

## CORPORATE STRUCTURE

## BOARD OF DIRECTORS

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

\*Resigned from the Board with effect from 25.03.2015

\*\*Appointed on 25.03.2015

**COMPANY SECRETARY**

Ms. Meenakshi Company Secretary

## AUDITORS

M/s. B.P Jain & Co., Chartered Accountants  
No.2, Gee Gee Minar, 23, College Road, Chennai- 600006

## COST AUDITOR

S Ramachandran, Cost Accountant  
G-2, 160, MGR Street, Saligramam, Chennai- 600093

## BANKERS

HDFC Limited  
ICICI Bank Ltd  
Kotak Mahindra Bank  
Standard Chartered Bank  
Vijaya Bank  
State Bank of India

## LEGAL ADVISOR

K Venkatasubramanian  
141, Luz Church Road, Mylapore, Chennai- 600005

**REGISTERED OFFICE**

271, (Old no.182), Poonamallee High Road,  
"Ankur Manor", 1st Floor, Off. McNichols Road, Kilpauk, Chennai- 600010

## CORPORATE OFFICE

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

## REGISTRAR AND SHARE TRANSFER AGENTS

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

## INTERNAL AUDITORS

M/s. Ernst & Young LLP

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Dear Shareholders,

The legendary Winston Churchill had once commented, 'To improve is to change; To be perfect is to change often.' The world needs people who have the ability to change. In the context of organizations too, the prudent blend of knowledge and transformative success is the key for any business to grow in a sustainable way. In FY2015, ARIHANT will enter its 22nd year of operations. From a business perspective, we have learnt to focus on creating more sustainable business strategies with the inherent experience of dealing with crests and troughs of economic cycles.

The year 2014 was another year that our business had to face different problems and obstacles from economic, social, and political environments.

During the Financial Year 2014, the Indian economy grew by a paltry 4.9%. In fact, for the last 8 quarters beginning with Q1, FY2013, India has now grown by less than 5%. Naturally, this has affected real estate businesses. However, Your Company was able to achieve 10% growth in revenue over this period.

During the year, Your Company has entered into a one time settlement scheme with the HUDCO and made a full and final settlement for the long pending claim filed against the Company by HUDCO before the Debt Recovery Tribunal (DRT). Your Company has successfully settled a claim pending against it since 2004. However, this has significantly brought down the profits of the Company for the year under review.

During the year under review, your Company has completed and handed over our projects "ARIHANT PANACHE" comprising of 1,14,000 sq.ft. situated at Arumbakkam, Chennai, "Arihant Jashn" comprising of 36,381 sq.ft. situated at Egmore, Chennai and "VILLA VIVIANA – Phase 1" comprising of 3,05,382 sq.ft. situated at GST Road, Chennai during the year. A major highlight among these was the Company's project "ARIHANT PANACHE", which stands as a landmark of Arumbakkam and gained strong acceptance in the city of Chennai among the customers.

During the year our associate Company M/s. Escapade Real Estate Private Limited has entered into a Development Agreement, on revenue sharing basis with M/s. Ashiana Housing Limited, a Delhi based Real Estate Company for development of 'Senior Living Project' as well as 'Regular Group Housing Project', on 20 acres (approx.) of land with saleable area of 9.70 Lakhs sq.ft. at Sengundaram Village, Maraimalai Nagar, Off GST road, Chennai.

Going forward there are only better things to look ahead to. Consumer confidence is increasing. For the first time in 30

years, we have a stable government with a clear majority and mandate to provide good governance. The union budget presented on the 10th of July seems to bear this out with measures being announced to bring in more FDI, boost infrastructure and create more jobs, which certainly bodes well for the overall economic climate. With specific reference to our industry, the decision to introduce Real Estate Investment Trusts and allow FDI in urban construction projects is a welcome one.

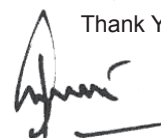
Residential real estate, for one, has been growing steadily in most markets in India. Between 2008 and 2012, despite the downturn in the markets due to the 2008 financial crisis, real estate in India remained stable, with 11 out of 15 Residex cities giving positive returns in that time frame. As for market direction in 2015, it is forecasted that the trend will be better than in 2014. This is due to clearer governmental policy and the stimulation of budget approval. All these represent good opportunity for the real estate business.

Today, India stands on the threshold of a new era, a new form of governance and values that inspire a 'country-first' approach. There is also a deep hope that an understanding of the country's economic levers will soon restore the economic momentum. Given the dynamic business environment in our country over the years, ARIHANT has been exposed to several micro and macro challenges. Regardless of this, we continued to build our business and achieve milestones rooted in ethics, transparency and the highest standards of corporate governance, with financial prudence and 'aggression with caution' being our philosophy.

Today, we truly believe that we are prepared for an active tomorrow as the aid by the tailwinds of a national governance framework resonates with our broader business model and keeps us committed to enhance long-term value for our stakeholders.

I would like to take this opportunity to express my sincere gratitude to our bankers, financial institutions, Chennai Metropolitan Development Authority and Corporation of Chennai and related departments of Govt. of Tamil Nadu for having supported us on all our efforts and endeavors and all those who work for or are associated with Arihant. We look forward to your continued support in the years ahead and wish you the very best.

Thank You



(Kamal Lumaawath)

Chairman and Managing Director

## NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the Shareholders of Arihant Foundations and Housing Limited will be held on Tuesday the 30th day of June, 2015 at "Arihant Escapade", Devaraj Nagar, No. 48, Okkiyum, Thoraiakkam, Chennai- 600097 at 9.30 A.M. to transact with or without modifications, as may be permissible the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance sheet as at 31st December, 2014 and Audited profit and loss account for the year from 01.10.2013 to 31.12.2014, cash flow statement for the year from 01.10.2013 to 31.12.2014 together with the Directors' Report and the Auditors' Report.
2. To appoint a Director in place of Mr. Vimal Lunawath (DIN: 00586269), who retires by rotation and being eligible, offers himself for reappointment.
3. To consider, and if thought fit, pass with or without modification, the following resolution as an Ordinary Resolution.

**RESOLVED THAT** pursuant to the provisions of Section 139 (1) and other applicable provisions if any, of the Companies Act, 2013 and also in terms of the Companies (Audit & Auditors) Rules, 2014 M/s. B.P. Jain & Co., Chartered Accountants, (Firm Regn No. 050105S) Chennai be and are hereby reappointed as the Statutory Auditors of the Company to hold office as such for a period of three years with effect from the date of this Annual General Meeting of the Company, subject to ratification every year by members and on such remuneration as may be fixed on this behalf by the Board of Directors of the Company.

### SPECIAL BUSINESS:

#### 4. APPOINTMENT OF MRS. ANN GONSALVEZ AS AN INDEPENDENT DIRECTOR OF THE COMPANY

To consider, and if thought fit, pass with or without modification, the following resolution as an Ordinary Resolution:

**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and Clause 49 of the Listing Agreement and all other applicable provisions, if any, of the Companies Act,

2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof and any rules made thereunder, for the time being in force) and subject to such other approvals as may be required in that behalf, and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member proposing her candidature for the office of Director, as an Independent Director of the Company, not liable to retire by rotation, approval of the Members of the Company be and is hereby accorded for the appointment of Mrs. Ann Gonsalvez (DIN: 07136630), as an Independent Director of the Company, to hold office as such for a period of five years with effect from the date of her appointment".

#### 5. APPOINTMENT OF MR. RAVIKANTH CHOUDHRY AS AN INDEPENDENT DIRECTOR OF THE COMPANY

To consider, and if thought fit, pass with or without modification, the following resolution as an Ordinary Resolution:

**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and Clause 49 of the Listing Agreement and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof and any rules made thereunder, for the time being in force) and subject to such other approvals as may be required in that behalf, and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member proposing his candidature for the office of Director, as an Independent Director of the Company, not liable to retire by rotation, approval of the Members of the Company be and is hereby accorded for the appointment of Mr. RAVIKANT CHOUDHRY (DIN: 00831721), as an Independent Director of the Company, to hold office as such for a period of five years with effect from the date of this Annual General Meeting."

#### 6. APPOINTMENT OF MR. DAMODARAN ARUMUGAM AS AN INDEPENDENT DIRECTOR OF THE COMPANY

To consider, and if thought fit, pass with or without modification, the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and Clause 49 of the Listing Agreement and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof and any rules made thereunder, for the time being in force) and subject to such other approvals as may be required in that behalf, and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member proposing his candidature for the office of Director, as an Independent Director of the Company, not liable to retire by rotation, approval of the Members of the Company be and is hereby accorded for the appointment of Mr. DAMODARAN ARUMUGAM (DIN: 00083139), as an Independent Director of the Company, to hold office as such for a period of five years with effect from the date of this Annual General Meeting."

#### 7. APPOINTMENT OF MR. KARAN BHASIN AS AN INDEPENDENT DIRECTOR OF THE COMPANY

To consider, and if thought fit, pass with or without modification, the following resolution as an Ordinary Resolution:

**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and Clause 49 of the Listing Agreement and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof and any rules made thereunder, for the time being in force) and subject to such other approvals as may be required in that behalf, and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member proposing his candidature for the office of Director, as an Independent Director of the Company, not liable to retire by rotation, approval of the Members of the Company be and is hereby accorded for the appointment of Mr. KARAN BHASIN (DIN: 02168581), as an Independent Director of the Company, to hold office as such for a period of five years with effect from the date of this Annual General Meeting."

#### 8. APPOINTMENT OF MR. BHARAT JAIN AS THE WHOLE-TIME DIRECTOR OF THE COMPANY

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

**"RESOLVED THAT** pursuant to Sections 196, 197, 203 of the Companies Act, 2013, ("the Act"), Schedule V thereto, the applicable Rules and pursuant to Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 or any statutory modification(s) or re enactment thereof and subject to the approval of the Members of the Company in General Meeting and such other approvals as may be required and as per the terms and conditions recommended by the Nomination and Remuneration Committee of Directors (NRC), Mr. Bharat Jain (DIN: 00083236) be and is hereby re-appointed as the Whole time Director of the Company for a period of five years with effect from 16.02.2015."

**FURTHER RESOLVED THAT** as per the recommendations of the NRC, Mr. Bharat Jain (DIN: 00083236) shall be paid a Consolidated Gross Salary: Rs.1,50,000/- per month including Basic Salary and other allowances, there will be no separate dearness allowance.

**FURTHER RESOLVED THAT** The following shall not be deemed to be remuneration to Mr. Bharat Jain (DIN: 00083236):

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

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

By Order of the Board  
For Arihant Foundations & Housing Limited

Place: Chennai  
Date: 27.02.2015

Sd/-  
(J Meenakshi)  
Company Secretary

**Notes:**

1. The relative explanatory statements pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business under item No. 3 and 6 as set out above are annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself and the proxy need not be a member of the company. Proxy to be valid should be deposited with the company not later than forty eight hours before the time for holding the meeting. No Person can act as a Proxy on behalf of a member not exceeding fifty and holding in the aggregate not more than the 10% of the paid-up Share Capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total Share Capital of the Company carrying voting rights, then such proxy shall not be act as a proxy for any other person or shareholder.
3. Members/Proxies should bring their Attendance slip duly completed for attending the meeting. The signature of the attendance slip should match with the signature(s) registered with the Company. Members holding shares in dematerialised form are requested to bring their Client ID and DP ID numbers for identification.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 24.06.2015 to 30.06.2015.
5. Members holding shares in physical form are requested to intimate immediately, changes, if any, in their registered addresses, Bank Mandate and Status, quoting their Folio Numbers, to the Share Transfer Agents of the Company M/s Cameo Corporate Services Limited, "Subramanian Building", No.1, Club House Road, Chennai – 600 002.
6. The Register of Directors' and Key Managerial Personnel and their Shareholding maintained and The Register of Contracts or Arrangements in which Directors are interested maintained will be available for inspection of the members at the Annual General Meeting.
7. Members are requested to bring their copies of Annual Report to the meeting. The Attendance slips duly completed should be handed over at the entrance of the meeting hall.
8. Pursuant to the provisions of sections 107 and 108, read with companies( management and administration) Rules 2014, and in accordance with the requirements of listing agreement the company is pleased to offer e –voting facility to all the members of the company. The company has entered into an agreement with Central Depository services Limited(CDSL) for facilitating e –voting. The Board of Directors has appointed Mrs. V. Padmapriya, Practising Company Secretary, Chennai, as the Scrutinizer for conducting the e-voting process for the Twenty Second Annual General Meeting.
  - The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  - The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again
  - The voting period begins on 27th June, 2015 at 9 AM and ends on 29th June, 2015 at 5 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23.06.2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
9. The Procedure and instructions for members for voting through electronic means are as under:
  - i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - ii) Click on Shareholders.
  - iii) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - iv) Next enter the Image Verification as displayed and Click on Login.
  - v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - vi) if you are a first time user follow the steps given below:



For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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. • 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.
DOB	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.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- vii) After entering these details appropriately, click on "SUBMIT" tab.
- viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- x) Click on the EVSN: 150526003 for the relevant ARIHANT FOUNDATIONS AND HOUSING LIMITED on which you choose to vote.
- xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv) Once you "Confirm" your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- xix) The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- xx) The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.arihantfoundations.in](http://www.arihantfoundations.in) and on the website of CSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges

10. Members who have registered their e-mail ids for receipt of documents in electronic mode under the Green Initiatives of Ministry of Corporate Affairs are being sent Notice of Annual General Meeting by e-mail and others are sent by post. Members have option to vote either through e-voting or through Physical Ballot Form which will be provided at the venue of the AGM. Members who have received Annual Report by e-mail and who wish to seek duplicate Annual Report from M/s. Cameo Corporate Services Limited, Registrar & Share Transfer Agent, Subramanian Building, No.1 Club House Road, Anna Salai, Chennai – 600 002 Ph : 28460390: fill in the details and send the same to the Scrutinizer.

Kindly note that the Members can opt only one mode of voting, i.e. either by Physical Ballot which shall be provided at the venue of the AGM or e-Voting. If you are opting for e-Voting, then do not vote by Physical Ballot also and vice versa. However, in case shareholders cast their vote by physical ballot and e- Voting, then voting done through e- voting shall prevail and voting done through physical ballot will be treated as invalid.

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

Place: Chennai  
Date: 27.02.2015

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

### **ITEM NO. 4, 5, 6 & 7**

The Companies Act, 2013 and the listing agreement prescribed certain specific procedures for appointment/re-appointment of the Independent Directors and Women Director.

Pursuant to provisions of section 149 of the Act, listed companies shall appoint atleast one woman director into the Board, and the same shall be complied within one year from 1st April 2014. The listing agreement stipulates that every listed company should have a women Director and who appointed on or before 1st April 2015. Your Company proposes to appoint Mrs. Ann Gonsalvez (DIN: 07136630), appointed as the additional Director of the Company on 25th March, 2015 as a Women director (Independent- Non Executive) into the Board.

Accordingly, in compliance with the provisions of section 149, 152 and other applicable provisions if any, and the requirements of Listing agreement, of the Act, Mr. Ravikanth Choudhry (DIN: 00831721), Mr. Damodaran Arumugam (DIN: 00083139), Mr. Karan Bhasin (DIN: 02168581) & Mrs. Ann Gonsalvez (DIN: 07136630), are proposed to be appointed as Independent Directors (Non – Executive) of the Company for a term of five consecutive years from the conclusion of this Annual General Meeting, and shall not be liable to retirement by rotation.

Notice u/s 160(1) of the Act, along with deposit of Rs. 1,00,000/- each, as required under that section, has been received from a member of the company proposing the appointment of all the above independent directors of the company.

All the independent directors have given declaration under Section 149 (7) of the Companies Act, 2013 that they fulfill the conditions specified in sec 149(6) of the Act read with the rules made there under for his appointment as an Independent Director of the company and is independent of the management. Accordingly, your directors recommend the resolution, of appointment of the above mentioned directors as Independent Directors for approval of shareholders of the company by way of Ordinary Resolution.

None of the other Directors or Key Managerial Personnel or the relatives of the proposed appointees is interested/ concerned in this resolution, other than the proposed appointees.



**ITEM NO. 8**

At the Board Meeting held on 14th February 2015, Mr. Bharat Jain (DIN: 00083236) has been appointed as the Wholtime Director of the Company for a period of 5 years, subject to approval of the Members. As per Section 161 of the Act, he holds office till the ensuing AGM and it is proposed to appoint him as a Director under Section 152 and also seek approval of the Members for his appointment as the Wholtime Director (WTD).

Mr. Bharat Jain, 37 is an undergraduate and associated with the Company from past 10 years. He specializes in Project execution. He posses 14 years of experience in execution of Township Project, large residential complex and industrial shed. He was appointed as Whole time Director for a period of 5 years with effect from 17.02.2010. The terms of appointment was approved by the shareholders at the Annual General Meeting held on 26.03.2010. The tenure of his office expires on 16th February, 2015.

At the meeting held on 28th May 2014, Board has, based on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Bharat Jain as the WTD for a period of 5 years on the terms and conditions as set out in the resolution.

Mr. Bharat Jain holds 11700 shares in ARIHANT and holds directorship in two other private companies.

Statement pursuant to Clause (iv) of second proviso to Paragraph B of Section II of Part II of Schedule V to the Act is enclosed to the extent applicable.

Remuneration paid to Mr. Bharat Jain until the date of this notice is Rs.1,00,000/- per month.

In respect of the comparative study of other listed Companies in the same sector, the remuneration paid to KMPs is way above than the proposed remuneration to Mr. Bharat Jain. The Proposed consolidated gross remuneration is Rs. 1,50,000/- per month.

The Board recommends the resolution for the consideration of the members as a Special Resolution.

**Memorandum of Interest**

Except Mr. Bharat Jain, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the above proposal.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE TWENTY SECOND ANNUAL GENERAL MEETING****(Pursuant to Clause 49 (VIII) (E) of the Listing Agreement)****Profile of the Independent Directors  
Mrs. Ann Gonsalvez**

Mrs. Ann Gonsalvez, BA, CAIIB is a retired Senior Manager Bank of Baroda.

Her career spanned 40 years in Banking of which 25 years was a Branch Manager in 8 branches of the city of Chennai, followed by Chief of Credit Cards operations, South India, for the Bank. She is involved as President/ Treasurer of several social services organisations in the city for 3 decades.

Ann Gonsalvez's current interest and focus is mentoring organizations in the areas of financial development, business intuitive consulting and corporate social responsibility. It is proposed to appoint Mrs. Ann Gonsalvez as Independent Director under Section 149 of the Companies Act 2013 and Clause 49 of the listing agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 27th Annual General Meeting of the Company in the calendar year 2020

Mrs. Ann Gonsalvez is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act 2013 and has given his consent to act as Director.

