<b>1,000,613,529</b>	<b>704,490,047</b>

**20 OTHER INCOME**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
(a) Interest income		
From banks (Refer note (i) below)	<b>3,287,450</b>	8,831,608
(b) Other non-operating income (Refer note (ii) below)	<b>1,323,496</b>	3,463,550
<b>Total</b>	<b>4,610,946</b>	<b>12,295,158</b>

**Note**

(i) Interest income comprises:		
Interest from banks on:		
Fixed Deposits	<b>1,000,454</b>	7,799,800
Other balances	<b>2,286,996</b>	1,031,808
<b>Total - Interest income</b>	<b>3,287,450</b>	<b>8,831,608</b>
(ii) Other non-operating income comprises:		
Brokerage Income	-	290,550
Interest on Income Tax Refund	<b>19,657</b>	-
Rent Received	<b>35,000</b>	-
Insurance Claim Received	<b>61,329</b>	1,522
Income from Mutual Funds	-	1,934,400
Share Profit-Arihant Aksh Reality LLP	-	626,054
Other Income	<b>620,017</b>	2,550
Welfare fund	<b>377,509</b>	-
Discount Received	<b>209,984</b>	608,474
<b>Total - Other non-operating income</b>	<b>1,323,496</b>	<b>3,463,550</b>

**21.a Cost of construction, land and development expenses**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
Purchases (Refer note (i) below)	<b>503,682,334</b>	456,055,262
Land Cost (Refer note (ii) below)	<b>148,985,653</b>	26,563,451
Direct Expenses (Refer note (iii) below)	<b>475,801,244</b>	362,963,551
<b>Total</b>	<b>1,128,469,231</b>	<b>845,582,264</b>

**Notes :**

## i) Purchases

Arihant Arham	<b>34,840,570</b>	140,380,848
Arihant Adita	<b>145,624,610</b>	89,122,568
Arihant Arohi	<b>11,463,724</b>	6,389,945
Arihant Ayati	<b>26,523,342</b>	12,807,136
Arihant Amodini	<b>32,002,648</b>	62,995,371
Arihant Abhilasha	<b>12,498,336</b>	43,670,274
Arihant Agrima	<b>33,144,537</b>	39,872,992
Arihant Anmol	<b>83,673,623</b>	44,324,538
Arihant Arhiya	<b>89,809,959</b>	7,030,372
Arihant Anshula	<b>600,230</b>	-
Arihant Amisha	<b>28,999,624</b>	1,867,749
Arihant Aloki	<b>1,153,933</b>	-
Arihant Akanksha	<b>3,347,198</b>	7,593,468
	<b>503,682,334</b>	<b>456,055,261</b>

## ii) Land Cost

Arihant Anmol	<b>52,582,361</b>	-
Arihant Arshiya	<b>89,867,545</b>	7,288,030
Arihant Adita	<b>6,535,747</b>	19,275,421
	<b>148,985,653</b>	<b>26,563,451</b>

## iii) Direct Expenses

Arihant Arham	<b>10,886,476</b>	81,648,868
Arihant Adita	<b>106,005,130</b>	72,465,604
Arihant Arohi	<b>20,541,451</b>	12,630,424
Arihant Ayati	<b>19,254,633</b>	10,510,675
Arihant Amodini	<b>33,491,922</b>	37,205,202
Arihant Abhilasha	<b>503,364</b>	32,618,497
Arihant Agrima	<b>66,372,810</b>	66,950,666
Arihant Anmol	<b>88,909,015</b>	33,023,157
Arihant Arhiya	<b>72,060,574</b>	10,431,098
Arihant Aloki	<b>15,684,522</b>	44,226
Arihant Amisha	<b>16,779,244</b>	2,371,908
Arihant Anshula	<b>994,236</b>	22,500
Arihant Akanksha	<b>24,317,867</b>	3,040,725
	<b>475,801,244</b>	<b>362,963,550</b>

**21.b Purchase of stock in trade**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
Flats	-	47,940,000
	-	47,940,000

**21.c Changes in inventories of WIP**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
<u>Inventories at the end of the year:</u>		
Traded goods (Refer note (i) below)	22,427,730	9,445,578
Incomplete projects (WIP) (Refer note (ii) below)	1,273,527,445	825,830,789
	<u>1,295,955,175</u>	<u>835,276,367</u>
<u>Inventories at the beginning of the year:</u>		
Traded goods (Refer note (iii) below)	9,445,578	4,437,532
Incomplete projects (WIP) (Refer note (iv) below)	825,830,789	445,418,276
	<u>835,276,367</u>	<u>449,855,808</u>
<b>Net (increase) / decrease</b>	<b>(460,678,808)</b>	<b>(385,420,559)</b>