The Company has received declaration from Mrs. Ann Gonsalvez that the criteria of independence as prescribed both under section 149 (6) of the Companies Act 2013 and Clause 49 of the Listing Agreement has been met

She is a member of Nomination and Remuneration Committee of the Company.

She holds Nil shares in the Company.

Details of her other directorship and membership/ chairmanship of the committees are given below:

S.No.	Name of the Company	Position	Committee Membership/ Chairmanship
NIL			

**Mr. RAVIKANT CHOUDHRY**

Mr. Ravikant Choudhry, Bsc, Mathematics is a leading stock broker is an Independent Director and has held the position as such for more than 5 years.

He is involved in stock broking activities with 20 years of rich experience in Stock Broking. He is the Managing Director of ASL CAPITAL HOLDINGS PRIVATE LIMITED and ARIHANT'S STOCK BROKERS PRIVATE LIMITED for the last two decades. It is proposed to appoint Mr. Ravikant Choudhry as Independent Director under Section 149 of the Companies Act 2013 and Clause 49 of the listing agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 27th Annual General Meeting of the Company in the calendar year 2020.

Mr. Ravikant Choudhry is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act 2013 and has given his consent to act as Director.

The Company has received declaration from Mr. Ravikant Choudhry that the criteria of independence as prescribed both under section 149 (6) of the Companies Act 2013 and Clause 49 of the Listing Agreement has been met.

He is the Chairman of the Audit Committee and Risk Management Committee. He is a member of Nomination and Remuneration Committee and Stakeholder Grievance Committee.

He holds 5111 shares in the Company.

Details of his other directorship and membership/ chairmanship of the committees are given below:

S. No.	Name of the Company	Position	Committee Membership/ Chairmanship
1.	Arihant's Securities Ltd	Director	Nil
2.	Arihant's Stock Brokers Pvt.Ltd	Managing Director	Chairman
3.	ASL Capital Holdings Pvt.Ltd	Managing Director	Nil
4.	DMRR Commodities Pvt.Ltd	Director	Nil

**Mr. Damodaran**

Shri A. Damodaran aged 78 years is B.E.(Civil), M.Sc.,(Engg) & Dip. T & CP is an Independent Director and has held the position as such for more than 5 years. He has more than 45 years of experience in various positions and was the former Chief Planner, MMDA, Chennai, It is proposed to appoint Mr. A. Damodaran as

Independent Director under Section 149 of the Companies Act 2013 and Clause 49 of the listing agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 27th Annual General Meeting of the Company in the calendar year 2020.

Mr. A. Damodaran is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act 2013 and has given his consent to act as Director.

The Company has received declaration from Mr. A. Damodaran that the criteria of independence as prescribed both under section 149 (6) of the Companies Act 2013 and Clause 49 of the Listing Agreement has been met.

He is the Chairman of Nomination and Remuneration Committee and Stakeholder Grievance Committee and Member of Audit Committee and Risk Management Committee.

He holds Nil shares in the Company.

Details of other Directorships/Committee memberships held by him

S.No.	Name of the Company	Position	Committee Membership/ Chairmanship
1.	IND Bank Housing Ltd	Director	Audit Committee-Chairman

**Mr. Karan Bhasin**

Mr. Karan Bhasin, BCOM, aged about 34 years is an Independent Director and has held the position as such for more than 5 years.

He is a Businessman with a rich experience of 15 years in the field of Management of a Company. It is proposed to appoint Mr. Karan Bhasin as Independent Director under Section 149 of the Companies Act 2013 and Clause 49 of the listing agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 27th Annual General Meeting of the Company in the calendar year 2020.

Mr. Karan Bhasin is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act 2013 and has given his consent to act as Director.

The Company has received declaration from Mr. Karan Bhasin that the criteria of independence as prescribed both under section 149 (6) of the Companies Act 2013 and Clause 49 of the Listing Agreement has been met.

He holds Nil shares in the Company.

Details of other Directorships/Committee memberships held by him

S.No.	Name of the Company	Position	Committee Membership/ Chairmanship
1.	Eagle Medical Systems Pvt Ltd	Director	Nil

### Mr. Bharat Jain

Mr. Bharat Jain, 37 is an undergraduate and associated with the Company from past 10 years.

He specializes in Project execution. He posses 14 years of experience in execution of Township Project, large residential complex and industrial shed.

He was appointed as Whole time Director for a period of 5 years with effect from 17.02.2010. The terms of appointment was approved by the shareholders at the Annual General Meeting held on 26.03.2010. The tenure of his office expires on 16th February, 2015. It is proposed to appoint Mr. Bharat Jain as Whole-Time Director under Section 196 of the Companies Act, 2013 and Clause 49 of the Listing Agreement for a term up to the conclusion of the 27th Annual General Meeting of the Company in the calendar year 2020.

Mr. Bharat Jain is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act 2013 and has given his consent to act as Director.

The Company has received declaration from Mr. Bharat Jain that the criteria of independence as prescribed both under section 149 (6) of the Companies Act 2013 and Clause 49 of the Listing Agreement has been met.

He holds 11700 Shares in the Company.

Details of other Directorships/Committee memberships held by him

S.No.	Name of the Company	Position	Committee Membership/ Chairmanship
1.	High Edge Real Estate Advisory Pvt Ltd	Director	Nil
2.	Esta Realty Services Pvt Ltd	Director	Nil

## DIRECTORS' REPORT

Your Directors are pleased to present the Directors' Report of your Company together with the Audited Statement of Accounts and the Auditors' Report for the Financial Year ended 31st December, 2014. The summarized financial results for the Financial Year are as under:

## FINANCIALS

PARTICULARS	(Rs. in Lakhs)	
	1st Oct 13 to 31st Dec 14 (15 months)	1st Oc 12 to 30th Sep 13 (12 Months)
Income	<b>7341.98</b>	6912.86
Expenditure	<b>5921.17</b>	5629.65
Earnings before Interest, Depreciation and Tax	<b>1420.81</b>	1283.21
Interest	<b>1262.77</b>	815.92
Depreciation	<b>75.92</b>	60.05
Profit before Tax and Exceptional items	<b>--</b>	180.10
Profit before Tax	<b>158.04</b>	277.13
Provision for tax	<b>29.19</b>	60.00
Profit after Tax	<b>128.85</b>	167.13
<b>APPROPRIATIONS</b>		
Proposed Dividend	<b>---</b>	<b>---</b>
Balance profit carried forward	<b>128.85</b>	167.13

## IMPLEMENTATION OF COMPANIES ACT 2013

As per General Circular No. 08/2014 of Ministry of Corporate Affairs dated 04.04.2014 clarifies that, the financial statements (and documents required to be attached thereto), auditor's report and Board's report in respect of financial years that commenced earlier than 1st April, 2014 shall be governed by the relevant provisions/ Schedules/ rules of the Companies Act, 1956. However, as good corporate governance few important aspects are covered below:

### a) DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY:

The main objective of Risk Management is risk reduction and avoidance as also to help the Company identify the risks faced by the business and optimize the risk management strategies. The Company has a defined risk management framework. The company has laid down procedures to inform Board members about the risk assessment and minimization procedures and is responsible for framing, implementing and monitoring the risk management plan for the company.

The company has constituted a risk management committee, whose constitution is as below. It assists the Board in functioning of framing, implementing, monitoring and reviewing the Risk Management Plan, lays down procedures to inform the Board on the Risk Assessment and Minimization Procedures, review the said procedures periodically and to see whether the Executive Management controls the risks through properly defined framework, and such other functions as it may deem fit.

Constitution of Risk Management Committee:

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

#### **b) INTERNAL FINANCIAL CONTROL**

Your Company has well defined and adequate internal controls and procedures, commensurate with its size and nature of its operations. This is further strengthened by the Internal Audit done concurrently.

Your Company has appointed M/s. Ernst & Young LLP, Major international accounting and consulting firm as the Internal Auditors of the Company. The Internal Auditors directly and periodically report to the Audit Committee as required by the Clause 49 of the Listing Agreement.

Besides, the Company has an Audit Committee, comprising Non-Executive Directors, to monitor its financial management, operations and systems.

The Audit committee at its meeting held on 14.11.2014 has evaluated the internal financial controls and risk management system accordingly.

#### **c) EXTRACT OF THE ANNUAL RETURN:**

The extract of Annual Return as provided under sub-section (3) of section 92 of the Act is covered in the Corporate Governance Report of this Annual Report.

#### **d) NUMBER OF BOARD MEETINGS HELD DURING THE YEAR ALONG WITH THE DATES OF THE MEETINGS**

The details of number of Board Meetings held during the year along with the dates of the meetings are covered in the Corporate Governance Report of this Annual Report.

#### **e) AUDIT COMMITTEE**

The Audit Committee composition under provisions of section 177 of the Act and Clause 49(III) of the Listing agreement are covered in the Corporate Governance Report of this Annual Report.

#### **f) CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Corporate Social Responsibility provisions are not applicable to your Company as your Company did not qualify the rules provided in Section 135 of the Companies Act, 2013.

#### **PERFORMANCE**

The Company's total Income is Rs.73.42 crores during the financial year 2013-14 as against Rs.69.13 crores in the previous year 2012-13 and the Earnings before Interest, Depreciation and Tax (EBIDT) is Rs. 14.21 crores during the financial year 2013-14 as against Rs. 12.83 crores in the previous year 2012-13. The Profit after tax (PAT) for the financial year is Rs. 1.29 crores compared to previous year profit of Rs.1.67 crores. On consolidated basis, the total income of your Company and its subsidiaries and Joint venture stands at Rs.101.02 crores and consolidated loss after tax stood at Rs. 16.31 crores as compared to the previous year consolidated loss after at Rs. 18.56. The earnings per Share (EPS) basic and diluted stands at Rs. 1.50 considering the total equity capital of Rs.8.60 crores (86,00,000 equity shares of Rs.10/- each) as on 31st December, 2014.

This decrease in profit is primarily due to onetime settlement scheme entered into by the Company with the HUDCO and made a full and final settlement for the long pending claim filed against the Company by HUDCO before the Debt Recovery Tribunal (DRT), whereby the DRT vide its order dated 26/08/2011 ordered for payment of interest of 9% p.a. on Rs. 15,48,54,845/- with interest pendent lite and future thereon from 1.7.2004. Your Company has successfully settled a claim pending against it since 2004. This has significantly brought down the profits of the Company for the year under review. The other reasons for decrease include economic slowdown, depressed markets, increase in interest costs and cost of raw materials. A more detailed discussion and analysis on the performance of the Company in retrospect as well as the outlook is detailed in the Management Discussion and Analysis Report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report as required under clause 49 of the Listing Agreement with the Stock Exchanges is presented in a separate section forming part of the Annual Report.

## PROJECTS

During the year under review, the Company has executed and handed over 2 residential projects covering an area of 4.19 Lakh square feet. The Company's Project managers are guided by policy and principle in the successful implementation and completion of various projects.

## ONGOING PROJECTS

Project name	Location	Area (Sqft)
<b>Escapade Real Estate Pvt. Ltd.</b> <b>Villa Viviana- Phase II</b> Township Project In association with J P Morgan India Property Fund	GST Road, Chennai	13,00,000
<b>North Town Estates Pvt. Ltd.</b> Township Project In association with PVP Ventures Ltd and Unitech Ltd.	Perambur, Chennai	30,24,000
Arihant Unitech Reality Projects Ltd <b>Green Wood</b> (Plotted development)	Thazambur, Chennai	16,84,800
<b>Arihant - Esta</b> (Residential Complex)	Mugappair, Chennai	1,94,145
<b>Arihant Tiara</b> (Residential Complex)	Nandambakkam, Chennai	1,48,020
<b>TOTAL</b>		<b>63,50,965</b>

## DIVIDEND

Your directors do not declare any Dividend for the financial year ended, 31st December 2014 due to inadequate profit and to Conserve reserves.

## DEPOSITS

During the year under review, the Company did not raise funds by way of fixed deposits from the public.

## SUBSIDIARY COMPANIES AND ITS ACCOUNTS

There are four subsidiaries of your Company as on 31st December, 2014. The financial details of the Subsidiary Companies as well as the extent of holdings therein are provided in a separate section of the Annual Report pursuant to Section 212 of the Companies Act, 1956. Ministry of Corporate Affairs vide its general circular no.2/2011 dated 8th February, 2011 has issued a direction

under Section 212(8) of the Companies Act, 1956 granting general exemption with respect to the provision of section 212 of the Companies Act, 1956. With the consent of the Board and following the aforesaid direction, the annual accounts and other details of Subsidiary Companies are not attached. However the annual accounts of subsidiary companies and the related detailed information shall be made available to shareholders of holding and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the corporate office and registered office of the holding company and of the subsidiary companies concerned and a note to the above effect will be included in the details of accounts of subsidiaries to any shareholder on demand. No Company ceases to be Subsidiary and no Company has been made Subsidiary during the year under review.

## CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on consolidated financial statements read with Accounting Standard AS-23 on investment in associates, AS-27 on financial reporting of interest in Joint Venture, Auditors Report on the consolidated financial statements, audited consolidated Balance Sheet, Profit and Loss account and Cash flow statements are provided in the Annual Report.

## REPORT ON CORPORATE GOVERNANCE

Your Company ensures good corporate governance by implementing and complying with the policies, standards set out by Securities and Exchange Board of India and other regulatory authorities. The requisite certificate issued by Mrs. V. Padmapriya, Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement, is attached to this Report.

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

The necessary details are furnished in Notes to Financial statements no. 33.

## PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A)

During the period under review, no employee was in receipt of remuneration in excess of the limits laid down in Subsection (2A) of Section 217 of the Companies Act, 1956.

## DIRECTORS

In compliance with the provisions of section 149, 152 and other applicable provisions, if any, of the Act, and listing



agreement Mr. Ravikanth Choudhry (DIN: 00831721), Mr. Damodaran Arumugam (DIN: 00083139), Mr. Karan Bhasin (DIN: 02168581) & Mrs. Ann Gonsalvez (DIN: 07136630), are proposed to be appointed as Independent Directors (Non – Executive) of the Company for a term of five consecutive years from the conclusion of this Annual General Meeting, and shall not be liable to retirement by rotation. The brief resume of directors, who are to be appointed as stipulated under clause 49(II)(B) of the Listing Agreement, are furnished in the Corporate Governance Report forming part of this Annual Report.

## DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

- (i) That in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the Financial Year and of the profit of the Company for that period;
- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors had prepared the Annual Accounts on a going-concern basis;
- (v) That the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- (vi) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## AUDITORS

The company has appointed M/s B.P Jain & Co., Chartered Accountants (Firm Registration no.050105S) in the 22nd Annual General Meeting proposed to be held on 30th June, 2015 until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be fixed by the Board of Directors subject to ratification of members every year.

## INVESTOR RELATIONS

Your Company always endeavors to keep the time of response to shareholders' requests/ grievances at the minimum. Priority is accorded to address all the issues raised by the shareholders and provide them a suitable reply at the earliest possible time. The Shareholders' and Investors' Grievance Committee of the Board met to review the redressal of investors grievances. The shares of your Company are continued to be traded in Electronic Form and the ematerialized on arrangement exists with both the depositories, viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st December, 2014, 69,01,720 (Sixty Nine lakhs One thousand Seven hundred and Twenty only) shares have been ematerialized, representing 80.25% of the subscribed capital.

## LISTING

The shares of your Company are listed in Madras Stock Exchange Limited, Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company has paid the listing fees for the Financial Year 2013-2014 to the Stock Exchanges where its securities are listed. The listed capital of the Company with BSE and NSE is 86,00,000 fully paid-up equity shares of Rs.10/- each. The Company had made a request to Madras Stock Exchange Ltd for delisting its entire securities (70,00,000 equity shares of Rs.10/- each) voluntarily after obtaining the approval of shareholders at the 15th Annual General Meeting of the Company held on 28.03.2008. The Exchange informed that it is in the process of voluntary winding up vide circular issued by SEBI dated 22.05.2014.

## TRANSFER OF UNPAID DIVIDEND TO IEPF (INVESTOR EDUCATION AND PROTECTION FUND)

Details of unclaimed Dividend:

Financial Year	Date of Declaration of Dividend	Unpaid Dividend amount. As on 30.09.2013 (Rs.)	Due date for transfer to IEPF.
2007-08	20-03-2009	64,470.00	18-04-2016
2008-09	26-03-2010	1,44,244.00	24-04-2017
2010-11	30-03-2012	65,606.00	28-04-2019

The Shareholders are requested to claim their unclaimed dividends before the aforementioned due dates. The unpaid dividend once transferred to IEPF, cannot be claimed by the Shareholders.



## THE COMPANIES (COST ACCOUNTING RECORD) RULES, 2011

As per the Companies (Cost Records and Audit) Amendment Rules, 2014 dated 31st December, 2014, cost audit is not applicable to your Company.

## PERSONNEL

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

## ACKNOWLEDGEMENTS

Your Directors place on record their gratitude for the support and co-operation received from CMDA, Corporation of Chennai, ELCOT, Banks and Financial Institutions, Customers, Suppliers and Shareholders and for their continued support. The Board also wish to place its sincere appreciation to the dedicated and committed team of employees.

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

S/d.

(KAMAL LUNAWATH)  
Managing Director  
DIN: 00087324

S/d.

(VIMAL LUNAWATH)  
Chief Financial Officer  
DIN: 00586269

Place: Chennai  
Date: 27.02.2015

## REPORT ON CORPORATE GOVERNANCE

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

A good Corporate Governance creates values through entrepreneurship, innovation, developments, exploration and provides accountability, transparency and meets its shareholders aspirations and social expectations.

ARIHANT endeavors to achieve highest level of transparency, accountability towards its shareholders. The Company is constantly engaged in improving more value creation to its stakeholders, namely shareholders, customers, employees, lenders, Government, suppliers and the society.

### 2. BOARD OF DIRECTORS

#### (I) COMPOSITION OF BOARD

The Board of Directors of Arihant Foundations & Housing Limited consists of Eight Directors as on 31.12.2014.