**Notes :**

Inventories at the end of the year :

i) Traded goods

Arihant Arham	22427730.00	9,445,578
	<u>22,427,730</u>	<u>9,445,578</u>

ii) Incomplete projects (WIP)

Arihant Arham	-	95,404,554
Arihant Adita	141675637.00	112,968,701
Arihant Adita phase 2	69584654.00	17,500,000
Arihant Adita phase 3	6579095.00	-
Arihant Arohi	52052664.00	20,087,254
Arihant Ayati	70635424.00	24,955,260
Arihant Amodini	143430756.00	143,339,174
Arihant Abhilasha	-	-
Arihant Agreeema	293,963,956	184,040,567
Arihant Anmol	65,018,007	124,752,851
Arihant Anmol - 2nd Phase	13,536,067	-
Arihant Anmol - Remaining Phase	4,513,574	-
Arihant Arshya	162,824,789	26,588,026
Arihant Amisha	74,393,433	10,557,517
Arihant Anshula	3,871,590	2,277,124
Ariahnt Aloki	22,567,053	2,621,863
Arihant Akanksha	148,880,746	60,737,898
	<u>1,273,527,445</u>	<u>825,830,789</u>

Inventories at the beginning of the year :

iii) Traded goods

Arihant Arham	9,445,578	4,437,532
	<u>9,445,578</u>	<u>4,437,532</u>

Particulars	31 March, 2014	31 March, 2013
iv) Incomplete projects (WIP)		
Arihant Arham	<b>95,404,554</b>	90,793,338
Arihant Adita	<b>112,968,701</b>	55,600,899
Arihant Adita phase 2	<b>17,500,000</b>	-
Arihant Arohi	<b>20,087,254</b>	1,066,885
Arihant Ayati	<b>24,955,260</b>	1,637,460
Arihant Amodini	<b>143,339,174</b>	130,489,460
Arihant Abhilasha	-	12,588,810
Arihant Agreeema	<b>184,040,567</b>	77,226,060
Arihant Anmol	<b>124,752,851</b>	27,108,721
Arihant Arshya	<b>26,588,026</b>	-
Arihant Amisha	<b>10,557,517</b>	1,472,517
Arihant Anshula	<b>2,277,124</b>	2,254,624
Ariahnt Aloki	<b>2,621,863</b>	-
Arihant Akanksha	<b>60,737,898</b>	45,179,502
	<b>825,830,789</b>	445,418,276

**22 EMPLOYEE BENEFITS EXPENSE**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
Salaries, wages and bonus (Refer note (i) below)	<b>55542269.00</b>	40584054.00
Staff welfare expenses	<b>4,953,315</b>	4,394,952
Gratuity expenses	-	727,025
Contribution to provident fund	<b>199,764</b>	188,686
Software training expenses	-	142,400
<b>Total</b>	<b>60,695,348</b>	<b>46,037,117</b>

**Note (i) :**

Salary	<b>47,116,285</b>	33,887,086
Director Remuneration	<b>8,425,984</b>	6,696,968
<b>Total</b>	<b>55,542,269</b>	<b>40,584,054</b>

**23 FINANCE COSTS**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
(a) Interest expense on:		
Interest on secured loans	<b>39,604,109</b>	41,369,995
Interest on unsecured loans	<b>98,414,177</b>	49,096,193
(b) Others		
Loan Processing fees	<b>3,461,852</b>	2,354,454
<b>Total</b>	<b>141,480,138</b>	<b>92,820,642</b>

## 24 OTHER EXPENSES

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
Selling & Distribution (Refer note (24.i))	<b>28,511,351</b>	33,107,056
Legal and Professional Fees (Refer note (24.ii))	<b>5,572,662</b>	4,385,774
Rent, Rates & Taxes (Refer note (24.iii))	<b>3,607,094</b>	4,039,955
CSR expenses	<b>1,675,387</b>	-
Compensation	<b>13,835,975</b>	13,763,625
Directors Sitting Fees	<b>355,000</b>	430,000
Donation	<b>1,233,100</b>	67,000
Audit fees	<b>573,870</b>	842,700
ROC Fees	<b>69,823</b>	474,600
Administrative Expenses (Refer note (24.iv))	<b>15,092,547</b>	13,202,080
Others (Refer note (24.v))	<b>1,245,004</b>	1,665,487
<b>Total</b>	<b>71,771,813</b>	<b>71,978,277</b>

### Notes:

- (i) Payments to the auditors comprises (net of service tax input credit, where applicable):

As auditors	<b>573,870</b>	842,700
<b>Total</b>	<b>573,870</b>	<b>842,700</b>

## 24. i) Selling and Distribution Expenses

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
Advertisement Expenses	<b>18,246,623</b>	13,620,091
Branding	<b>3,098,023</b>	10,600
Brochure Expenses	<b>360,360</b>	445,156
Business Promotion	<b>2,813,509</b>	2,814,906
Brokerage	<b>75,000</b>	-
Corporate Promotion	-	2,759,964
Customer Delight	<b>418,249</b>	-
Exhibition Expenses	<b>488,075</b>	10,507,047
Retainer	<b>1,750,000</b>	2,073,904
Registration Charges	<b>49,660</b>	157,560
Selling & Distribution	<b>1,201,852</b>	689,738
Seminar Expenses	<b>10,000</b>	28,090
<b>Total</b>	<b>28,511,351</b>	<b>33,107,056</b>

**24. ii) Legal and Professional Fees**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
Consultancy Charges	<b>665,500</b>	134,813
Legal Expenses	<b>639,086</b>	411,421
Professional Fees	<b>3,673,580</b>	3,365,969
Stamping, Notarisation & Franking Charges	<b>593,896</b>	461,071
Survey Expenses	-	10,000
Translation Charges	<b>600</b>	2,500
<b>Total</b>	<b>5,572,662</b>	<b>4,385,774</b>

**24. iii) Rent, Rates and Taxes**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
Office Rent	<b>3,155,550</b>	3,723,688
NMMC Property Tax	<b>77,168</b>	77,168
Society Maintenance Charges	<b>208,776</b>	126,272
Firm Tax	-	13,751
Service Tax	-	99,076
Software Rent	<b>165,600</b>	-
<b>Total</b>	<b>3,607,094</b>	<b>4,039,955</b>

**24. iv) Administrative Expenses**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
Vehicle Expenses	<b>4,325,168</b>	2,310,619
AMC Charges	<b>155,083</b>	133,386
Power & Fuel	<b>1,471,623</b>	1,386,861
Communication	<b>1,709,170</b>	1,162,915
Electrical Material	<b>845</b>	12,348
Printing & Stationery	<b>2,035,947</b>	2,222,939
Travelling and conveyance	<b>1,521,346</b>	763,031
Computer Expenses	<b>1,106,211</b>	596,523
Postage and Courier	<b>137,801</b>	65,032
Repairs and Maintenance	<b>131,349</b>	130,287
Toll and Parking Charges	<b>44,682</b>	29,027
Labour Charges	<b>6,800</b>	163,231
Transport Expenses	<b>200</b>	28,246
Internet Expenses	<b>57,415</b>	56,649
Office Expenses	<b>293,424</b>	93,240
Sundry Balances Written Off	<b>7,586</b>	146,850

Particulars	31 March, 2014	31 March, 2013
Right Issue Expenses	-	918,169
General Expenses	<b>249,921</b>	197,021
Bank Charges	<b>46,790</b>	53,749
Insurance Expenses	<b>90,030</b>	27,502
Pest Control Expenses	<b>30,288</b>	4,000
Participation Expenses	<b>27,000</b>	-
Training Expenses	<b>25,000</b>	-
Foreign Exchange Fluctuation Loss	-	1,272
Membership Fees	<b>71,236</b>	-
Miscellaneous Expenses	<b>1,512,200</b>	2,699,183
Rate Diff. and Discount	<b>35</b>	-
VAT (expenses)	<b>35,397</b>	-
<b>Total</b>	<b><u>15,092,547</u></b>	<b><u>13,202,080</u></b>

**24. v) Others** (Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
Interest on Professional Tax	<b>4,000</b>	-
Interest on Service Tax	<b>204,313</b>	7,784
Interest on TDS	<b>142,653</b>	282,630
Interest on VAT	-	1,373,116
Interest on Income Tax	<b>694,738</b>	1,957
Penalty on Sales Tax	<b>180,900</b>	-
Preliminary Expenses Written Off	<b>18,400</b>	-
<b>Total</b>	<b><u>1,245,004</u></b>	<b><u>1,665,487</u></b>