The breakup of the total composition of the Board as on 31.12.2014 is as follows:

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

**(II) ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST AGM AND DETAILS OF OTHER DIRECTORSHIPS AS ON 31.12.2014.**

Name of the Directors	No. of Directorship held in other	No. of Membership/ Chairmanship Public Limited Companies	No. of Board Meetings Attended of Board, Committee of other Public Limited Companies	Whether Attended last A.G.M
Kamal Lunawath	5	4	15	Yes
Vimal Lunawath	5	1	12	Yes
Col. A.L. Jayabhanu	--	--	10	Yes
A. Damodaran	1	--	10	Yes
Bharat Jain	--	--	13	Yes
Harish Trivedi	--	--	5	No
Ravikant Choudhary	2	1	10	Yes
Karan Bhasin	--	--	5	Yes

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

During the Financial Year 2013 to 2014 (from 01.10.2013 to 31.12.2014) 18 (Eighteen) Board meetings were held on 28.10.2013, 18.11.2013, 29.11.2013, 06.12.2013, 20.01.2014, 12.02.2014, 14.02.2014, 26.03.2014, 02.05.2014, 14.05.2014, 26.06.2014, 18.07.2014, 08.08.2014, 13.08.2014, 23.09.2014, 28.10.2014, 14.11.2014 and 25.12.2014.

**3. AUDIT COMMITTEE**

**(I) Composition:**

The Audit Committee composition under provisions of section 177 of the Act and Clause 49(III) of the Listing agreement is depicted below:

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

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

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

Ms. Meenakshi, Secretary of the Committee

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

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

There were (5) five meetings held during the year 2013-14 (from 01.10.2013 to 31.12.2014) on 29.11.2013, 14.02.2014, 14.05.2014, 13.08.2014 and 14.11.2014. All five meetings were attended by the members.

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

The Audit committee acts in accordance with the duties specified under section 177(4) of the Act and Clause 49 (III) (D) of the Listing Agreement.

**4. NOMINATION AND REMUNERATION COMMITTEE**

The Company has re-constituted the Remuneration Committee as Nomination and Remuneration Committee on 14.11.2014 comprising of Mr. A. Damodaran, Independent Director, Mr. Ravikant Choudhary, Independent Director and Mr. Harish Trivedi, Independent Director under the Chairmanship of Mr. A Damodaran. The Company Secretary of the Company Ms. Meenakshi acts as the Secretary to the Committee. Mrs. Ann Gonsalvez has been made member of this committee on 25.03.2015, post resignation of Mr. Harish Trivedi.

The Committee is formed in accordance with Section 178 of the Companies Act, 2013 to approve the remuneration to managerial personnel in the event of inadequacy of Profit. The Nomination and Remuneration Committee has coined a Remuneration Policy as required by Clause 49 of the Listing Agreement for the purpose of determining the Remuneration to the Directors.

During the financial year (01.10.2013 to 31.12.2014), 1 (One) meetings of Nomination and Remuneration Committee was held on 14.11.2014. The said meeting was attended by all the members.

**Details of remuneration paid/ payable to the Executive Directors (Managing/ Whole-time Directors) of the Company during the year 2013-14.**

Name of the Directors	Salaries and Allowances	Other Benefits
Mr. Kamal Lunawath Managing Director	Rs. 1,00,000/- pm. And perquisites	Company Car for official purposes
Mr. Vimal Lunawath Whole time Director	Rs. 1,00,000/- pm. and perquisites	Company Car for official purposes
Mr. Bharat Jain Whole time Director	Rs.1,00,000/- pm.	Company Car for official purposes

**Details of remuneration (sitting fees) paid/payable to the Non- Executive and Independent Directors during the financial year 2012-13 and their shareholding as on 31.12.2014:**

Name of the Director	Remuneration /Sitting fees paid (Rs.)	No. of equity shares of Rs.10/- each held
Mr. Ravikant Choudhary	20,000/-	5111
Mr. A Damodaran	20,000/-	---
Mr. Harish Trivedi	10,000/-	---
Mr. Karan Bhasin	10,000/-	---
Mr. Col. Jayabhanu	20,000/-	---

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

Notes: (i) There are no stock options and severance fees.  
(ii) No Notice period is specified for Directors' resignation/ termination.

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

The Company has re-constituted the Shareholder Grievance Committee as Stakeholder Grievance committee on 14.11.2014 comprising of Mr. A. Damodaran, Independent Director, Mr. Ravikant Choudhary, Independent Director and Mr. Harish Trivedi, Independent Director under the Chairmanship of Mr. A Damodaran. The Company Secretary of the Company Ms. Meenakshi acts as the Secretary to the Committee.

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

During the financial year (01.10.2013 to 31.12.2014), 1 (One) meetings of Share transfer and Shareholders/ Investors Grievance Committee was held on 14.11.2014. The said meetings were attended by all the members.

- |  |     |
|--|-----|
| a) Ms. Meenakshi, Company Secretary is the Compliance Officer.                         |     |
| b) No. of shareholders' complaints received during the period 01-10-2013 to 31-12-2014 | Nil |
| c) No. of complaints not solved to the satisfaction of the Shareholders                | Nil |
| d) No. of pending complaints as on 31.12.2014  | Nil |

#### 6. GENERAL BODY MEETINGS

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

A.G.M	Date	Time	Venue
19th AGM	30.03.2012	9.30 A.M	Arihant Amara Old no.60, New No. 49 Poonamallee High Road, Goparasanallur Village, Poonamallee Taluk, Chennai- 600056
20th AGM	30.03.2013	9.30 A.M	Arihant Escapade Devaraj Nagar 48, Okkium Thoraipakkam, Chennai- 600097
21st AGM	28.03.2014	9.30 A.M	Arihant Escapade Devaraj Nagar 48, Okkium Thoraipakkam, Chennai- 600097

- b) Whether any special resolutions passed in the previous 3 AGMs : Yes
- c) Whether any special resolutions passed last year through postal ballot : Yes
- d) Five Special resolutions were passed through postal ballot conducted vide notice dated July 18, 2014 during the financial year. The Company has provided E voting facility to the shareholders for the said postal ballot and Mrs. V Padmapriya (C.P. No. 8702), Practising Company Secretary, Chennai was appointed as the scrutinizer for conducting the Postal Ballot in fair and transparent manner.

#### SUBSIDIARY COMPANIES

The Company does not have any material non-listed Indian Subsidiary Company and hence it is not required to have an Independent Director of the Company on the Board of such Subsidiary Company. However the Company has four non listed Indian Subsidiary Company and compliance required under clause 49 (V) of the Listing Agreement has been duly complied with.

#### 7. DISCLOSURES

- a) There are related party transactions i.e. transactions of the Company with its Key Management Personnel, Subsidiary Companies, Partnership Firms, Joint Venture and Associates.

- b) The related party transactions are entered into based on consideration of various business exigencies such as legal requirement, synergy in operation and capital resources of subsidiaries and associates. All related party transactions are intended to further the business interest of the Company.
- c) There were no instances of material non compliance and no penalties or strictures on the Company imposed by Stock Exchanges, SEBI or statutory authorities on any matter related to Capital Market during last three years / period.
- d) The Company has devised Whistle Blower mechanism and the same is available in the Company's website. It is hereby affirmed that, that no personnel has been denied access to the audit committee.
- e) The Company has complied with all the mandatory aspects of Corporate Governance and compliance of non mandatory requirements given as an annexure to this Report and Marked as Annexure- 3.
- c) The Quarterly un-audited financial results and audited Annual results are also posted on the Company's web site at: [www. Arihantfoundations.com](http://www.Arihantfoundations.com), investors section.
- d) No presentation is made to institutional investors or to the analyst.

Management Discussion and Analysis Report forms part of the Annual report for year 2013-14, given as an Annexure -2 to the Director's Report 2013-14.

## 8. MEANS OF COMMUNICATION

- a) The Board of Directors of the Company takes on record the un-audited financial Results in the prescribed form within 45 (forty five) days of the close of every quarter, audited financial result within 60 days from the end of the financial year and announces the results to all the Listed Stock Exchanges soon after their approval in conformity with the Clause 49 of the Listing Agreement.
- b) The quarterly unaudited and yearly audited financial results are also published in the news papers and details and date of publications are as under:

Quarter/ Year Ended	Name of English daily and date of publication	Name of Regional daily and date of publication
30.09.2013	MINT 1.12.2013	Maalai Sudar ( TAMIL) 1.12.2013
31.12.2013	Business Standard 15.02.2014	Maalai Sudar ( TAMIL) 15.02.2014
31.03.2014	MINT 16.05.2014	Maalai Sudar ( TAMIL) 15.05.2014
30.06.2014	MINT 15.08.2014	Maalai Sudar ( TAMIL) 14.08.2014
30.09.2014	Business Standard 15.11.2014	Maalai Sudar (TAMIL) 15.11.2014

**9. GENERAL SHAREHOLDER INFORMATION**

i. Number of Annual General Meeting	: 22nd Annual General Meeting
Date & Time	: 30.06.2015, 9.30 a.m
Venue	: "Arihant Escapade", Devaraj Nagar, 48, Okkiyum, Thoraipakkam, Chennai- 600 097

**ii. The particulars of Directors as required under Clause 49 IV (G) (i) of the Listing Agreement are as under:**

Name of Director	Date of Birth	Date of Appointment	Experience in specific functional areas	Qualifications	List of other Public Limited Companies in which Directorship held as on 30.09.2013	Chairman/ member of the Committee of Board of other Public Limited Companies on which he was a Director as on 30.09.2013	Shares held
Mr.KARAN BHASIN	24.06.1980	01.02.2012	A businessman with a rich experience of 15 years in the field of Management of a Company.	B COM	Nil	Nil	Nil
Mr. A DAMODARAN	29.06.1936	12.06.1995	A retired Chief planner Chennai Metro Development Authority (CMDA). Process 40 years of experience in town and country planning	BE, MSC., ( ENGG), DTCP, AITP	Ind Bank Housing Limited	Ind Bank Housing Limited	Nil
Mrs. ANN GONSALVEZ	26.11.1944	25.03.2014	A retired Senior Senior Manager Bank of Baroda Her Career Spanned 40 yrs in Banking of which 25 yrs was a Branch Manager in 8 branches of the city of Chennai, followed by Chief of Credit cards operations, South India.	BA, CAIIB	Nil	Nil	Nil

Name of Director	Date of Birth	Date of Appointment	Experience in specific functional areas	Qualifications	List of other Public Limited Companies in which Directorship held as on 30.09.2013	Chairman/ member of the Committee of Board of other Public Limited Companies on which he was a Director as on 30.09.2013	Shares held
Mr. Ravikant Choudhry	24.06.1980	30.12.2006	Leading Stock Broker involved in stock broking activities and having 15 years of rich experience in stock broking	Bsc, Mathematics	Arihant Securities Limited	Nil	Nil
Mr. Vimal Lunawath	29.03.1974	04.11.2005	A Commerce graduate who possess 10 years of rich experience in real estate and construction specifically in small and large residential complexes.	B.COM	1. Vaikunt Housing Ltd 2. Arihant Griha Limited 3. Varenja Constructions Limited 4. Transperent Heights Real Estate Limited 5. North Town Estates Pvt. Ltd 6. Isle Realty Projects Pvt. Ltd	1	696400
Mr. Bharat Jain	11.07.1976	30.12.2005	Specializes in Project execution. He posses 14 years of experience in execution of Township Project, large residential complex and industrial shed	Indian Certificate Secondary Education (ICSE)	1. High Edge Real Estate Advisory Pvt; Ltd. 2. Esta Realty Services Pvt. Ltd.	Nil	11700

**iii. Financial Calendar** : October to December

**iv. Book Closure date** : 24.06.2015 to 30.06.2015 (both the days inclusive)

**v. Listing on Stock Exchanges**

SEBI has passed an Order on May 14, 2015 providing the exit to madras stock exchange but your company continues to be listed in the following stock exchanges :



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

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

vi. **Stock code/ Symbol**

Bombay Stock Exchange Limited  
Madras Stock Exchange Limited  
National Stock Exchange of India Ltd  
ISIN for dematerialised shares

: 531381  
: arihant found  
: AFD  
: ARIHANT  
: INE413D01011

vii. Market price data – High/Low during each month of the financial year 2013-14 (from 01.10.2013 to 31.12.2014) and performance in comparison to Broad based BSE SENSEX index during the said financial year as downloaded from BSE website:

Month	Bombay Stock Exchange Ltd		BSE Sensex	
	High	Low	High	Low
October 2013	54.65	51.95	21,205.44	19,264.72
November 2013	49.4	38	21,321.53	20,137.67
December 2013	36.15	28.25	21,483.74	20,568.70
January 2014	28	21.5	21,409.66	20,343.78
February 2014	26.75	24.3	21,140.51	19,963.12
March 2014	26.25	21.15	22,467.21	20,920.98
April 2014	35.7	23.3	22,939.31	22,197.51
May 2014	35.05	33.4	25,375.63	22,277.04
June 2014	44.1	35	25,725.12	24,270.20
July 2014	48.95	37.5	26,300.17	24,892.00
August 2014	42.2	36.05	26,674.38	25,232.82
September 2014	43	32.55	27,354.99	26,220.49
October 2014	54.9	37.35	27,894.32	25,910.77
November 2014	77	39.15	28,822.37	27,739.56
December 2014	67.95	49.15	28,809.64	26,469.42

viii. Market price data – High/Low during each month of the financial year 2013-14 (from 01.10.2013 to 31.12.2014) and performance in comparison to NSE Nifty index during the said financial year downloaded From NSE website

Month	National Stock Exchange of India Ltd		NSE Nifty Index	
	High	Low	High	Low
October 2013	34.2	34.2	6309.05	5700.95
November 2013	35.9	35.9	6342.95	5972.45
December 2013	---	---	6415.25	6129.95
January 2014	35.9	34.15	6358.3	6027.25
February 2014	34.9	34.9	6282.7	5933.3
March 2014	38.3	36.5	6730.05	6212.25
April 2014	38.25	36.05	6869.85	6650.4
May 2014	42.9	34.25	7563.5	6638.55
June 2014	44.1	36.25	7700.05	7239.5
July 2014	46.3	38	7808.85	7422.15
August 2014	40	36.15	7968.25	7540.1
September 2014	42.5	33.40	8180.2	7841.8
October 2014	50.00	39.30	8330.75	8198.05
November 2014	76.75	46.00	8617	8290.25
December 2014	68.5	49.7	8626.95	7961.35

ix. Registrar and Share transfer Agent :-

Cameo Corporate Services Limited.  
Subramanian Building, No.1 Club House Road,  
Anna Salai, Chennai-2.  
Ph: 28460390.

M/s. Cameo Corporate Services Limited., Registrar and Share Transfer Agent, processes the share registry work in terms of both physical and electronic (Dematerialisation of shares). Accordingly, the shareholders are required to approach M/s. Cameo Corporate Services Limited for all work relating to the Company's shares including transfer and transmission of shares, issue of duplicate share certificates, splitting, consolidation and replacement of share certificates as well as for dematerialization of shares held in the Company. The shareholders are also requested to send all correspondence relating to Company's shares to M/s. Cameo Corporate Services Limited.

#### x. Share Transfer system

All valid transfer deeds received from the shareholders/ investors are registered with the approval of the share transfer and Shareholders/Investors Grievance Committee constituted by the Board of Directors of the Company and the share certificates after endorsement are generally returned by registered post within 30 days from date of lodgment of transfer deeds. The deficient transfer documents are returned to the sender with objection memos for making good the shortcomings.

#### xi. Distribution of Shareholding as on 31.12.2014

Range of Shares	No. of Shareholders		Amount of Shares	
	Number	%	Amount (Rs.)	%
10 to 5000	1725	83.05	1727460	2.009
5001 to 10000	89	4.29	705870	0.82
10001 to 20000	76	3.66	1155320	1.34
20001 to 30000	43	2.07	1096730	1.27
30001 to 40000	24	1.16	860710	1.00
40001 to 50000	20	0.96	965290	1.12
50001 to 100000	39	1.88	3278710	3.81
100001 and above	61	2.93	76209910	88.62
Total	2077	100.00	8600000	100.00

#### xii. Shareholding pattern as on 31.12.2014.

Sl.No.	Category	No. of Shares	% of Paid up Capital
1.	Indian Promoter's (including Person acting in concert).	36,55,700	42.51
2.	Bodies Corporate	14,27,527	16.59
3.	FII's	8,23,706	9.58
4	Others	26,93,067	31.32
	TOTAL	86,00,000	100.00

#### xiii. Dematerialisation of Shares and liquidity.

The dematerialisation facility exists with both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the convenience of shareholders. As on 31.12.2014, 69,01,720 shares have been dematerialised, representing 80.25% of the Subscribed capital. The Company's shares are actively traded shares on BSE & NSE.

#### Reconciliation of Share Capital Audit Report

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

#### xiv. Outstanding GDR s / ADR s/ warrants or any convertible instruments, conversion date and likely impact on equity.

Nil

#### xv. Plant Locations.

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

#### xvi. Address for correspondence

For matters relating to Company's shares:

Cameo Corporate Services Limited.  
Subramanian Building, No.1, Club House Road,  
Anna Salai, Chennai-2.  
Ph: 28460390.

For other matters:

Registered office:  
271 (Old 182), Poonamallee High Road,  
"Ankur Manor" 1st Floor, Off. McNichols Road,  
Kilpauk, Chennai-10.  
Website:- [www.arihantfoundations.com](http://www.arihantfoundations.com)

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

## CODE OF CONDUCT

Effective from 14th November, 2014, the Company adopted formal code of conduct. The same has been posted on Company's website at [www.arihantfoundations.com](http://www.arihantfoundations.com). The members of the Board and senior management of the Company have submitted their affirmation to the compliance with the code of conduct for the effective period. The declaration by the Managing Director to that effect forms part of this report.

## TRAINING IMPARTED TO INDEPENDENT DIRECTOR

Mrs. Ann Gonsalvez, has been appointed as Independent Director of the Company with effect from March 25, 2015. The Company has provided a detailed training on the Corporate Structure, Business of the Company and its subsidiaries and on the management of the Company to all the Independent Directors on March 25, 2015. The Company has also engaged leading professionals for imparting training to the Independent Directors.

## CEO/ CFO CERTIFICATION

As required by Clause 49 of the listing agreement, the Certificate duly signed by Mr. Kamal Lunawath., Managing Director and Mr. Vimal Lunawath- Chief Financial Officer was placed before the Board of Directors at its meeting held on 27th February, 2015.

## ANNEXURE 1

### DECLARATION OF 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 Board of Directors and Senior Management Personnel. The Code of Conduct is available on the Company's website. I confirm that the Company has received from the Board Members and the Senior Management Personnel, a declaration of compliance with the Code of Conduct as applicable to them for the financial year ended December 31, 2014.