## 25 Disclosures under Accounting Standards 18

### Related party transactions

#### Details of related parties:

Description of relationship	Names of related parties
Key Management Personnel (KMP)	1. Ashok B. Chhajer 2. Nimesh Shah 3. Dinkar Samant
Relatives of KMP	1. Sangeeta A. Chhajer
Company in which KMP / Relatives of KMP can exercise significant influence	1. Adinath Realty Pvt. Ltd. 2. Desert Eagle Security Services Pvt. Ltd. 3. Sarvodaya Refinery Pvt. Ltd. 4. Sai Mahaavir Developers 5. Arihant Universal Realty Pvt. Ltd. 6. Arihant Paradise Realty Pvt. Ltd. 7. Mahaavir Universal Homes Pvt. Ltd. 8. Balar Fabrics Pvt. Ltd. 9. Jagprem Chemicals Pvt. Ltd. 10. Marnite Enterprises Pvt. Ltd. 11. Marnite Shoppe Pvt. Ltd. 12. Marnite Steel Pvt. Ltd. 13. Pragya Textiles Pvt. Ltd. 14. Tulsi Guru Textiles Pvt. Ltd. 15. Vivek Textech Pvt. Ltd 16. Viratra Investment Consultants Pvt. Ltd.
Other Related Parties	1. Vara Prasad Atluri 2. Akshay Agarwal 3. Kritika A. Agarwal 4. Sujata Agarwal

Note: Related parties have been identified by the Management.

#### Details of related party transactions during the year ended 31 March, 2014 and balances outstanding as at 31 March, 2014:

	KMP	Relatives of KMP	Entities in which KMP/ relatives of KMP have significant influence	Other Related Parties	Total
<b>I. Transactions during the year :</b>					
<b>Loan Taken</b>					
1. Ashok B. Chhajer	289,769,270	-	-	-	289,769,270
2. Nimesh Shah	500,000	-	-	-	500,000
3. Adinath Realty Pvt. Ltd.	-	-	32,500,000	-	32,500,000
4. Arihant Universal Realty Pvt. Ltd.	-	-	477,100,000	-	477,100,000
5. Sangeeta A. Chhajer	-	72,750,000	-	-	72,750,000
6. Akshay Agarwal	-	-	-	23,725,000	23,725,000
7. Kritika A. Agarwal	-	-	-	16,000,000	16,000,000
8. Sujata Agarwal	-	-	-	63,100,000	63,100,000

	KMP	Relatives of KMP	Entities in which KMP/ relatives of KMP have significant influence	Other Related Parties	Total
<b>Loan Repaid</b>					
1. Ashok B. Chhajer	594,994,381	-	-	-	594,994,381
2. Adinath Realty Pvt. Ltd.	-	-	16,050,000	-	16,050,000
3. ARIHANT Universal Realty Pvt. Ltd.	-	-	132,950,000	-	132,950,000
4. Sangeeta A. Chhajer	-	93,079,168	-	-	93,079,168
5. Akshay Agarwal	-	-	-	98,236,671	98,236,671
6. Balar Fabrics Pvt. Ltd.	-	-	4,649,375	-	4,649,375
7. Jagprem Chemicals Pvt. Ltd.	-	-	14,382,479	-	14,382,479
8. Marnite Shoppe Pvt. Ltd.	-	-	7,500,000	-	7,500,000
9. Marnite Steel Pvt. Ltd.	-	-	6,000,000	-	6,000,000
10. Pragya Textiles Pvt. Ltd.	-	-	1,631,277	-	1,631,277
11. Tulsi Guru Textiles Pvt. Ltd.	-	-	3,039,136	-	3,039,136
12. Vivek Textech Pvt. Ltd.	-	-	10,031,368	-	10,031,368
13. Vara Prasad Atluri	-	-	-	5,000,000	5,000,000
<b>Interest Paid</b>					
1. Ashok B. Chhajer	30,133,381	-	-	-	30,133,381
2. Nimesh Shah	19,929	-	-	-	19,929
3. Adinath Realty Pvt. Ltd.	-	-	1,534,205	-	1,534,205
4. Desert Eagle Security Services Pvt. Ltd.	-	-	7,491,224	-	7,491,224
5. Sarvodaya Refinery Pvt. Ltd.	-	-	450,000	-	450,000
6. Viratra Investment Consultants Pvt. Ltd.	-	-	3,041,667	-	3,041,667
7. ARIHANT Universal Realty Pvt. Ltd.	-	-	27,585,286	-	27,585,286
8. Sangeeta A. Chhajer	-	1,851,202	-	-	1,851,202
9. Akshay Agarwal	-	-	-	16,679,124	16,679,124
10. Kritika A. Agarwal	-	-	-	696,986	696,986
11. Balar Fabrics Pvt. Ltd.	-	-	96,450	-	96,450
12. Jagprem Chemicals Pvt. Ltd.	-	-	900,960	-	900,960
13. Marnite Enterprises Pvt. Ltd.	-	-	1,634,600	-	1,634,600
14. Marnite Shoppe Pvt. Ltd.	-	-	3,951,553	-	3,951,553
15. Marnite Steel Pvt. Ltd.	-	-	874,779	-	874,779
16. Pragya Textiles Pvt. Ltd.	-	-	38,826	-	38,826
17. Tulsi Guru Textiles Pvt. Ltd.	-	-	61,677	-	61,677
18. Vivek Textech Pvt. Ltd.	-	-	203,232	-	203,232
19. Sujata Agarwal	-	-	-	3,909,694	3,909,694
20. Vara Prasad Atluri	-	-	-	235,959	235,959
<b>Loan Given</b>					
1. Mahaavir universal Homes Pvt. Ltd.	-	-	50,000,000	-	50,000,000
<b>Investment in Shares</b>					
1. Mahaavir universal Homes Pvt. Ltd.	-	-	1,000	-	1,000
<b>Interest Received</b>					
1. Mahaavir universal Homes Pvt. Ltd.	-	-	616,438	-	616,438