For Arihant Foundations & Housing Limited

Sd/-  
Kamal Lunawath  
Managing Director  
DIN: 00087324

Date: 27.02.2015  
Place: Chennai

## Annexure - 2 MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Economic Review

The Financial Year 2014 observed many political and economic events all over the world that kept policy makers in most of the economies to focus on the path of development. However, growth prospects remained broadly moderate. The Indian economy showed signs of instability during the economic and political imbalances in the mid of the Financial Year 2014. The Gross Domestic Product (GDP) in India expanded 7.50 percent in the fourth quarter of 2014 over the same quarter of the previous year. GDP Annual Growth Rate in India averaged 5.83 percent from 1951 until 2014.

### Industry Review

The Indian real estate sector is one of the most globally recognized sectors. In the country, it is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade. The year gone by was more challenging due to high inflation, low GDP growth coupled with higher current account deficit. High interest rates further contributed in dampening the investment sentiments. The June 2014 quarter witnessed scrapping of 107 projects with investments worth Rs.1.1 trillion, followed by the September 2014 quarter - 210 projects with investments worth Rs.1.7 trillion and 135 projects with investments worth Rs.1.16 trillion in the December 2014 quarter.

### Opportunities

India has always been a resilient market with great fundamentals for real estate and springing back positively. By virtue of the strong and increasing demand due to our large population base, this sector has grown continually and is expected to stay steady for long.

Industrial output, though lower this year, can be positively compared with most of the developed countries. IT/ ITeS and industries are still expected to grow, creating employment opportunities and job stability. Rising disposable incomes and a growing middle class will also ensure robust housing demand and overall growth for real estate in India.

Moreover, Foreign Direct Investments in various sectors will continue to fuel the economy and open more doors. The newly proposed Land Bill as well as the Real Estate Regulatory Bill will bring about more transparency in the long term, hence making investments more attractive.

The above fundamentals automatically create demand for more housing and also tend to support infrastructure such

as retail, office, hospitality, health care, entertainment and lifestyle business.

### Risks faced by Indian Real Estate Sector

While the management of your Company is confident of creating and exploiting the opportunities, it also finds the following challenges:

- **Liquidity Risk:** The time required for liquidity of project can vary depending on the quality and location of the property.
- **Regulatory Risk:** The rules, regulations and legalities, demonstration of frequent changes make real estate sector a cumbersome investment option in India.
- **Macro Economic Risks:** Interest rates, inflation and exchange rate risks are amongst the important macroeconomic indicators.
- **Other Risks:** Unanticipated delays in project approvals, Availability of accomplished and trained labour force, increased cost of manpower, rising cost of construction.

### Outlook

There is an immense growth potential in this segment and one can cash in with limited or virtually no risk. Stringent laws including easing of mortgage enforcement in case of defaults will ultimately lead to an increase in the flow of capital to this sector hence creating further investment opportunities.

This sector is set to grow with an estimated demand of 710,000 residential units and 44 million square feet of commercial office space, across the top 7 markets in India keeping the prospects of investing in Indian real estate reasonably bright.

Due to uncertain and subdued economic environment during the last financial year, your Company's performance was also affected. However compared to overall subdued performance of the sector, your Company was able to sell perform well in FY2014.

### Threats

Market instability and uncertainty may create a slight flutter in this industry. The Current economic outlook, though not dire, seems bleak and can hamper the industry growth. Soaring numbers of corruption allegation cases across various State Governments and government officials shows India in poor light and can create a cascading effect in attracting further investments.

Continuous change in policies will tend to affect investment as well. Moreover, restrictive laws governing Foreign Direct Investment into real estate make it difficult for foreign investors to look at India.

However, your Company possesses a Brand reputation with higher recall and influences the buying decision of the customer and possesses a successful track record of quality execution of projects with contemporary architecture. Your Company follows a strong culture of corporate governance and ensures transparency and high levels of business ethics.

### Financial Performance

The following table sets forth certain items derived from our audited Standalone summary financial statements for year ended December 31, 2014 and September 30, 2013, expressed in absolute terms and as a percentage of total revenue from operations for the periods indicated:

Other information: The following table sets forth our EBITDA and EBITDA margin for Fiscal Years 2014 and 2013.

	December 31, 2014	September 30, 2014
EBITDA <sup>(1)(3)</sup> (INR in Lakhs)	<b>1420.81</b>	1283.21
Revenue	<b>7341.98</b>	6912.86
EBITDA margin <sup>(2)(3)</sup> (%)	<b>19.35</b>	18.56

#### Notes:

(1) EBITDA is calculated by adding back depreciation and amortisation expenses and finance cost to profit before tax.

(2) EBITDA margin is calculated by dividing EBITDA by total revenue.

(3) EBITDA and EBITDA margin are not a measurement of our financial performance or liquidity under Indian GAAP and should not be considered as an alternative to net income, income from operations, gross revenues or any other performance measure derived in accordance with Indian GAAP or as an alternative to flow from operations or as a measure of our liquidity.

The Company's total Income is Rs.73.42 crores during the financial year 2013-14 as against Rs.69.13 crores in the previous year 2012-13 and the Earnings before Interest, Depreciation and Tax (EBITD) is Rs. 14.21 crores during the financial year 2013-14 as against Rs. 12.83 crores in the previous year 2012-13. The Profit after tax (PAT) for the financial year is Rs. 1.29 crores compared to previous year profit of Rs.1.67 crores. On consolidated basis, the total income of your Company and its subsidiaries and Joint venture stands at Rs.101.02 crores and consolidated loss after tax stood at Rs. 16.31 crores as compared to the previous year consolidated loss after at Rs. 18.56.

The earnings per Share (EPS) basic and diluted stands at Rs. 1.50 considering the total equity capital of Rs.8.60 crores (86,00,000 equity shares of Rs.10/- each) as on 31st December, 2014.

### Review of Projects

Project “Villa Viviana” under the SPV, Escapade Real Estate Private Limited of 45 acres approximately, located at Maraimalai Nagar, sub-urban of Chennai, which is a Joint venture between your Company and J P Morgan India Property Fund Mauritius Company of 50:50 equity participation is progressing well. Your Company has successfully completed and sold the 1st phase of the project comprises 161 Villas. The 2nd phase comprises plot sale.

Project “Green Wood” under the SPV, Arihant Unitech Realty Projects Limited of 39.665 acres located at Navalur village in the sub- urban of Chennai is a joint venture between your Company and Unitech Limited of 50:50 equity participation. This project is for development and selling of plots of different sizes. During the year 83 plots have been sold.

Project “North Town Estates” a joint venture between your Company and Unitech Ltd on a 50:50 partnership to develop a 70 acres land owned by PVP Ventures Ltd. This Venture is a residential development and is under construction.

Project “Arihant `esta”, a joint venture project comprising of 1,94,145 Sq ft. to be developed as residential apartment of 140 units. The project is under progress during the year. The project is located in Mugappair, Chennai.

Project “Arihant Tiara”, a joint venture project comprising of 1,48,020 Sq ft of 96 units. The project is located in Nandambakkam, Chennai and approval is in position and construction is in progress.

### Human resources

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

### Internal Control System and their Adequacy

In order to get the best assurance of the Internal Control System, your Company during the year on 23rd

September, 2014 appointed M/s. Ernest & Young LLP, Chartered Accounts, Major international accounting and consulting firm as the Internal Auditors of the Company. The Internal Auditors directly and periodically report to the Audit Committee as required by the Clause 49 of the Listing Agreement. The Audit Committee ensures adequate internal control system by providing necessary guidance for internal control and checking mechanism and reviewing the quarterly and annual accounts of the Company before they are submitted to the Board for their approval and adoption.

### Cautionary Statement

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

### Annexure -3

Non -Mandatory Requirements  
Compliance of non- mandatory requirements

#### (I) Non Executive Chairman:

The Company has been maintaining executive Chairman. Hence this provision is not applicable.

#### (II) Shareholders Rights:

The company has published the quarterly un audited financial results and yearly audited financial results in English and regional language newspaper for circulation in the district in which registered office of the Company situated. The Company has also posted the same in the Company's website [www.arihantfoundations.com](http://www.arihantfoundations.com) . Annual report containing Balance Sheet and Profit and Loss account is also sent to Individual shareholders of the Company.

#### (III) Audit Qualifications

The remarks/ comments of the Auditors on the financial statements, if any, has/ have been suitably clarified/ explained in the Notes to the Accounts/ Directors' Report.

#### (IV) Chairman and CEO

The Company has been maintaining executive Chairman. Hence this provision is not applicable.

#### (V) Internal Auditor

The Internal Auditors of the Company M/s. Ernest & Young LLP, Chartered Accounts are reporting directly to the Audit Committee.



## **ANNEXURE- 4**

### **CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Shareholders of Arihant Foundations & Housing Limited

We have examined the compliance of conditions of Corporate Governance by Arihant Foundations & Housing Limited for the year ended on 30th September 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of the 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor complaints were pending for a period exceeding one month against the Company as certified by the Registrars and Share Transfer Agents of the Company based on the records maintained by them.

Sd/-  
Mrs. V. Padmapriya,  
Practicing Company Secretary  
C. P. No. 8702  
Place: Chennai  
Date: 27.02.2015

## **AUDITOR'S REPORT**

To the Members of  
**ARIHANT FOUNDATIONS & HOUSING LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of ARIHANT FOUNDATIONS & HOUSING LIMITED ("the Company"), which comprise the Balance Sheet as at December 31, 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.

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We 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.

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



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

For B.P.JAIN & CO.  
CHARTERED ACCOUNTANTS  
Firm Reg No. 050105S

### Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2014;
- in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- 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

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of 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 the Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs).

e. on the basis of written representations received from the directors as on December 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Sd/-

CA. DEVENDRA KUMAR BHANDARI  
Partner  
Membership No.: 208862

Place: Chennai  
Date: 27.02.2015

### Re: M/s ARIHANT FOUNDATIONS AND HOUSING LTD

#### Annexure to the Auditors' report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management at reasonable interval and no material discrepancies are noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(ii) (a) As explained to us the stock of construction materials has been physically verified at periodic intervals and no significant discrepancies have been noticed on such verification during the year.

(b) The procedure of physical verification of stock of building material, followed by the management is reasonable and adequate in relation to the size of the company and nature of its company.

(c) The company does not maintain stock records of raw materials. We are of the opinion that the valuation of the stock of building material is as per normally accepted accounting principles. The company has not identified slow moving building materials separately.

(iii) (a) The company has granted loan to five companies covered in the register maintained under section 301 of the companies Act 1956, The maximum amount involved during the year was Rs.47,27,08,834/- and the year-end balance of loans granted to such parties was Rs. 28,40,62,315/-.

(b) In our opinion the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the company.

(c) The parties have repaid the principal amounts and have also been regular in the payment of interest to the company.

(d) Where the overdue amount exceeds rupees one lakh the company has taken necessary steps to recover the amount and interest thereon.

(e) The company had taken loan from three parties covered in the register maintained under section 301 of the companies Act, 1956. The maximum amount involved during the year was Rs.54,79,19,840/- and the year-end balance of loans taken from such parties was Rs.52,26,45,900/-.

(f) In our opinion the rate of interest and other terms and conditions of the loan taken by the company, secured and unsecured are not prima facie, prejudicial to the interest of the company.

(g) The repayment of principal and interest thereon to the concerned parties is also regular.

(iv) In our opinion and according to information and explanation given to us the company has an adequate internal control procedure commensurate with the size and nature of business for the purchase of stores and raw materials, plant & machinery, equipment and other assets for the sale of finished stocks. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.

(v) (a) In our opinion and according to the information and explanations given by the management, particulars of all contracts and arrangements referred to in section 301 of the Companies Act, 1956 have been entered

in the register required to be maintained under that section.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the companies Act 1956 and exceeding the value of rupees five lakhs in respect of any party during the year, have been made at a price which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) In our opinion and according to the information and explanation given to us the company has not accepted deposits from the public during the year. Therefore, the provision of clause 4(vi) of the Order is not applicable to the Company.

(vii) In our opinion the company has an internal audit system commensurate with size and nature of its business.

(viii) We have broadly reviewed the cost records maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records by the Company under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the cost records have been maintained by the company. We have however not made a detailed examination of the same as the same has been certified by a cost accountant.

(ix) According to the information and explanations given to us and on the basis of our examination of books of account, in our opinion

a) The Company is regular in depositing undisputed statutory dues including, Investor Education and protection fund, Income Tax, Wealth Tax, Service Tax, Cess, Sales tax, VAT, Excise duty and any other material statutory dues during the year with the appropriate authorities except in case of following:

Statement of Arrears of statutory dues outstanding for more than six months.

Name of statute	Nature of the dues	Amount( Rs.)	Period to which the amount relates	Due Date	Date of Payment
TN Vat Act 2006	Vat Payable	Rs.10,000/-	2013-14	20-07-2013	Not paid

b) According to the information and explanation given to us there are dues in respect of following taxes on account of dispute , which are as follows:-

**Statement of Disputed Dues**

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	Rs.76,38,692/-	A. Y 1999-2000 / F. Y 1998-1999	CIT Appeals
Income Tax Act, 1961	Income Tax	Rs. 71,83,310/-	A. Y 2011-2012 / F. Y 2010- 2011	CIT Appeals
Income Tax Act, 1961	Income Tax	Rs.13,71,638/-	A. Y 2004-2005 / F. Y 2003 - 2004	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Income Tax	Rs.53,23,956 /-	A. Y 2005-2006 / F. Y 2004 - 2005	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Income Tax	Rs.5,58,07,850/-	A. Y 2009-2010 / F. Y 2008 - 2009	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Income Tax	Rs.1,19,53,006/-	A. Y 2007-2008 / F. Y 2006 - 2007	Income Tax Appellate Tribunal (ITAT)
Finance Act, 1994 (Service Tax)	Service Tax	Rs.23,16,081/-	June 16, 2005 to March 2007	CESTAT, Chennai

(x) The company has no accumulated losses as at December 31, 2014 and it has not incurred cash losses in the financial year ended on that date or in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or Bank. Further, in our opinion and according to information and explanations given to us, the Company did not have any amount outstanding to debenture holders.

(xii) According to the information and explanation given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The provision of any special statute applicable to a chit fund / mutual benefit fund / societies are not applicable to the company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the order is not applicable.

(xv) In our opinion, and according to information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.

(xvi) According to the information and explanations given to us and on the basis of examination of books of accounts, the company has applied term loans for the purpose for which the loans were obtained.

(xvii) According to the information and explanation given to us and on an overall examination of balance sheet of the company, we report that no funds raised for short term basis utilised for long term investment and vice versa.

(xviii) According to the information and explanations given to us the Company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956, accordingly clause 4(xviii) of the order is not applicable.

(xix) The company has not issued any debenture during the year hence question of having security or registering a charge with the Registrar of Companies does not arise during the year.

(xx) The company has not raised any money by way of public issue during the year, accordingly, clause 4(xx) of the Order is not applicable to the Company.

(xxi) According to information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For B.P.JAIN & CO.  
 CHARTERED ACCOUNTANTS  
 Firm Reg No. 050105S  
 Sd/-  
 CA. DEVENDRA KUMAR BHANDARI  
 Partner  
 Membership No.: 208862

Place: Chennai  
 Date: 27.02.2015

**ARIHANT FOUNDATIONS & HOUSING LIMITED**  
**BALANCE SHEET AS AT 31.12.2014**

	Note No.	AMOUNT AS ON 31/12/2014 (15 Months) ₹		AMOUNT AS ON 30/9/2013 (12 Months) ₹	
<b>EQUITY AND LIABILITIES</b>					
<b>(1) SHARE HOLDER'S FUNDS</b>					
(A) Share capital	2	<b>86,000,000</b>		86,000,000	
(B) Reserves & surplus	3	<b>1,585,426,875</b>		1,572,541,310	
			<b>1,671,426,875</b>		1,658,541,310
<b>(2) NON CURRENT LIABILITIES</b>					
(A) Long term borrowings	4	<b>1,451,443,426</b>		770,189,206	
(B) Deferred tax liability (Net)	5	--		672,599	
(C) Other Long term Liabilities	6	<b>126,611,227</b>		254,625,307	
(D) Long Term Provisions	7	<b>3,852,651</b>		3,842,035	
			<b>1581907304</b>		1,029,329,147
<b>(3) CURRENT LIABILITIES</b>					
(A) Trade Payables	8	<b>303,656,724</b>		312,236,855	
(B) Other current liabilities	9	<b>610,331,091</b>		851,894,098	
(C) Short term provisions	10	<b>20,162,600</b>		25,412,600	
			<b>934,150,415</b>		1,189,543,553
<b>TOTAL</b>			<b>4,187,484,594</b>		3,877,414,010
<b>ASSETS</b>					
<b>(1) NON CURRENT ASSETS</b>					
(A) FIXED ASSETS					
I- Tangible assets	11	<b>129,769,092</b>		136,593,195	
II- Intangible assets		<b>549,943</b>		554,741	
(B) Non-current investment	12	<b>199,319,600</b>		169,502,241	
(C) Deferred Tax Assets (Net)	5	<b>108,180</b>		--	
(D) Long Term Loans and Advances	13	<b>1,055,131,654</b>		660,583,318	
(E) Other Non Current Assets	14	<b>377,970,292</b>		--	
			<b>1,762,848,761</b>		967,233,495
<b>(2) CURRENT ASSETS</b>					
(A) Inventories	15	<b>1,080,107,440</b>		919,229,586	
(B) Trade receivables	16	<b>4,43,788,774</b>		885,612,730	
(C) Cash and cash equivalents	17	<b>255,796,170</b>		101,312,035	
(D) Short term loans and advances	18	<b>540,043,109</b>		934,161,255	
(E) Other current assets	19	<b>104,900,340</b>		69,864,909	
			<b>2,424,635,833</b>		2,910,180,515
<b>TOTAL</b>			<b>4,187,484,594</b>		3,877,414,010
Significant accounting policies and notes to financial statements	(1 - 38)				

The accompanying notes are an integral part of the financial statements

As per our attached report of even date  
For **B.P. Jain & Co.**

**Chartered Accountants**

FIRM REG NO-050105S  
sd/-

**CA Devendra Kumar Bhandari**  
Partner  
Membership No.: 208862

CHENNAI  
27.02.2015

For and on behalf of board of directors  
For **Arihant Foundations & Housing Limited**

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

sd/-  
**Vimal Lunawath**  
Chief Financial Officer  
& Whole Time Director  
DIN : 00586269