	KMP	Relatives of KMP	Entities in which KMP/ relatives of KMP have significant influence	Other Related Parties	Total
<b>Directors Remuneration</b>					
1. Ashok B. Chhajer	2,760,000	-	-	-	2,760,000
2. Nimesh Shah	2,806,117	-	-	-	2,806,117
3. Dinkar Samant	3,219,867	-	-	-	3,219,867
4. Akshay Agarwal	-	-	-	540,000	540,000
<b>Investment in Properties</b>					
1. Sai Mahaavir Developers	-	-	10,000,000	-	10,000,000
<b>II. Balance Outstanding at the year end:</b>					
1. Ashok B. Chhajer					
Closing Balance	125,381,479	-	-	-	125,381,479
Opening Balance	(368,947,470)	-	-	-	(368,947,470)
2. Nimesh Shah					
Closing Balance	519,929	-	-	-	519,929
Opening Balance	-	-	-	-	-
3. Arihant Universal Realty Pvt. Ltd.					
Closing Balance	-	-	396,913,362	-	396,913,362
Opening Balance	-	-	(28,025,633)	-	(28,025,633)
4. Sangeeta A. Chhajer					
Closing Balance	-	3,194,157	-	-	3,194,157
Opening Balance	-	(22,729,168)	-	-	(22,729,168)
5. Akshay Agarwal					
Closing Balance	-	-	-	110,475,382	110,475,382
Opening Balance	-	-	-	(149,946,009)	(149,946,009)
6. Kritika A. Agarwal					
Closing Balance	-	-	-	16,627,287	16,627,287
Opening Balance	-	-	-	-	-
7. Adinath Realty Pvt. Ltd.					
Closing Balance	-	-	17,830,783		17,830,783
Opening Balance	-	-	-		-
8. Desert Eagle Security Services Pvt. Ltd.					
Closing Balance	-	-	63,279,644		63,279,644
Opening Balance	-	-	(56,537,543)		(56,537,543)
9. Sarvodya Refinery Pvt. Ltd.					
Closing Balance	-	-	3,000,000		3,000,000
Opening Balance	-	-	(3,000,000)		(3,000,000)
10. Balar Fabrics Pvt. Ltd.					
Closing Balance	-	-	-		-
Opening Balance	-	-	(4,562,570)		(4,562,570)
11. Jagprem Chemicals Pvt. Ltd.					
Closing Balance	-	-	-		-
Opening Balance	-	-	(14,083,986)		(14,083,986)
12. Marnite Enterprises Pvt. Ltd.					
Closing Balance	-	-	13,807,743		13,807,743
Opening Balance	-	-	(12,336,603)		(12,336,603)

	<b>KMP</b>	<b>Relatives of KMP</b>	<b>Entities in which KMP/ relatives of KMP have significant influence</b>	<b>Other Related Parties</b>	<b>Total</b>
13. Marnite Shoppe Pvt. Ltd.					
Closing Balance	-	-	29,016,424		29,016,424
Opening Balance	-	-	(32,960,027)		(32,960,027)
14. Marnite Steel Pvt. Ltd.					
Closing Balance	-	-	4,033,245		4,033,245
Opening Balance	-	-	(9,245,944)		(9,245,944)
15. Pragya Textiles Pvt. Ltd.					
Closing Balance	-	-	-		-
Opening Balance	-	-	(1,596,334)		(1,596,334)
16. Tulsi Guru Textiles Pvt. Ltd.					
Closing Balance	-	-	-		-
Opening Balance	-	-	(2,983,627)		(2,983,627)
17. Vivek Textech Pvt. Ltd.					
Closing Balance	-	-	-		-
Opening Balance	-	-	(9,848,459)		(9,848,459)
18. Sujata Agarwal.					
Closing Balance	-	-	-	66,618,724	66,618,724
Opening Balance	-	-	-	-	-
19. Vara Prasad Atluri					
Closing Balance	-	-	-	5,212,363	5,212,363
Opening Balance	-	-	-	-	-
20. Viratra Investment Consultants Pvt. Ltd.					
Closing Balance	-	-	20,000,000		20,000,000
Opening Balance	-	-	(20,000,000)		(20,000,000)
21. Ashok B. Chhajer (Security Deposit)					
Closing Balance	2,000,000	-	-		2,000,000
Opening Balance	(2,000,000)	-	-		(2,000,000)
22. Ashok B. Chhajer (Directors Remuneration)					
Closing Balance	50,000	-	-		50,000
Opening Balance	(200,000)	-	-		(200,000)
23. Nimesh Shah (Directors Remuneration)					
Closing Balance	223,125	-	-		223,125
Opening Balance	(200,000)	-	-		(200,000)
24. Dinkar Samant (Directors Remuneration)					
Closing Balance	246,667	-	-		246,667
Opening Balance	(211,029)	-	-		(211,029)
25. Sangeeta A. Chhajer (Security Deposit)					
Closing Balance	- 20,000,000		-		20,000,000
Opening Balance	- (20,000,000)		-		(20,000,000)

	KMP	Relatives of KMP	Entities in which KMP/ relatives of KMP have significant influence	Other Related Parties	Total
26. Sai Mahaavir Developers					
Closing Balance	-	-	10,000,000		10,000,000
Opening Balance	-	-	-		-
27. Arihant Paradise Realty Pvt. Ltd.					
Closing Balance	-	-	44,558,422		44,558,422
Opening Balance	-	-	-		-
28. Mahaavir Universal Homes Pvt. Ltd.					
Closing Balance	-	-	50,000,000		50,000,000
Opening Balance	-	-	-		-
29. Mahaavir Universal Homes Pvt. Ltd. (Investment)					
Closing Balance	-	-	1,000		1,000
Opening Balance	-	-	-		-

**26 Disclosures under Accounting Standards 20**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
Earnings per share		
Basic		
Continuing operations		
Net profit / for the year from continuing operations attributable to the equity shareholders	<b>17,466,432</b>	(29,585,110)
Weighted average number of equity shares	<b>41,159,991</b>	41,159,991
Par value per share	<b>10</b>	10
Earnings per share from continuing operations - Basic	<b>0.42</b>	(0.72)

**27 Disclosures under Accounting Standards 22**

(Amount in ₹)

Particulars	31 March, 2014	31 March, 2013
<b>Deferred tax (liability) / asset</b>		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	<b>3,453,389</b>	2,261,687
Tax effect of items constituting deferred tax liability	<b>3,453,389</b>	2,261,687
Tax effect of items constituting deferred tax assets		
Others	<b>511,077</b>	1,123,162
Tax effect of items constituting deferred tax assets	<b>511,077</b>	1,123,162
Net deferred tax (liability) / asset	<b>(2,942,312)</b>	(1,138,525)

In terms of our report attached.

**M/S KAILASH CHAND JAIN & CO.**  
 CHARTERED ACCOUNTANTS  
 Firm Reg. No.: 112318W

**Sd/-****Dipesh Mehta**

Partner

M.No.: 134607

Place : Mumbai

Date : 28/04/2014

For and on behalf of the Board of Directors

**Sd/-**  
**Ashok B. Chhajer**  
 Chairman & MD

**Sd/-**  
**Nimish Shah**  
 Whole Time Director

**Sd/-**  
**Pranita Bhise**  
 Company Secretary

Particulars of subsidiaries as at 31st March, 2014 in terms of Circular No. 51/12/2007-CL-III dt. February 08th 2011, General Circular 2/2011 issued by Government of India, Ministry of Corporate Affairs under section 212(8) of the Companies Act, 1956.