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

## ARIHANT FOUNDATIONS &amp; HOUSING LIMITED

**STATEMENT OF PROFIT AND LOSS FOR 15 MONTHS ENDED 31.12.2014**

	NOTE NO	YEAR ENDED 31.12.2014 (15 Months) ₹	YEAR ENDED 30.09.2013 (12 Months) ₹
<b>INCOME</b>			
(A) Revenue from operations	20	660,821,156	637,021,239
(B) Other income	21	73,377,475	54,264,734
<b>TOTAL REVENUE</b>		<b>734,198,631</b>	<b>691,285,973</b>
<b>EXPENSES</b>			
(A) Construction and project expenses	22	649,581,368	691,333,664
(B) Changes in inventories of Materials, Work-in-progress and finished good	23	(160,877,854)	(196,494,251)
(C) Employees benefit expenses	24	21,021,771	17,546,560
(D) Finance cost	25	127,715,918	81,869,461
(E) Depreciation and amortization	26	7,592,089	6,004,825
(F) Other expenses	27	73,360,552	50,302,840
<b>TOTAL EXPENSES</b>		<b>718,393,844</b>	<b>650,563,099</b>
Profit before Exceptional and Extraordinary items		15,804,787	40,722,874
Exceptional items		--	(18,010,050)
Profit before Tax		15,804,787	22,712,824
<b>Less: Tax Expense</b>			
a. Current Tax		3,700,000	6,635,776
b. Deferred Tax Charge / (Credit)		(780,779)	(635,776)
<b>PROFIT FOR THE PERIOD</b>		<b>12,885,566</b>	<b>16,712,824</b>
Earning per share (Basic)		1.50	1.94
Earning per share (Diluted)		1.50	1.94
Significant accounting policies and notes to financial statements	(1 - 38)		

The accompanying notes are an integral part of the financial statements

As per our attached report of even date  
For **B.P. Jain & Co.**

**Chartered Accountants**

FIRM REG NO-050105S

sd/-

**CA Devendra Kumar Bhandari**

Partner

Membership No.: 208862

CHENNAI  
27.02.2015

For and on behalf of board of directors

For **Arihant Foundations & Housing Limited**

sd/-

**Kamal Lunawath**

Managing Director

DIN :00087344

sd/-

**Vimal Lunawath**

Chief Financial Officer

& Whole Time Director

DIN : 00586269

sd/-

**J. Meenakshi**

Company Secretary

## CASH FLOW STATEMENT FOR THE 15 MONTHS ENDED 31.12.2014

PARTICULARS	31.12.2014 (15 Months) ₹	30.09.2013 (12 Months) ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/Loss Before Tax and Extraordinary Items	15,804,787	22,712,824
Adjustments for :		
Depreciation	7,592,089	6,004,825
Dividend received	(1,340,858)	(2,329,196)
Interest and Finance Income	(66,643,173)	(51,324,457)
Profit on sale of investments	(1,052,149)	-
Share of profit	(517,609)	-
Loss on sale of Fixed Assets	1,110,511	1,055,904
Interest and Finance Charges	127,715,918	81,591,932
Operating Profit Before Working capital Changes	82,669,516	57,711,832
Adjustments for Working Capital changes		
(Increase) / Decrease in Inventories	(160,877,854)	(196,494,253)
(Increase) / Decrease in long term trade receivables	(377,970,292)	-
(Increase) / Decrease in trade receivables and other current assets	406,788,525	(130,913,231)
(Increase) / Decrease in Long Term Loans & Advances	-	(144,659,652)
Increase / (Decrease) in Other long term liabilities	-	48,925,431
Increase / (Decrease) in Trade Payables & other current liabilities	(250,143,139)	202,620,680
Increase / (Decrease) in Long Term Provisions	10,616	(1,059,943)
Increase / (Decrease) in Short Term Provisions	(5,250,000)	22,776,824
Cash From operations before Tax and Extraordinary items	(304,772,629)	(141,092,311)
Income Tax Paid	(1,000,000)	(26,276,824)
Cash From operations before Extraordinary items	(305,772,629)	(167,369,135)
Extraordinary Items	-	-
<b>Cash flow from Operating Activities</b>	<b>(305,772,629)</b>	<b>(167,369,135)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed Assets	(2,492,747)	(12,285,832)
Sale of fixed Assets	619,048	1,400,000
Dividend received	-	2,329,196
Share of Profit	517,609	-
Interest received during the year	66,643,173	51,324,457
Purchase of Investment	(35,646,451)	(5,000)
Proceeds from sale of Investment	5,829,092	-
<b>Net Cash from Investing Activities</b>	<b>35,469,724</b>	<b>42,762,822</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Fresh loans taken / (Loans repaid)	552,933,148	217,745,352
Fresh Loan given	(394,548,336)	-
loans received back	394,118,146	-
Payment of Dividend	-	(1,173,176)
Interest & Finance Charges	(127,715,918)	(81,591,932)
<b>Net Cash from Financing Activities</b>	<b>424,787,040</b>	<b>134,980,244</b>
<b>D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>154,484,135</b>	<b>10,373,930</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>101,312,035</b>	<b>90,938,105</b>
<b>F. CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>255,796,170</b>	<b>101,312,035</b>

The accompanying notes are an integral part of the financial statements

As per our attached report of even date  
For **B.P. Jain & Co.**

**Chartered Accountants**

FIRM REG NO-050105S

sd/-

**CA Devendra Kumar Bhandari**

Partner

Membership No.: 208862

For and on behalf of board of directors  
For **Arihant Foundations & Housing Limited**

sd/-

**Kamal Lunawath**

Managing Director

DIN :00087344

sd/-

**Vimal Lunawath**

Chief Financial Officer

& Whole Time Director

DIN : 00586269

sd/-

**J. Meenakshi**

Company Secretary



## **ARIHANT FOUNDATIONS & HOUSING LIMITED**

### **NOTES TO FINANCIAL STATEMENTS**

#### **COMPANY OVERVIEW**

The company, Arihant Foundations and Housing Ltd was incorporated on 6th March, 1992. The Company is engaged in the business of real estate development of residential, commercial complexes and IT Parks.

#### **NOTE-1: SIGNIFICANT ACCOUNTING POLICIES**

##### **A. BASIS OF PREPARATION**

a) The financial statements have been prepared on accrual basis of accounting under the historical cost convention in accordance with the generally accepted accounting principles in India.

b) Accounting policies not specially referred to otherwise are consistently followed throughout the period under audit and in consonance with the generally accepted accounting principles.

##### **B. USE OF ESTIMATES**

The preparation of financial statement in conformity with generally accepted accounting policies requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at date of the financial statements and the reported accounts of revenues and expenses for the years presented. Although these estimates are based upon Management's best knowledge of current events and actions, actual results could differ from these estimates.

##### **C. FIXED ASSETS AND DEPRECIATION**

a) The fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes all related expenses incurred up to the date the assets are put to use.

b) Depreciation on fixed assets is provided on straight line method as per rate and manner prescribes in schedule-XIV of the companies Act 1956. The depreciation has

been provided at 100% on the Assets purchased during the year the cost of which is less than Rs 5000/-.

#### **D. INTANGIBLES AND AMORTIZATION**

Intangible assets are recognized when it is probable that future economic benefits that are attributable to these assets will flow to the company and the cost of the asset can be measured reliably.

#### **E. IMPAIRMENT OF ASSETS**

Management at each balance sheet date assesses using internal sources whether there is an indication that an asset or group of assets or a cash generating unit as the case may be, is impaired. Impairment occurs where the carrying value exceeds the higher of value in use represented by present value of future cash flows expected to arise from the continuing use of the asset and its realizable value. The impairment asset is charged off to statement of profit and loss.

#### **F. INVESTMENTS**

Trade investments are those made to enhance the Group's business interests. Investments are classified as either current or long-term, based on the Management's intention at the time of purchase.

##### **Long-term investments**

Long-term investments are stated at cost. However, provision is made for diminution in the value of the asset, which is other than temporary.

##### **Quoted**

The company holds investment in quoted securities. They are classified as long-term as the Management intends to hold the same for a period of more than twelve months. These investments are classified as non-trade.

##### **Unquoted**

The company holds investment in unquoted securities of its subsidiaries, joint ventures and associates. These investments are classified as trade.

## **G. INVENTORIES**

### **a) Raw materials and consumables**

The cost of inventories comprise of purchase cost and conversion cost, if any.

### **b) Work -in-progress**

Costs generally include cost of land, construction costs, job work allocated borrowing costs and other costs that are attributable to project and such other costs as are specifically chargeable to the project. Work-in-progress are valued at cost less cost of sales.

### **c) Finished stock**

Finished stock consists of completed real estate projects which are unsold at the end of the financial year.

## **H. BORROWING COST**

Borrowing cost that are directly attributable to the acquisition or construction or development of qualifying assets of the company are capitalized until the time all substantial activities necessary to prepare the qualifying assets for the intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale.

Borrowing cost that are attributable to any work-in-progress, qualifying land advances as well as capital work-in-progress are charged to the respective qualifying project. All other borrowing costs, not eligible for inventorisation or capitalization are charged to revenue in the year in which they are incurred.

## **I. REVENUE RECOGNITION**

### **i) Construction Contracts**

In construction contracts, revenue is recognized on percentage of completion method. The revenue is recognized on the basis of the Accounting Standard and as prescribed by Institute of Chartered Accountants of India.

Revenue on sale of land is recognized upon enter in to contract with the customer in the purchase of the said undivided share of land. The revenue also recognized at the time of registration of sale deed or completion of the project whichever is earlier.

### **ii) Revenue from lease rentals and related income**

Lease income is recognized on accrual basis as per the Contract.

### **iii) Interest Income**

Interest is recognised on accrual basis of accounting.

### **iv) Dividend Income**

Dividend income is recognized when the right to receive the same is established or the receipt of the same whichever is earlier.

## **J. FOREIGN EXCHANGE TRANSACTIONS**

The foreign exchange transaction recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount, the prevailing exchange rate, as at the date of transaction.

## **K. TAXES ON INCOME**

Tax expense comprises of current tax and deferred tax.

Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates and tax laws that are enacted or substantially enacted.

Deferred Tax is recognized on timing differences, being the differences between taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward, only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The tax effect is calculated on the accumulated timing difference at the year end, based on the tax rates and laws enacted or substantially enacted on the balance sheet date. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. They can be realized against future taxable profits.

## L. EMPLOYEE BENEFITS

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of employment and as required by law are recorded in accordance with Accounting Standard (AS) 15 (Revised) "Employee Benefits" issued by the Institute of Chartered Accountants of India.

### i) Gratuity

Gratuity is a defined benefit plan. Liability for gratuity in respect of past services are provided for based on the actuarial valuation carried out annually as at the balanced sheet date by an independent actuary using the Projected Unit Credit (PUC) method.

### ii) Provident Fund

The company's contribution to Provident fund is considered as a defined contribution plan. Company's contribution to provident fund is charged to the statement of profit and loss when the contribution is due.

## M. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognized in respect of liabilities which can be measured only by using a substantial degree of estimation when:

- a) the company has a present obligation as a result of past event;
- b) a probable outflow of resources embodying economic benefits will be required to settle the obligation; and
- c) the amount of obligation can be reliably estimated

Re-imbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of:

- a) a present obligation arising from a past event, when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

- b) a possible obligation, that arises out of past events and the existence of which will be confirmed only by one or more uncertain future events unless the probability of outflow of resources is remote.

Contingents assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

## N. CASH AND CASH EQUIVALENTS

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

## O. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue, share split and share warrants conversion.

Diluted earnings per share is calculated by adjusting net profit or loss for the period attributable to equity shareholders and the weighted number of shares outstanding during the period for the effect of all dilutive potential equity shares.

**ARIHANT FOUNDATIONS & HOUSING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2014**

PARTICULARS	NOTE NO	AMOUNT AS ON 31.12.2014 (15 Months) ₹		AMOUNT AS ON 30.09.2013 (12 Months) ₹	
SHARE CAPITAL AUTHORISED 1,00,00,000 equity shares of Rs.10/- each (Sep 30, 2013 : 1,00,00,000 equity shares of Rs.10/- each)	2		100,00,000		100,00,000
ISSUED, SUBSCRIBED & PAID UP 86,00,000 equity shares of Rs.10/- each fully paid up (Sep 30, 2013 : 86,00,000 equity shares of Rs.10/- each)			86,00,000		86,00,000
<b>Reconciliation of No of Shares outstanding at the beginning and end of the reporting year</b>					
		Nos	Amount in ₹	Nos	Amount in ₹
Opening balance of number of Equity Shares		8,600,000	86,00,000	8,600,000	86,00,000
Changes during the year		-	-	-	-
Closing balance of number of Equity Shares		8,600,000	86,00,000	8,600,000	86,00,000
<b>SHAREHOLDERS HOLDING MORE THAN 5% OF THE TOTAL SHARE CAPITAL</b>		<b>NO OF SHARES</b>	<b>% HELD</b>	<b>NO OF SHARES</b>	<b>% HELD</b>
Smt. Snehlatha Lunawath		1,407,000	16.36	1,407,000	16.36
Smt. S. Jayalakshmi		796,202	9.26	796,202	9.26
Mr. Kamal Lunawath		749,100	8.71	749,100	8.71
Mr. Vimal Lunawath		696,400	8.10	696,400	8.10
Taj Foundation Private Limited		690,000	8.02	690,000	8.02
Ocean Dial Asset Management Ltd A/c ICGQ Ltd		592,400	6.89	592,400	6.89
RESERVES & SURPLUS <b>SECURITIES PREMIUM RESERVE</b> Opening Balance Add: Additions during the year Closing Balance	3	570,650,000 - 570,650,000	570,650,000	570,650,000 - 570,650,000	570,650,000
<b>GENERAL RESERVE</b> Opening Balance Add: Additions during the year Closing Balance		88,308,752 - 88,308,752	88,308,752	88,308,752 - 88,308,752	88,308,752
<b>SURPLUS IN THE STATEMENT OF PROFIT AND LOSS</b> Opening Balance Add: Profit for the year Closing Balance		913,582,557 12,885,566 926,468,123	926,468,123	896,869,734 16,712,824 913,582,558	913,582,558
			<b>1,585,426,875</b>		<b>1,572,541,310</b>

LONG TERM BORROWINGS	4	31.12.2014 (15 Months)		30.09.2013 (12 Months)	
		₹		₹	
i) SECURED		Current	Non - Current	Current	Non - Current
<b>Term Loans &amp; Other Loans</b>					
a. From Banks		110,442,441	327,863,156	201,094,574	265,158,731
b. From other parties		14,8799,567	309,564,676	69,292,656	327,392,200
<b>Sub - Total</b>		<b>259,242,008</b>	<b>637,427,832</b>	<b>270,387,230</b>	<b>592,550,931</b>
<b>ii) UNSECURED</b>					
(A) Deposits		-	510,599,694	--	16,010,353
(B) Loans & Advances from related parties		-	303,415,900	--	161,627,922
<b>Sub - Total</b>		-	<b>814,015,594</b>	--	<b>177,638,275</b>
<b>TOTAL</b>		<b>259,242,008</b>	<b>1,451,443,426</b>	<b>270,387,230</b>	<b>770,189,206</b>

Deposits includes all inter corporate deposits

LONG TERM BORROWINGS			
(i) SECURED			
A. FROM BANKS - TERM LOANS			
Particulars	Interest Rate P.A.	31.12.2014 (15 Months) ₹	30.09.2013 (12 Months) ₹
"Axis Bank Ltd-Nissan Car: Secured against the vehicle for which the loan has been taken. Repayment - Thirty five monthly installments of Rs.22,675/- starting from 1-4-2012. Two installments are outstanding as on the balance sheet date."	10.89%	44,739	355,719
"Axis Bank Ltd - Skoda Rapid: Secured against the vehicle for which the loan has been taken. Repayment - Thirty six monthly installments of Rs.22,880/- starting from 1-4-2012. Three installments are outstanding as on the balance sheet date."	10.89%	67,412	378,389
"HDFC LTD: Secured by way of equitable mortgage on certain immovable properties, owned by company. Further the loan has been guaranteed by way of personal guarantee of the managing director of the company. Repayment - One monthly installment of Rs.6,82,771/-, subsequently thirty five installments of Rs.6,79,011/- and twenty three installment of Rs. 6,90,715/- and one installment Rs.6,90,698/- totalling sixty installments, starting from 1-12-2011. Twenty Three installments are outstanding as on the balance sheet date."	15%	13,732,808	20,629,351
"ICICI BANK -15 CR Loan: Secured by way of equitable mortgage on certain immovable properties, owned by company and on receivables from the project. Further the loan has been guaranteed by way of personal guarantee of the directors of the company.Repayment - The term of loan is twelve months, Rs. 1.25 Crores must me repaid in each month starting from 15-7-2014. However, more amount is repaid during the year and the loan will be closed in next year."	14.75%	77,943,251	-
"HDFC Ltd - Frangipani: Secured by way of equitable mortgage on certain immovable properties, owned by company and on receivables from the project. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. The date of commencement of loan is 10-01-2013. Repayment - The term of loan is twelve months, Rs. 2 Crores must me repaid by the end of sixth month from the commencement of the loan and subsequently Rs. 2 Crores is repayable in six monthly installments. However, more amount is repaid during the year and the loan has closed in november 2013."	14.25%	-	30,724,724