(₹ in lacs)

Sr. No	Particulars	Name of Subsidiary				
		Arihant Abode Limited	Arihant Vatika Realty Pvt. Ltd.	Adeshwar Realty Pvt. Ltd.	Gruhnirman Pvt. Ltd.	Technoinfra Pvt. Ltd.
1	Capital	As on 31st March, 2014	As on 31st March, 2014	As on 31st March, 2014	As on 31st March, 2014	As on 31st March, 2014
2	Reserves	5.00	1.00	1.00	1.00	1.00
3	Total Assets	1.24	358.14	174.76	(16.16)	(4.54) (3.38)
4	Total Liabilities	6,924.26	2,341.48	4,205.74	888.55	2,681.34 <b>5172.67</b>
5	Details of Investment	6,924.26	2,341.48	4,205.74	888.55	2,681.34 <b>5172.67</b>
6	Turnover / Other Income	-	-	-	-	-
7	Profit / (Loss) before taxation	0.20	3,415.74	1,765.13	-	<b>0.06</b> <b>0.37</b>
8	Provision for taxation	(0.23)	524.31	265.88	(16.62)	(0.24) <b>(0.22)</b>
9	Profit / (Loss) after taxation	1.17	166.37	91.82	-	<b>0.01</b> <b>4.77</b>
10	Proposed Dividend	(1.40)	357.94	174.06	(16.64)	(0.25) <b>(4.99)</b>

For and on behalf of the Board of Directors

**M/S KAILASH CHAND JAIN & CO.**  
CHARTERED ACCOUNTANTS  
Firm Reg. No.: I 12318W

Sd/-  
**Ashok B. Chhajer**  
Chairman & MD  
Whole Time Director

Sd/-  
**Dipesh Mehta**  
Partner  
M.No.: 134607  
Place : Mumbai  
Date : 28/04/2014

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

Sr. No	Particulars	Arihant Abode Limited	Arihant Vatika Realty Pvt. Ltd.	Aadeshwar Realty Pvt. Ltd.	Gruhnirman Pvt. Ltd.	Arihant Technoinfra Pvt. Ltd.	Aashiyana Pvt. Ltd.
1	Date from which they became Subsidiary Company	26-03-2010	26-03-2010	21-08-2010	29-11-2011	17-09-2012	17-09-2012
2	Financial Year of the Subsidiary ended on	31-03-2014	31-03-2014	31-03-2014	31-03-2014	31-03-2014	31-03-2014
3	Extent of interest of the Holding Company in Subsidiary Company at the end of the Financial Year						
a)	Number of Shares held	30,000	6,000	10,000	6,000	6,000	6,000
b)	Extent of Holding	60%	60%	100%	60%	60%	60%
4	Net aggregate amount of profit / losses so far as it concerns to the members of the Holding Company						
(i)	not dealt with in the Company's account						
a)	for the Financial Year ended 31st March 2014	(84,040)	21476417	17405863	(992,483)	(12,439)	(296,413)
b)	for the previous Financial Year since it became a subsidiary	149,232	3,689	59,018	28,900	(392,479)	(9,226)
(ii)	dealt with in the Company's account :						
a)	for the Financial Year ended 31st March 2014	-	-	-	-	-	-
b)	for the previous Financial Years since it became a subsidiary	-	-	-	-	-	-

For and on behalf of the Board of Directors

**M/S KAILASH CHAND JAIN & CO.**  
CHARTERED ACCOUNTANTS  
Firm Reg. No.: I 12318W

**Sd/-**  
**Nimish Shah**  
Whole Time Director

**Sd/-**  
**Dipesh Mehta**  
Partner  
M.No.: 134607

Place : Mumbai  
Date : 28/04/2014

**ARIHANT SUPERSTRUCTURES LIMITED**

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

Dear Shareholders,

**Re: Green Initiative in Corporate Governance**

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

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

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

In case you desire to receive above mentioned documents in electronic form, please inform us by sending us an e-mail on [investor@asl.net.in](mailto:investor@asl.net.in) mentioning your DP ID, Client ID or Registered Folio Number with the message “Save paper”. Your mail will be considered as an affirmation and accordingly the above mentioned documents will be sent to you in electronic form.