Particulars	Interest Rate P.A.	Amount Outstanding	
		31.12.2014 (15 Months) ₹	30.09.2013 (12 Months) ₹
<p>"ICICI Bank Ltd Car Loan -Skoda 2 Car: Secured against the vehicle for which the loan has been taken. Repayment - Two loans totalling one hundred and twenty monthly installments: sixty monthly installments of Rs.35,745/- for each loan, starting from 1-9-2011. Ninteen installments are outstanding as on the balance sheet date."</p>	10.76%	1,243,812	2,087,152
<p>"ICICI BANK LTD - MOGAPPAIR PROJ LOAN: Secured by way of equitable mortgage on certain immovable properties, owned by its associate company Heirloom Real Estate Private Limited and by the co-venturers. Repayment - Twenty monthly installments of Rs.1.50 Crores which will commence from 15-08-2014. However, the company has already commenced the repayment based on the availability of funds"</p>	14.00%	206,918,818	109,770,048
<p>"ICICI BANK LTD -Panache Loan: Secured by way of equitable mortgage on certain immovable properties, owned by its associate company Arihant Hospitality (Chennai) Private Limited. Repayment - Twelve monthly installments of Rs.1.25 Crores which will commence from 15-01-2014. However, the company has already commenced the repayment based on the availability of funds"</p>	14.50%	-	136,893,818
<p>"Standard Chartered Bank 8.11 Cr (Viceroy): Secured by way of charge on the lease rentals from let out properties of the company and by way of equitable mortgage of immovable properties owned by the company. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - Sixty monthly installments of Rs.18,45,275/- which commenced from 5-02-2013. Thirty seven installments are outstanding as on the balance sheet date."</p>	13.00%	55,752,821	72,852,864
<p>"Standard Chartered Bank 9.82 Cr (Viceroy): Secured by way of charge on the lease rentals from let out properties of the company and by way of equitable mortgage of immovable properties owned by the company. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - One hundred and one monthly installments of Rs.15,62,689/- which commenced from 15-01-2013. Seventy seven installments are outstanding as on the balance sheet date."</p>	12.25%	82,601,936	92,561,239
<b>TOTAL</b>		<b>438,305,597</b>	<b>466,253,304</b>
<b>B. OTHERS - TERM LOANS from Others</b>			
<p>"Aditya Birla Finance Limited: Secured by way of equitable mortgage on certain immovable properties, owned by company and on receivables from the project. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. The date of commencement of loan is 03-10-2013. Repayment - The term of loan is twenty seven months, EMI will statr from November 2014. However, more amount is repaid during the year."</p>	13.75%	53,042,604	-
<p>"Indiabulls Housing Finance Limited (HHLCHE00127656): Secured by way of equitable mortgage on certain immovable properties, owned by the company Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - One hundred and eighty monthly installments of Rs.1,90,646/- starting from 1-01-2013. One hundred and fifty six installments are outstanding as on the balance sheet date."</p>	11.75%	15,212,067	15,791,096
<p>"India Infoline Investment Services Ltd: Secured by way of equitable mortgage on certain immovable properties, owned by the company Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - sixty monthly installments of Rs.4,07,194/- starting from 1-11-2011. The loan fully closed in current year."</p>	14.00%	-	12,700,247



Particulars	Interest Rate P.A.	Amount Outstanding	
		31.12.2014 (15 Months) ₹	30.09.2013 (12 Months) ₹
<p>"ICICI Home Finance- Gajapathy Road Flat: Secured against the immovable property for which the loan has been taken. Repayment - Two hundred and sixty two monthly installments of Rs.79,589/- starting from 10-3-2008. One hundred and eighty installments are outstanding as on the balance sheet date."</p>	13.25%	6,199,877	6,352,982
<p>"ICICI BANK LTD - SRIPERUMBATHUR PROJ: Secured by way of equitable mortgage on certain immovable properties, owned by associate company, Heirloom Real Estate (P) Ltd and by hypothecation of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - Twenty five monthly installments of Rs. 40 Lakhs starting from 15-05-2012. The loan fully closed in current year."</p>	15.00%	-	32,000,000
<p>"ICICI BANK LTD - SRIPERUMBATHUR PROJ: Secured by way of equitable mortgage on certain immovable properties, owned by associate company, Heirloom Real Estate (P) Ltd and by hypothecation of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - Fifteen monthly installments of Rs.20 Lakhs, starting from 15-10-2012. The loan fully closed in current year."</p>	15.00%	-	6,000,000
<p>"Kotak Mahindra Investments Limited (6 Cr Loan): Secured by way of equitable mortgage on certain immovable properties, owned by company and on receivables from the project. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. The date of commencement of loan is 27-10-2014. Repayment - The term of loan is twelve months, EMI will be six monthly installments of Rs.1 crore, starting from May 2015."</p>	15.00%	60,000,000	-
<p>"Kotak Mahindra Prime Ltd - Audi A8: Secured against the vehicle for which the loan has been taken. Repayment -Sixty monthly installments of Rs.1,79,690/- starting from 10-01-2013. Thirty six installments are outstanding as on the balance sheet date."</p>	10.00%	5,579,105	7,459,745
<p>"Religare Finvest Limited: Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothecation of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the managing director of the company. Repayment -One installments of interest amounts of Rs. 32,084/-, then Fifteen monthly installments of Rs.17,20,917/-, then forty five monthly installments of Rs.16,87,376/- and one installment of Rs.9,67,801/- starting from 1-8-2011. Twenty one installments are outstanding as on the balance sheet date."</p>	14.00%	30,703,256	48,061,670
<p>"Religare Finvest Ltd - 2 Cr Loan: Secured by way of equitable mortgage on certain immovable properties, owned by the company. Repayment - Two installments of interest amounts of Rs. 1,24,375/- and 2,49,320/- each, then, eleven monthly installments of Rs.3,22,670/-, then, one hundred and eleven monthly installments of Rs. 3,10,451/- and one installment of Rs. 2,61,296/- starting from 15-11-2011. Eighty nine monthly installments are outstanding as on the balance sheet date"</p>	13.75%	17,020,342	18,429,660
<p>"Religare Finvest Ltd - 3 Cr Loan: Secured by way of equitable mortgage on certain immovable properties, owned by the company. Repayment - Three installments of interest amounts of Rs.10,273/-, Rs.3,45,971/- and Rs.4,02,058/- each, then, ten monthly installments of Rs.7,29,542/-, then, fifty monthly installments of Rs. 7,15,795/- and one installment of Rs. 3,96,666/- starting from 1-11-2011. Twenty six monthly installments are outstanding as on the balance sheet date"</p>	14.00%	15,737,404	22,705,935

Particulars	Interest Rate P.A.	Amount Outstanding	
		31.12.2014 (15 Months) ₹	30.09.2013 (12 Months) ₹
<p>"Religare Finvest Ltd 4.94 Cr: Secured by way of equitable mortgage on certain immovable properties, owned by the company. Repayment - one installment of interest amounts of Rs.1,66,073/- and then one hundred and twelve monthly installments of Rs.7,96,995/- and one installment of Rs. 2,16,370/- starting from 1-06-2013. Ninty six monthly installments are outstanding as on the balance sheet date"</p>	13.75%	45,793,833	48,854,756
<p>"Religare Finvest Ltd 7.06 Cr: Secured by way of equitable mortgage on certain immovable properties, owned by the company. Repayment -One installmants of interest amounts of Rs.2,28,403/- and then one hundred and twelve monthly installments of Rs.11,39,025/- and one installment of Rs. 3,09,288/- starting from 1-06-2013. Ninty six installments are outstanding as on the balance sheet date"</p>	13.75%	65,446,255	69,820,765
<p>"others: secured against the asset/ property for which the loan has been obtained"</p>	12% to 18%	143,629,500	108,508,000
<b>TOTAL</b>		<b>458,364,242</b>	<b>396,684,856</b>
<b>GRAND TOTAL</b>		<b>896,669,839</b>	<b>862,938,160</b>

PARTICULARS	NOTE NO	AMOUNT AS ON 31.12.2014 (15 Months) ₹		AMOUNT AS ON 30.09.2013 (12 Months) ₹	
<b>DEFERRED TAX</b>	5				
Deferred Tax Liability		672,599		1,308,375	
LESS:- Deferred Tax Asset provided during the year		780,779		635,776	
Deferred Tax Liability / (Asset) Net			<b>(108,180)</b>		672,599
<b>OTHER LONG TERM LIABILITIES</b>	6		<b>126,611,227</b>		254,625,307
other long term liabilities					
<b>LONG TERM PROVISIONS</b>	7		<b>3,852,651</b>		3,842,035
Provision for Employment benefits					
<b>TRADE PAYABLES</b>	8		<b>303,656,724</b>		312,236,855
<b>OTHER CURRENT LIABILITIES</b>	9				
Current Maturities of Long terms loans (Ref Note No. 4)		259,242,008		270,387,230	
Interest accrued but not due		6,543,884		6,153,140	
Income received in advance		3,885,527		--	
Other Payabes					
Advance from customers and for projects		309,557,379		452,095,591	
Statutory Dues payable		5,794,606		3,710,089	
Other sundry current liabilities		2,530,767		119,548,048	
			<b>610,331,091</b>		851,894,098
<b>SHORT TERM PROVISIONS</b>	10				
Provision for Taxation		20,162,600		25,412,600	
			<b>20,162,600</b>		25,412,600

**Note No. 11**  
**FIXED ASSETS**  
**DEPRECIATION SCHEDULE AS PER THE COMPANIES ACT, 1956 FOR THE PERIOD FROM 01.10.2013 TO 31.12.2014**

Name of The Asset	GROSS BLOCK			DEPRECIATION					NET BLOCK	
	Balance As On 01.10.2013	Additions During 01.10.2013 To 31.12.2014	Deletions During 01.10.2013 To 31.12.2014	Balance As At 31.12.2014	Balance As On 01.10.2013	For The Period 01.10.2013 To 31.12.2014	Deletions During 01.10.2013 To 31.12.2014	Total As On 31.12.2014	As On 01.10.2013	As On 31.12.2014
Land	17,931,721	--	--	17,931,721	--	--	--	--	17,931,721	17,931,721
Buildings										
Freehold Buildings	90,762,170	--	--	90,762,170	14,469,623	1,852,152	--	16,321,775	76,292,547	74,440,395
Leasehold Buildings	5,795,307	--	--	5,795,307	850,438	113,109	--	963,547	4,944,869	4,831,760
Furniture & Fixtures	21,310,535	61,457	--	21,371,992	11,927,365	1,509,538	--	13,436,903	9,383,170	7,935,089
Plant & Equipments	13,531,779	1,749,540	3,248,500	12,032,819	5,562,212	743,535	1,518,941	4,786,806	7,969,567	724,6013
Office Equipments	6,403,576	501,009	--	6,904,585	5,006,213	427,898	--	5,434,111	1,397,363	1,470,474
Vehicles	23,708,256	60,516	--	23,768,772	5,034,298	2,820,834	--	7,855,132	18,673,958	15,913,640
<b>Total</b>	<b>179,443,344</b>	<b>2,372,522</b>	<b>3,248,500</b>	<b>178,567,366</b>	<b>42,850,149</b>	<b>7,467,066</b>	<b>1,518,941</b>	<b>48,798,274</b>	<b>136,593,196</b>	<b>129,769,092</b>
Intangible Assets										
Computer Software	1,785,990	120,225	--	1,906,215	1,231,249	125,023	--	1,356,272	554,741	549,943
<b>Total</b>	<b>1,785,990</b>	<b>120,255</b>	<b>--</b>	<b>1,905,215</b>	<b>1,231,249</b>	<b>125,023</b>	<b>--</b>	<b>1,356,272</b>	<b>554,741</b>	<b>549,943</b>
<b>Grand Total</b>	<b>181,229,334</b>	<b>2492747</b>	<b>3,248,500</b>	<b>180473581</b>	<b>44,081,398</b>	<b>7,592,089</b>	<b>1,518,941</b>	<b>50,154,546</b>	<b>137,147,936</b>	<b>13,0319,035</b>
Previous Year Values	173,999,146	12,285,832	5,055,645	181,229,333	40,676,313	6,004,825	2,599,741	44,081,397	133,322,833	137,147,936

PARTICULARS	NOTE NO	AMOUNT AS ON 31.12.2014 (15 Months) ₹		AMOUNT AS ON 30.09.2013 (12 Months) ₹	
<b>NON-CURRENT INVESTMENTS</b>	12				
<b>1. UNQUOTED - TRADE</b>					
<b>a. INVESTMENT IN EQUITY INSTRUMENT</b>					
<b>i) WHOLLY OWNED SUBSIDIARIES</b>					
Arihant Griha Limited (50,000 Equity shares of R.10/- Each fully paid)		500,000		500,000	
Varenva Construction Limited (50,000 Equity shares of R.10/- Each fully paid)		500,000		500,000	
Transperent Heights Real Estate Limited (50,000 Equity shares of R.10/- Each fully paid)		500,000		500,000	
Vaikunt Housing Limited (5,00,000 Equity shares of R.1/- Each fully paid)		500,000		500,000	
<b>ii) JOINT VENTURES</b>					
(i) Arihant Indo African Infra Developers & Builders Pvt.Ltd. (62,37,784 Equity shares of R.10/- Each Fully Paid Up)		62,377,840		2,032,740	
(ii) Arihant Unitech Realty Projects Ltd. (5,00,000 Equity shares of R.10/- Each Fully Paid Up)		5,000,000		5,000,000	
(iii) Escapade Real Estate Pvt Ltd (11,00,000 Equity Shares of R.10/- Each Fully Paid Up)		11,000,000		11,000,000	
(iv) Heirloom Real Estate Pvt.Ltd. (2,500 Equity shares of R.10/- Each Fully Paid Up)		25,000		25,000	
(vi) North Town Estates Pvt Ltd (25,000 Equity shares of R.10/- Each Fully Paid Up)		250,000		250,000	
<b>b. INVESTMENT IN DEBENTURES</b>					
Arihant Indo African Infra Developers & Builders Pvt Ltd (13% 2,03,894 Optionally Redeemable Convertible Debenetures of R.100/- Each)		20,389,400		80,734,500	
<b>C. INVESTMENT IN PARTNERSHIP FIRMS</b>					
Arihant Heirloom		61,532,859		67,361,951	

PARTICULARS	NOTE NO	AMOUNT AS ON 31.12.2014 (15 Months) ₹		AMOUNT AS ON 30.09.2013 (12 Months) ₹	
<b>D. OTHER NON CURRENT INVESTMENT</b> Development rights certificate		35,646,451		--	
<b>2. QUOTED - NON-TRADE (FULLY PAID AT COST)</b>					
Happy Homes Profin Ltd (44,800 Equity shares of Rs 10/- each Fully Paid Up Market value Rs. 1, Carried at other than cost)		1		1	
Hindustan Construction Company Ltd (500 Shares of Rs 45.53 Each Fully Paid Up; market value is Rs.14,750/-)		22,767		22,767	
IDBI Bank Ltd (500 Shares of Rs 156.20 Each Fully Paid Up; market value is Rs 36,575/-)		78,100		78,100	
Indotech Transformers (691 Equity Shares of Rs 130.19/- Each Fully Paid up; market value is Rs.153091.05)		89,830		89,830	
Tata Consultancy Servies Ltd (3,600 Shares of Rs.250.65 Each Fully Paid up; market vaue is Rs 92,09,700/-)		902,352		902,352	
<b>3. UNQUOTED - NON-TRADE (FULLY PAID AT COST)</b>					
<b>INVESTMENT IN GOVT. BONDS</b> National Savings Certificate		5,000		5000	
			<b>199,319,600</b>		<b>169,502,241</b>

Details of quoted/unquoted investments: Particulars	AS ON 31.12.2014 (15 Months)	AS ON 30.09.2013 (12 Months)
(a) Aggregate amount of quoted investments and market value thereof		
Book Value	<b>1,093,050</b>	1,093,050
Market Value	<b>9,414,116</b>	7,009,116
(b) Aggregate amount of unquoted investments		
Book Value	<b>198,226,550</b>	168,409,191
(c) Aggregate provision for diminution in value of investments	NIL	NIL

PARTICULARS	NOTE NO	AMOUNT AS ON 31.12.2014 (15 Months) ₹		AMOUNT AS ON 30.09.2013 (12 Months) ₹	
<b>LONG TERM LOANS AND ADVANCES</b>					
Security Deposit	13	871,069,439		660,583,318	
Loans and advances to related parties		184,062,215		--	
			<b>1,055,131,654</b>		660,583,318
<b>OTHER NON CURRENT ASSETS</b>	14				
Long Term Trade Receivables		377,970,292	<b>377,970,292</b>	--	--
<b>INVENTORIES</b>	15				
(as taken, valued and certified by the Management)					
Raw Materials		1,982,496		2,092,396	
Work in Progress		804,901,796		715,022,125	
Finished Properties		273,223,148		202,115,065	
			<b>1,080,107,440</b>		919,229,586
<b>TRADE RECEIVABLES</b>	16				
Debt outstanding for a period of exceeding six months from the date they are due for payment					
unsecured and considered goods					
- Debts due by private companies in which directors are directors		240,047,875		52,152,421	
- Others		104,950,068		586,136,037	
Debt outstanding for a period of less than six months from the date they are due for payment					
unsecured and considered goods					
- Debts due by private companies in which directors are directors		--		811,508	
- Others		98,790,834		246,512,764	
			<b>443,788,774</b>		885,612,730
<b>CASH AND CASH EQUIVALENTS</b>	17				
Balance with Banks		10,586,302		14,954,413	
Cash in Hand		15,225,396		5,992,653	
Others* mutual funds (daily dividend)		197,904,834		43,400,000	
Other Bank balances					
- Deposit accounts		31,677,805		36,563,137	
- Earmarked accounts: Unpaid dividend		401,832		401,832	
			<b>255,796,170</b>		101,312,035
<b>SHORT TERM LOANS AND ADVANCES</b>	18				
Unsecured and considered good					
<u>Related Parties</u>					
Other loans and advances		100,000,100		404,844,473	
<u>Others</u>					
Prepaid expenses		2,444,553		812,098	
Advance for land		32,965,685		68,045,685	
Balance with revenue authorities		66,775,621		62,874,103	
Advance given to suppliers and others		143,197,483		189,145,306	
Other loans and advances		194,659,668		208,439,590	
			<b>540,043,109</b>		934,161,255
<b>OTHER CURRENT ASSETS</b>	19				
Other Deposits		104,519,256		6,9864,909	
Other Receivables		381,084		--	
			<b>104,900,340</b>		69,864,909



PARTICULARS	NOTE NO	AMOUNT AS ON 31.12.2014 (15 Months) ₹		AMOUNT AS ON 30.09.2013 (12 Months) ₹	
<b>REVENUE FROM OPERATION</b>	20	576,965,683		583,804,436	
Sales		10,092,477		3,514,854	
Marketing fees received		7,590,397		6,419,555	
Project management fees received		517,609		(7,196,606)	
Share of profit from firms		<b>595,166,166</b>		586,542,239	
<b>OTHER OPERATING REVENUES</b>					
Lease rentals		38,739,618		27,657,392	
Car Park Sales		500,000		--	
Maintenance Charges Received		26,290,922		18,928,840	
Other operating income		124,450		3,892,768	
		<b>65,654,990</b>	<b>660,821,156</b>	50,479,000	637,021,239
<b>OTHER INCOME</b>	21				
Dividend income		1,340,858		2,329,196	
Interest received		66,643,173		51,324,457	
Other non-operating Income (Net of Expenses)					
Profit on sale of investment		1,052,149		--	
Miscellaneous income		4,341,295		611,081	
			<b>73,377,475</b>		54,264,734
<b>CONSTRUCTION AND PROJECT EXPENSES</b>	22				
Materials		150,497,424		178,475,464	
Labour & sub-contract expenses		177,532,200		228,621,447	
Legal expenses		49,908,842		120,971,589	
Consultancy charges		5,703,979		7,538,473	
Interest charges and other finance costs related to projects		208,243,710		82,269,284	
Marketing Expenses		-		15,308,134	
Other Project Expenses		57,695,213		58,149,273	
			<b>649,581,368</b>		691,333,664
<b>CHANGES IN INVENTORIES OF MATERIALS, WORK- IN-PROGRESS AND FINISHED GOODS</b>	23				
a. Inventories at the beginning of the year					
i. Raw Materials		2,092,396		1,482,652	
ii. Work-in-progress		715,022,125		507,621,074	
iii. Finished goods		202,115,065		213,631,609	
		<b>919,229,586</b>		722,735,335	
b. Inventories at the end of the year					
i. Raw Materials		1,982,496		2,092,396	
ii. Work-in-progress		804,901,796		715,022,125	
iii. Finished goods		273,223,148		202,115,065	
Net (increase) / decrease		<b>1,080,107,440</b>	<b>(160,877,854)</b>	919,229,586	(196,494,251)
<b>EMPLOYEES BENEFIT EXPENSES</b>	24				
Salaries and Wages		19,506,726		16,997,240	
Contribution to Provident & Other Funds		383,562		184,411	
Staff Welfare		677,623		364,909	
Other Employee Benefits expenses		453,860		--	
			<b>21,021,771</b>		17,546,560

PARTICULARS	NOTE NO	AMOUNT AS ON 31.12.2014 (15 Months) ₹		AMOUNT AS ON 30.09.2013 (12 Months) ₹	
<b>FINANCE COST</b>	25				
Interest Expense		126,276,748		81,591,932	
Other borrowing Cost					
Processing Fees - ( for loan)		1,439,170	<b>127,715,918</b>	277,529	81,869,461
<b>DEPRECIATION AND AMORTIZATION</b>	26				
Depreciation of tangible fixed asset		7,467,066		5,908,475	
Amortization of intangible fixed asset		125,023	<b>7,592,089</b>	96,350	6,004,825
<b>OTHER EXPENSES</b>	27				
Power & Fuel		3,086,097		2,739,222	
Rent		5,948,761		4,766,784	
General Expenses		1,383,964		1,189,931	
Resale compensation		--		3,597,335	
Insurance		109,115		84,891	
Rates & Taxes		942,243		2,576,413	
Repairs & Office Maintenance		31,947,213		22,925,222	
Advertisement & Business Promotion		13,285,206		2,103,934	
Legal, Professional &					
Consultancy Charges		8,060,884		3,202,465	
Travelling & Conveyance		1,759,456		1,313,711	
Vehicle Maintenance		1,325,525		1,110,400	
Telephone, Postage, Printing & Stationery		3,178,084		2,249,917	
Miscellaneous Expenditure		--		7,419	
Donation		258,150		561,073	
Directors' Fees		80,000		72,000	
Bank Charges		42,643		72,060	
Audit Fees					
- For Statutory Audit		505,620		337,080	
- For Tax Audit		168,540		168,540	
- For Income tax representation		168,540		168,540	
Loss on sale of fixed assets		1,110,511	<b>73,360,552</b>	1,055,904	50,302,840

## 28. CONTINGENT LIABILITIES, PROVISIONS AND CONTINGENT ASSETS

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

ii) The income tax department has filed appeal against the order of the CIT (Appeal) before the income tax appellate tribunal for various assessment years which is as follows:-

Period to which the amount relates	Amount (Rs)
2004-2005	13,71,638/-
2005-2006	53,23,956/-
2007-2008	1,19,53,006/-
2009-2010	5,58,07,850/-

iii) Amount of service tax under dispute: R.23,16,081/- pertaining to period october 2004 to march 2007 (Previous year: R.23,16,081/- for the period october 2004 to march 2007). Stay has been granted by the CESTAT. If the appeal is disallowed it may result in penalty of equivalent amount.

### Contingent Asset :

iv) The company may receive interest on amounts paid by it for various appeals which are pending before ITAT.

### Notes:

1. The Company does not expect any reimbursements in respect of the above contingent liabilities.

2. It is not practicable to estimate the timing of cash outflows, if any, in respect of matters stated above pending resolution of the arbitration/appellate proceedings.

**29. TRADE RECEIVABLES AND TRADE PAYABLES**

Trade Receivables, Trade Payables, Advance from Customer & Advance to Supplier are subject to confirmation awaited.

**30. INVESTMENT IN PARTNERSHIP FIRMS**

Name of the firm	Name of all the partners	Share of each partner	Total Capital as on 31.03.14 in Rs
1. Arihant Heirloom	Arihant Foundations & Housing limited A.v.Krishnan R.Raghavan Vasantha Lakshmi	49.39% 13.24% 16.17% 21.20%	21,236,834
2. Arihant Foundations	Arihant Foundations & Housing limited SPI properties pvt ltd Swaroop Reddy	4.50% 95.00% 0.50%	49,982,682
3. Arihant Foundations & Housing	Arihant Foundations & Housing limited SPI properties pvt ltd Swaroop Reddy	3.50% 95.00% 1.50%	16,797,805

**31. SEGMENT REPORTING**

The company is primarily in the business of real estate development and related activities including construction. Major exposure is to residential and commercial construction and development of IT parks. Further majority of the business conducted is within the geographic boundaries of India.

In view of the above, in the opinion of the Management and based on the organizational and internal reporting structure, the company's business activities as described above are subject to similar risks and returns. Further, since the business activities undertaken by the company are within India, in the opinion of the Management, the environment in India is considered to have similar risks and returns. Consequently the company's business activities primarily represent a single business segment. Similarly, this business operations in India represent a single geographical segment.

**32. LEASED ASSETS****A. Operating lease taken**

(i) The company has taken buildings on operating lease. The lease rental are paid by the company on a monthly basis.

(ii) Following are the details of leases rental expenses during the period

Particulars	31.12.2014 (15 Months) In Rs.	30.09.2013 (12 Months) In Rs.
Total lease recognised in Profit & Loss account	5,948,761	4,766,784

(iii) As per the lease agreement following are the details of Future minimum lease rentals payable as at 31st December, 2014.

Particulars	31.12.2014 (15 Months) In Rs.	30.09.2013 (12 Months) In Rs.
a) Not later than one year	5,139,786	4,371,924
b) Later than one year, but not later than five year	11,757,162	6,957,500
c) More than five year	-	-

**B. Operating lease given**

(i) The company has given buildings on operating lease. The lease rental are receivable by the company on a monthly basis.

(ii) Following are the details of leases rental income during the period

Particulars	31.12.2014 (15 Months) In Rs.	30.09.2013 (12 Months) In Rs.
The total lease recognized in the profit and loss account is	38,739,618	27,657,392

(iii) As per lease agreement following are the details of future minimum lease rentals receivable as at 31.12.2014

Particulars	31.12.2014 (15 Months) In Rs.	30.09.2013 (12 Months) In Rs.
a) Not later than one year	29,653,220	--
b) Later than one year, but not later than five years	26,552,247	29,781,941
c) More than five years	--	114,164,316

### 33. EARNINGS PER SHARE

#### BASIC EARNINGS PER SHARE

Particulars	31.12.2014 (15 Months) In Rs.	30.09.2013 (12 Months) In Rs.
<b>BASIC EARNINGS PER SHARE</b>		
a) Weighted Average number of shares considered for calculation of EPS	8,600,000	8,600,000
b) Net profit after tax	12,885,566	16,712,824
c) Basic earnings per share	1.50	1.94
d) Face value per share	10	10

#### DILUTED EARNINGS PER SHARE

Particulars	31.12.2014 (15 Months) In Rs.	30.09.2013 (12 Months) In Rs.
a) Weighted Average number of shares considered for calculation of EPS	8,600,000	8,600,000
b) Net profit after tax	12,885,566	16,712,824
c) Basic earnings per share	1.50	1.94
d) Face value per share	10	10

### 34. a) CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The company does not own any manufacturing facility. Hence, the requirements pertaining to disclosure of particulars relating to conservation of energy, technology absorption as prescribed under the Companies (Disclosure of particulars in the report of board of directors) Rules, 1988, are not applicable. However, the company has commissioned a device named power factor, which reduces the consumption of energy. The company has also taken initiative to reduce the power and fuel consumption.

#### b) FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	31.12.2014 (15 Months) In Rs.	30.09.2013 (12 Months) In Rs.
i) Outgo*	1.91	16.84

\* Foreign Exchange outgo comprises of expenses on travelling and participating in exhibitions abroad and professional charges paid to foreign consultants

### 35. INTEREST IN JOINT VENTURES AND ASSOCIATES:

Name of the Company	Country of incorporation	Proportion of ownership interest as at 31.12.2014	Proportion of ownership interest as at 30-09-2013
Joint Ventures Companies\			
(a) Escapade Real Estate Private Limited	India	50%	50%
(b) Arihant Unitech Realty Projects Limited	India	50%	50%
(c) Arihant Indo African Infra Developers and Builders P Ltd	India	12%	26%
(d) North town Estates Private Limited	India	50%	50%
Partnership firms			
(a) Arihant Heirloom	India	49.39%	49.39%
(b) Arihant Foundations	India	4.5%	4.5%
(c) Arihant Foundations & Housing	India	3.5%	3.5%
Associates Companies			
Heirloom Real Estate Pvt. Ltd	India	25.00%	25.00%

(a) The above joint venture entities are incorporated in India. The Company's share of the assets and liabilities as on 30th June, 2014 and income and expenses for the year ended 30th June ,2014, in respect of joint venture entities based on unaudited accounts ( except for 1. Escapade Real Estate Pvt. Ltd. 2. Arihant Unitech Realty Projects Ltd. 3. Arihant Indo African Infra developers and builders P. Ltd.4. North Town Estates Pvt. Ltd. whose accounts not audited as on 30.06.2014) are considered for consolidation as shown below:

Particulars	As on 30.06.2014 (15 Months)	As on 30-09-2013 (12 Months)
<b>A. Assets</b>		
- Non-current assets	672,184,389	571,636,302
- Current assets	635,708,591	968,738,173
<b>TOTAL</b>	<b>1,307,892,979</b>	<b>1,540,374,476</b>
<b>B. Liabilities</b>		
- Non-current liabilities	39,458,780	(35,897,568)
- Current liabilities	1,543,987,913	1,348,093,240
<b>TOTAL</b>	<b>1,583,446,893</b>	<b>1,312,195,672</b>

C. Contingent Liabilities	NIL	NIL
D. Capital commitments	NIL	NIL
E. Income	343,859,324	744,419,006
F. Expenses	442,741,704	900,619,927

### 36. BENEFITS TO EMPLOYEES

As per accounting standard (AS) 15 revised, 'employee benefits', the disclosures of employee benefits are as given below:

#### (a) Defined contribution plans

Contributions recognized as expense for the year are as under:

Particulars	31.12.2014 (15 Months)	30-09-2013 (12 Months)
Employer's contribution to provident fund (in Rs.)	383,562	184,411

#### (b) Defined Benefit plans

The cost of providing gratuity are determined using the projected unit credit method, on the basis of actuarial valuation techniques, conducted at the end of the financial year.

i. Expense to be recognized in the statement of profit & loss	31.12.2014 (15 Months)
a) Interest Cost	369,894
b) Current Service Cost	759,793
c) Past Service Cost	--
d) Expected Return on Plan Assets	--
e) Curtailment Cost (Credit)	--
f) Settlement Cost (Credit)	--
g) Net Actuarial (gain) / loss	(832,879)
h) Net Expenses to be recognized in the statement of profit & loss account	296,808
ii. Amounts to be recognized in the Balance Sheet	31.12.2014 (15 Months)
a) Present Value of Obligations as on the Accounting Date	3,852,651
b) Fair Value of the Plan Assets	--
c) Liability Recognized in the Balance Sheet	3,852,651
iii. Movements in accrued liability	31.12.2014 (15 Months)
a) Accrued Liability as at the beginning of the period	3,842,035

b) Correction subsequently effected to last year's closing liability	--
c) Interest Cost	369,894
d) Current Service Cost	759,793
e) Past Service Cost	--
f) Curtailment Cost	--
g) Settlement Cost	--
h) Benefits paid	(286,192)
i) Net Actuarial (gain) / loss	(832,879)
j) Accrued Liability as at the end of the period	3,852,651

iv. Reconciliation	31.12.2014 (15 Months)
a) Net Liability as at the beginning of the period	3,842,035
b) Correction subsequently effected to last year's closing liability	--
c) Net Expenses in statement of profit and loss	296,808
d) Benefits paid	(286,192)
e) Net Liability at the end of the period	3,852,651

v. Experience Rated Adjustments	31.12.2014 (15 Months)
a) Liability side	832,879
b) Asset side	NA

vi. Principal Actuarial Assumptions:		
Particulars	31-12-2014 (15 Months)	30-09-2013 (12 Months)
a) Mortality table - Indian assured lives Ultimate	Ind. (2006-08)	Ind. (2006-08)
b) Discounting rate (per annum)	8.00%	8.20%
c) Rate of escalation in salary (per annum)	10.00%	10.00%
d) rate of return on plan assets	NA	NA
e) Attrition rate fixed by the enterprise	5.00%	5.00%

### 37. RELATED PARTY DISCLOSURES

A) Name of the related party and nature of relationship where control exists

#### Wholly owned subsidiaries

Vaikunt Housing Limited  
Arihant Griha Limited  
Trasperent Heights Real Estate Limited  
Varenva Constructions Limited

#### Joint Venture Entities

Arihant Unitech Realty Projects limited  
Arihant Indo African Infra Developers and Builders Private limited  
Escapade Real Estate Private limited  
Northtown Estates Private limited  
Arihant Foundations  
Arihant Foundations & Housing  
Arihant Heirloom

B) Name and relationship of related parties where transaction exists:

#### Wholly owned subsidiaries

Vaikunt Housing Limited  
Arihant Griha Limited  
Trasperent Heights Real Estate Limited  
Varenva Constructions Limited

Associates

Heirloom Real Estate Private Limited

#### Joint Venture Entities

Arihant Unitech Realty Projects limited  
Arihant Indo African Infra Developers and Builders Private limited  
Escapade Real Estate Private limited  
Northtown Estates Private limited  
Arihant Foundations  
Arihant Foundations & Housing  
Arihant Heirloom

#### Key Management Personnel

Name

Mr. Kamal Lunawath  
Mr. Vimal Lunawath  
Mr. Bharat Jain

Designation

Chairman and Managing Director  
CFO & Whole time Director  
Whole time Director

Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise and relatives of any such individual:

Mrs. Snehalatha Lunawath  
Mrs. Preethi Lunawath  
Mrs. Kavita Lunawath



**Summary of significant related parties transactions carried out in ordinary course of business are as under:**

Amount in ₹						
S. No	Description	100% Subsidiaries	Associates/ Joint Ventures	Key management personnel	Entities, relatives of key management personnel and individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise and relatives of any such individual	TOTAL
1	Service rendered	-	(9,934,409)	-	-	(9,934,409)
2	Interest received	64770263 (46784272)	-- (2645437)	- (-)	- (-)	64770263 (49429709)
3	Interest paid	- (-)	- (-)	45124377 (26052370)	- (-)	45124377 (26052370)
4	Loans received from	- (-)	443187120 (-)	191081631 (31873970)	- (-)	634268751 (31873970)
5	Loans repaid to	- (-)	244506217 (-)	57676830 (23849342)	- (-)	302183047 (23849342)
6	Loans Given	87349669 (-)	54461369 (-)			141811038 --
7	Loans Repaid - Repayment Received	94140323 (-)	566409 (-)	(-)	-	94706732 -
8	Advances received from	- (-)	4735230 (56588933)	- (-)	- (-)	4735230 (56588933)
9	Advances repaid to	- (-)	3747668 (124144398)	- (-)	- (-)	3747668 (124144398)
10	Advances made to	119500 (80183588)	6443065 (16008944)	- (-)	- (-)	6562565 (96192532)
11	Advances - repayment received from	-- (38197111)	11975000 (5091719)	- (-)	- (-)	11975000 (43288830)
12	Project Management Fee Paid	--	6505708	-	-	6505708
13	Marketing Fee Paid	--	10302645	-	-	10302645
14	Remuneration paid	- (-)	- (-)	4500000 (3300000)	- (-)	4500000 (3300000)
15	Share of Profit / (Loss)	- (-)	(517609) (7196606)	- (-)	- (-)	(517609) (7196606)

Note: Previous years' figures are given within brackets

**38. PREVIOUS YEAR FIGURES**

Previous year figures have been regrouped, rearranged and reclassified wherever considered necessary.