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

The Annual Report will also be displayed on Company's website [www.asl.net.in](http://www.asl.net.in) in due course of time.

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

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

**For & on behalf of  
Arihant Superstructures Limited**

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

# **ARIHANT SUPERSTRUCTURE LIMITED**

**CIN NOS: L51900MH1983PLC029643**

**Registered Office:** 302, Persipolis Building, Plot No 74, Sector 17, Vashi, and Navi Mumbai. 400703.

## **ATTENDANCE SLIP**

NAME AND ADDRESS OF THE REGISTERED SHAREHOLDER

D.P Id:

Client Id/Folio No:

No of shares:

I Certify that I am a registered shareholder/proxy for the registered shareholder of the Company

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company at Hotel The Regenza by Tunga, Plot No 37, Sector 30A, Vashi, Navi Mumbai, Maharashtra, India on Thursday, 25<sup>th</sup> September, 2014 at 12.00 noon.

---

Signature

Note : please complete this and hand it over at the entrance of the hall.



# **ARIHANT SUPERSTRUCTURE LIMITED**

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**Registered Office:** 302, Persipolis Building, Plot No 74, Sector 17, Vashi, and Navi Mumbai. 400703.

## **PROXY FORM**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

Name of the Member (s) :
Registered Address :
E-Mail Id :
Folio No/Client Id :
DP ID (if any required) :

I/We, being the member (s) of the above named company, hereby appoint

1 Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
\_\_\_\_\_

E-Mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_  
(or failing him)

2 Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
\_\_\_\_\_

E-Mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_  
(or failing him)

3 Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
\_\_\_\_\_

E-Mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_  
(or failing him)

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31<sup>st</sup> Annual General Meeting of the company, to be held on the Thursday of 25<sup>th</sup> September, 2014 at 12.00 noon at Hotel The Regenza by Tunga, Plot No 37, Sector 30A, Vashi, Navi Mumbai, Maharashtra, India and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2014 and Profit and Loss Account for the year ended on that date and the Reports of Board of Directors and Auditors thereon
2. To declare a Dividend on Equity Shares
3. To appoint a Director in place of Mr. Nimish Shah (DIN: 03036904), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration
5. To appoint Mr. Virendra Mital (DIN 00376830),as the Independent Director of the Company
6. To appoint Mr. Dinesh Babel (DIN 03042254) as the Independent Director of the Company
7. To appoint Mr. Vinayak Vaman Nalavde (DIN 02047436) as the Independent Director of the Company
8. To consider the increase in the Remuneration of Mr. Dinkar Samant (DIN: 00023459), Whole Time Executive Director
9. To consider the increase in the Remuneration of Mr. Nimish Shah (DIN:03036904), Whole Time Executive Director
10. To approve the Remuneration to be paid to Cost Accountant, Mr. Vinod Subramanium, Chartered Accountant for the financial year 2014-2015

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature of Member

Signature of Proxy Holder(s)

Affix  
Revenue  
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting



[www.asl.net.in](http://www.asl.net.in)



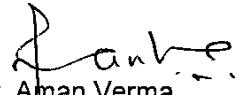
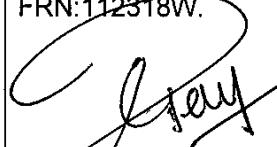
Corporate office: 302, Persipolis Building, Plot No. 74, Sector 17, Vashi, Navi Mumbai. - 400 703 Tel.: 022-4129 2222 / 4111 3333

Fax: 27882946 | E-mail: [sales@asl.net.in](mailto:sales@asl.net.in) | [www.asl.net.in](http://www.asl.net.in) | SMS "ARIHANT" on 5616 to get quick project details.

CIN NO: L51900MH1983PLC029643

## Form A

Format of covering letter of the annual Audit Report to be filed with the stock exchanges.

1.	Name of the Company:	Arihant Superstructures Limited
2.	Annual financial Statements for the year ended	31 <sup>st</sup> March, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of Observation	Not Applicable
5.	To be signed by- Managing Director	For Arihant Superstructures Limited  Mr. Ashok B Chhajer Chairman & Managing Director
	CFO	For Arihant Superstructures Limited  Mr. Aman Verma CFO
	Auditor of the Company	For Kailash Chand Jain & CO Chartered Accountants FRN:112318W.  Dipesh Mehta Partner Mem No. 134607
	Audit Committee Chairman	For Arihant Superstructures Limited  Mr. Dinesh Babel Audit Committee Chairman