The accompanying notes are an integral part of the financial statements

As per our attached report of even date  
For **B.P. Jain & Co.**

**Chartered Accountants**

FIRM REG NO-050105S

sd/-

**CA Devendra Kumar Bhandari**

Partner

Membership No.: 208862

For and on behalf of board of directors

For **Arihant Foundations & Housing Limited**

sd/-

**Kamal Lunawath**

Managing Director

DIN :00087344

sd/-

**Vimal Lunawath**

Chief Financial Officer

& Whole Time Director

DIN : 00586269

sd/-

**J. Meenakshi**

Company Secretary

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES.**

Sl No.	Name of Subsidiary Company	Financial Year of the Subsidiary Company ended on	Interest of the Company in the Subsidiary Companies		Net aggregate of Profit/ (Loss) of the Subsidiary Company so far as it concerns the members of Arihant Foundations & Housing Limited at the end of their espective financial years which are			
					Dealt with in the accounts of the Company amounted to		Not dealt with in the accounts of Company amounted to	
					(Rupees in Lacs)			
			Share holding (No. of shares)	Extent of holding (%)	For subsidiary's financial year ended	For previous financial year of subsidiary since it became subsidiary of Arihant Foundations & Housing Limited	For previous financial year of subsidiary since it became subsidiary of Arihant Foundations & Housing Limited	For subsidiary's financial year ended
1.	Varenya Constructions Limited	30.06.2014	50000	100	Nil	Nil	(-) 186.25	(-) 186.25
2.	Transperent Heights Real Estate Limited	30.06.2014	50000	100	Nil	Nil	(-) 19.67	0.593
3.	Arihant Griha Limited	30.06.2014	50000	100	Nil	Nil	91.14	66.67
4.	Vaikunt Housing Limited	30.06.2014	500000	100	Nil	Nil	0.66	(-) 0.168

For and on behalf of board of directors  
For **Arihant Foundations & Housing Limited**

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

sd/-  
**Vimal Lunawath**  
Chief Financial Officer  
& Whole Time Director  
DIN : 00586269

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

CHENNAI  
27.02.2015

## AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF ARIHANT FOUNDATIONS & HOUSING LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Members of

**ARIHANT FOUNDATIONS & HOUSING LIMITED**

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of ARIHANT FOUNDATIONS AND HOUSING LIMITED ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at December 31, 2014, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, 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, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that

are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at December 31, 2014
- (b) in the case of the consolidated Profit and Loss Account, of the loss for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For B.P.JAIN & CO.  
CHARTERED ACCOUNTANTS  
Firm Reg No. 050105S

s/d  
CA. DEVENDRA KUMAR BHANDARI  
Partner  
Membership No.: 208862

Place: Chennai  
Date: 27.02.2015

**CONSOLIDATED FINANCIAL STATEMENTS**  
**CONSOLIDATED BALANCE SHEET AS AT 31st DECEMBER 2014**

Particulars	Note No	Amount As On 31.12.2014 (15 Months) ₹		Amount As On 30.09.2013 (12 Months) ₹	
<b>EQUITY AND LIABILITIES</b>					
<b>(1) SHARE HOLDER'S FUNDS</b>					
(A) Share capital	2	86,000,000		86,000,000	
(B) Reserves & surplus	3	140,968,2521	1,495,682,521	1,590,478,771	1,676,478,771
<b>(2) NON CURRENT LIABILITIES</b>					
(A) Long term borrowings	4	1,459,354,697		809,321,648	
(B) Other Long Term Liabilities	6	126,611,227		254,625,307	
(C) Long term provisions	7	4,382,691	1,590,348,615	5,827,869	1,069,774,824
<b>(3) CURRENT LIABILITIES</b>					
(A) Short Term Borrowings	8	203,175,685		449,200,000	
(B) Trade payables	9	369,668,783		411,156,885	
(C) Other current liabilities	10	1,616,487,327		1,651,881,091	
(D) Short term provisions	11	37,086,583	2,226,418,378	34,266,713	2,546,504,689
<b>TOTAL</b>			<b>5,312,449,514</b>		<b>5,292,758,284</b>
<b>ASSETS</b>					
<b>(1) NON CURRENT ASSETS</b>					
(A) FIXED ASSETS	12				
I- Tangible assets		132,823,011		140,534,497	
II- Intangible assets		549,943		239,390,377	
(B) Non-current investment	13	173,131,442		151,254,713	
(C) Deferred tax Asset (Net)	5	110,677,256		56,141,045	
(D) Long-term loans and advances	14	1,044,783,476		1,109,275,850	
(E) Other Non Current Assets	15	377,970,292	1,839,935,420	--	1,696,596,482
<b>(2) CURRENT ASSETS</b>					
(A) Current Investments	16	1,209,534		5,122,489	
(B) Inventories	17	1,242,217,095		1,065,198,235	
(C) Trade receivables	18	353,692,606		925,994,759	
(D) Cash and cash equivalents	19	303,441,782		206,003,412	
(E) Short term loans and advances	20	1,254,186,396		1,094,630,341	
(F) Other current assets	21	317,766,681	3,472,514,094	299,212,566	3,596,161,802
<b>TOTAL</b>			<b>5,312,449,514</b>		<b>5,292,758,284</b>
Significant accounting policies and notes to financial statements	(1 - 41)				

The accompanying notes are an integral part of the financial statements

As per our attached report of even date  
For **B.P. Jain & Co.**

**Chartered Accountants**

FIRM REG NO-050105S

sd/-

**CA Devendra Kumar Bhandari**

Partner

Membership No.: 208862

For and on behalf of board of directors

For **Arihant Foundations & Housing Limited**

sd/-

**Kamal Lunawath**

Managing Director

DIN :00087344

sd/-

**Vimal Lunawath**

Chief Financial Officer

& Whole Time Director

DIN : 00586269

sd/-

**J. Meenakshi**

Company Secretary

Place : CHENNAI

Date : 27.02.2015

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR 15 MONTHS ENDED 31.12.2014

	NOTE NO	YEAR ENDED 31.12.2014 (15 Months) ₹	YEAR ENDED 30.09.2013 (12 Months) ₹
<b>INCOME</b>			
(A) Revenue from operations	22	990,807,597	1,374,187,326
(B) Other income	23	33,055,485	44,089,857
<b>TOTAL REVENUE</b>		<b>1,023,863,082</b>	<b>1,418,277,183</b>
<b>EXPENSES</b>			
(A) Construction and project expenses	24	1,222,344,743	1,365,857,960
(B) Changes in inventories of materials, work-in- progress and finished goods	25	(244,607,643)	18,446,108
(C) Employees benefit expenses	26	30,480,511	19,298,022
(D) Finance cost	27	131,614,256	145,423,600
(E) Depreciation and amortization	28	9,069,964	6,675,608
(F) Other expenses	29	90,818,009	63,560,378
<b>TOTAL EXPENSES</b>		<b>1,239,719,840</b>	<b>1,619,261,676</b>
Profit before Exceptional and Extraordinary items		(215,856,758)	(200,984,493)
Exceptional items		--	(18,010,050)
Profit before Tax		(215,856,758)	(218994125)
Less : Tax Expense			
a. Current tax		25,313,333	23,642,351
b. Earlier year's tax		--	74,523
b. Deferred tax charge / (Credit)		(54,536,211)	(57,105,020)
<b>PROFIT FOR THE PERIOD</b>		<b>(186,633,879)</b>	<b>(185,606,397)</b>
<b>Earning per share (Basic)</b>	34	<b>(0.44)</b>	<b>(21.58)</b>
<b>Earning per share (Diluted)</b>		<b>(0.44)</b>	<b>(21.58)</b>
Significant accounting policies and notes to financial statements	(1 - 41)		

The accompanying notes are an integral part of the financial statements

As per our attached report of even date  
For **B.P. Jain & Co.**

**Chartered Accountants**

FIRM REG NO-050105S

sd/-

**CA Devendra Kumar Bhandari**

Partner

Membership No.: 208862

For and on behalf of board of directors  
For **Arihant Foundations & Housing Limited**

sd/-

**Kamal Lunawath**

Managing Director

DIN : 00087344

sd/-

**Vimal Lunawath**

Chief Financial Officer

& Whole Time Director

DIN : 00586269

sd/-

**J. Meenakshi**

Company Secretary

Place : CHENNAI

Date : 27.02.2015

**ARIHANT FOUNDATIONS & HOUSING LIMITED**

**CONSOLIDATED CASHFLOW STATEMENT FOR 15 MONTHS ENDED 31.12.2014**

PARTICULARS	31.12.2014 (15 Months) ₹	30.09.2013 (12 Months) ₹
<b>A.CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/Loss Before Tax and Extraordinary Items	(215,856,758)	(200,984,493)
Adjustment for non-cash nature and other items		
Depreciation	9,069,964	6,675,608
Bad Debts	8,500,000	702
Dividend received	(1,445,754)	(2,413,874)
Interest and Finance Income	(17,859,082)	(11,970,723)
Share of profit	(517,609)	-
Profit on sale of investments	(1,052,149)	-
Profit on sale of land	-	(17,642,420)
Loss on sale of Fixed Assets	1,110,511	1,055,904
Interest and Finance Charges	131,614,256	145,146,071
Operating Profit Before Working capital Changes	<b>(86,436,620)</b>	<b>(80,133,224)</b>
Adjustments for Working Capital changes		
(Increase) / Decrease in Inventories (Excluding conversion)	61,816,776	18,446,108
(Increase) / Decrease in longterm trade receivables	(377,970,292)	-
(Increase) / Decrease in trade receivables and other current assets	553,748,038	(379,603,020)
Increase / (Decrease) in Trade Payables & other current liabilities	(76,886,344)	(1,960,436)
Increase / (Decrease) in Long Term Provisions	(1,445,179)	163,172
Increase / (Decrease) in Short Term Provisions	2,819,870	21,615,335
	<b>162,082,869</b>	<b>(341,338,841)</b>
Cash From operations before Tax and Extraordinary items	75,646,249	(421,472,065)
Income Tax Paid	(26,919,741)	(49,941,449)
Cash From operations before Extraordinary items	48,726,508	(471,413,513)
Extraordinary Items	-	(18,010,050)
Cash flow from Operating Activities	<b>48,726,508</b>	<b>(489,423,563)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed Assets	(3,082,574)	(255,077,755)
Sale of fixed Assets	619,048	240,302,264
Share of Profit	517,609	-
Dividend received	1,445,754	2,413,874
Interest received during the year	17,859,082	11,970,723
Investments made	(21,876,729)	(19,577,325)
Proceeds from sale of Investment	3,912,955	-
Net Cash from Investing Activities	<b>(604,856)</b>	<b>(19,968,219)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Fresh loans taken / (Loans repaid)	275,994,655	679,606,830
Fresh Loan given	(159,556,055)	
loans received back	64,492,374	
Interest & Finance Charges	(131,614,256)	(145,146,071)
Net Cash from Financing Activities	<b>49,316,718</b>	<b>534,460,759</b>
<b>D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>97,438,370</b>	<b>25,068,977</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>206,003,412</b>	<b>180,934,435</b>
<b>F. CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>303,441,782</b>	<b>206,003,412</b>

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For **B.P. Jain & Co.**

**Chartered Accountants**

FIRM REG NO-050105S

sd/-

**CA Devendra Kumar Bhandari**

Partner

Membership No.: 208862

CHENNAI / 27.02.2015

For and on behalf of board of directors

For **Arihant Foundations & Housing Limited**

sd/-

**Kamal Lunawath**

Managing Director

DIN :00087344

sd/-

**Vimal Lunawath**

Chief Financial Officer

& Whole Time Director

DIN : 00586269

sd/-

**J. Meenakshi**

Company Secretary



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****1. SIGNIFICANT ACCOUNTING POLICES:****(A) Principles of consolidation.**

- The consolidated financial statements include the financial statements of parent company and its subsidiaries, joint ventures and associates.

- The consolidated financial statements have been prepared by adding, line by line, each and every item of financial statements of the parent company (Arihant Foundations and Housing Limited) and its subsidiaries and joint ventures. During the process of consolidation the inter-company balances and transaction have been eliminated fully in order to avoid the inclusion of unrealized profit and loss.

- Investments in associates have been accounted as per Accounting Standard 23 on "Accounting for Investment in Associates in Consolidated Financial Statement" as issued by the Institute of Chartered Accountants of India. The investment in associates is accounted by following the equity method of accounting as recommended by the AS 23.

- Investment in Joint ventures has been accounted as per Accounting Standard 27 on "Financial Reporting of Interests in Joint Ventures" issued by the Institute of Chartered Accountants of India. Proportional consolidation method has been adopted to account the interest in the joint ventures as recommended by the concerned Accounting Standard.

- No Goodwill / (Capital Reserve) have been recognized in the consolidated financial statements during the process of consolidation.

**(B) Basis of presentation**

- The consolidated financial statements relate to Arihant Foundations & Housing Limited and its joint venture and associates.
- Notes to these consolidated financial statements are intended to serve as a means of informative disclosure to understand the consolidated position of the Companies.

**A. BASIS OF ACCOUNTING**

- The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India.
- Accounting policies not specially referred to otherwise are consistently followed throughout the period under audit and in consonance with the generally accepted accounting principles.

**B. USE OF ESTIMATES**

The preparation of financial statement in conformity with generally accepted accounting policies requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at date of the financial statements and the reported accounts of revenues and expenses for the years presented. Although these estimates are based upon Management's best knowledge of current events and actions, actual results could differ from these estimates.

**C. FIXED ASSETS AND DEPRECIATION**

- The fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes all related expenses incurred up to the date the assets are put to use.

- Depreciation on fixed assets is provided on straight line method as per rate and manner prescribes in schedule-XIV of the companies Act 1956. The depreciation has been provided at 100% on the Assets purchased during the year the cost of which is less than Rs 5000/-.

**D. INTANGIBLES AND AMORTIZATION**

Intangible assets are recognized when it is probable that future economic benefits that are attributable to these assets will flow to the company and the cost of the asset can be measured reliably. Intangible assets (acquired or developed in-house) are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

**E. IMPAIRMENT OF ASSETS**

Management at each balance sheet date assesses using internal sources whether there is an indication that an asset or group of assets or a cash generating unit as the case may be, is impaired. Impairment occurs where the carrying value exceeds the higher of value in use represented by present value of future cash flows expected to arise from the continuing use of the asset and its realizable value. The impairment asset is charged off to statement of profit and loss.

**F. INVESTMENTS**

Trade investments are those made to enhance the Group's business interests. Investments are classified as either current or long-term, based on the Management's intention at the time of purchase.

**Long-term investments**

Long-term investments are stated at cost. However, provision

is made for diminution in the value of the asset, which is other than temporary.

#### **Quoted**

The company holds investment in quoted securities. They are classified as long-term as the Management intends to hold the same for a period of more than twelve months. These investments are classified as non-trade.

#### **Unquoted**

The company holds investment in unquoted securities of its subsidiaries, joint ventures and associates. These investments are classified as trade.

#### **Current investments**

Current investments are carried at the lower of cost and fair value.

### **G. INVENTORIES**

#### **a) Raw materials and consumables**

The cost of inventories comprise of purchase cost and conversion cost, if any.

#### **b) Work -in-progress**

Costs generally include cost of land, construction costs, job work allocated borrowing costs and other costs that are attributable to project and such other costs as are specifically chargeable to the project. Work-in-progress are valued at cost less cost of sales.

#### **c) Finished stock**

Finished stock consists of completed real estate projects which are unsold at the end of the financial year.

### **H. BORROWING COST**

Borrowing costs that are directly attributable to the acquisition or construction or development of qualifying assets of the company are capitalized until the time all substantial activities necessary to prepare the qualifying assets for the intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale.

Borrowing costs that are attributable to any work-in-progress, qualifying land advances as well as capital work-in-progress are charged to the respective qualifying project. All other borrowing costs, not eligible for inventurisation or capitalization are charged to revenue in the year in which they are incurred.

### **I. REVENUE RECOGNITION**

#### **i) Construction Contracts**

In construction contracts, revenue is recognized on percentage of completion method. The revenue is recognized on the basis of the Accounting Standard and as prescribed by Institute of Chartered Accountants of India.

Revenue on sale of land is recognized upon enter in to contract with the customer in the purchase of the said undivided share of land. The revenue also recognized at the time of registration of sale deed or completion of the project whichever is earlier.

#### **ii) Revenue from lease rentals and related income**

Lease income is recognized on accrual basis as per the Contract.

#### **iii) Interest Income**

Interest is recognized on accrual basis of accounting.

#### **iv) Dividend Income**

Dividend income is recognized when the right to receive the same is established or the receipt of the same whichever is earlier.

### **J. FOREIGN EXCHANGE TRANSACTIONS**

The foreign exchange transaction recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount, the prevailing exchange rate, as at the date of transaction.

### **K. TAXES ON INCOME**

Tax expense comprises of current tax and deferred tax.

Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates and tax laws that are enacted or substantially enacted.

Deferred Tax is recognized on timing differences, being the differences between taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward, only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The tax effect is calculated on the accumulated timing difference at the year end, based on the tax rates and laws enacted or substantially enacted on the balance sheet date. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. They can be realized against future taxable profits.

### **L. EMPLOYEE BENEFITS**

Liability for employee benefits, both short and long term, for present and past services which are due as per the terms of employment and as required by law are recorded in accordance with Accounting Standard (AS) 15 (Revised) "Employee Benefits" issued by the Institute of Chartered Accountants of India.

**i) Gratuity**

Gratuity is a defined benefit plan. Liability for gratuity in respect of past services are provided for based on the actuarial valuation carried out annually as at the balanced sheet date by an independent actuary using the Projected Unit Credit (PUC) method.

**ii) Provident Fund**

The company's contribution to Provident fund is considered as a defined contribution plan. Company's contribution to provident fund is charged to the statement of profit and loss when the contribution is due.

**M. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions are recognized in respect of liabilities which can be measured only by using a substantial degree of estimation when:

a) the company has a present obligation as a result of past event;

b) a probable outflow of resources embodying economic benefits will be required to settle the obligation; and

c) the amount of obligation can be reliably estimated

Re-imbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of:

a) a present obligation arising from a past event, when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

b) a possible obligation, that arises out of past events and the existence of which will be confirmed only by one or more uncertain future events unless the probability of outflow of resources is remote.

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

**N. CASH AND CASH EQUIVALENTS**

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

**O. EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, share split and share warrants conversion.

Diluted earnings per share is calculated by adjusting net profit or loss for the period attributable to equity shareholders and the weighted number of shares outstanding during the period for the effect of all dilutive potential equity shares.

ARIHANT FOUNDATIONS & HOUSING LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 15 MONTHS ENDED 31.12.2014**

PARTICULARS	NOTE NO	AMOUNT AS ON 31.12.2014 (15 Months) ₹		AMOUNT AS ON 30.09.2013 (12 Months) ₹	
SHARE CAPITAL AUTHORISED 1,00,00,000 equity shares of R.10/- each (Sep 30, 2013: 1,00,00,000 equity shares of Rs.10/- each)	2		100,000,000		100,000,000
ISSUED, SUBSCRIBED & PAID UP 86,00,000 equity shares of R.10/- each fully paid up (Sep 30, 2013: 86,00,000 equity shares of Rs.10/- each)			86,000,000		86,000,000
<b>Reconciliation of No of Shares outstanding at the beginning and end of the reporting year</b>					
		No.s	Amount in ₹	No.s	Amount in ₹
Opening balance of number of Equity Shares		8,600,000	86,000,000	8,600,000	86,000,000
Changes during the year		-	-	-	-
Closing balance of number of Equity Shares		8,600,000	86,000,000	8,600,000	86,000,000
<b>SHAREHOLDERS HOLDING MORE THAN 5% OF THE TOTAL SHARE CAPITAL</b>		<b>NO OF SHARES</b>	<b>% HELD</b>	<b>NO OF SHARES</b>	<b>% HELD</b>
Smt. Snehlatha Lunawath		1,407,000	16.36	1,407,000	16.36
Smt. S. Jayalakshmi		796,202	9.26	796,202	9.26
Mr. Kamal Lunawath		749,100	8.71	749,100	8.71
Mr. Vimal Lunawath		696,400	8.10	696,400	8.10
Taj Foundation Private Limited		690,000	8.02	690,000	8.02
Ocean Dial Asset Management Ltd A/c ICGQ Ltd		592,400	6.89	592,400	6.89
<b>RESERVES &amp; SURPLUS</b>	3				
<b>SECURITIES PREMIUM RESERVE</b>					
Opening Balance		735,350,000		735,350,000	
Add: Additions during the year		-		-	
Closing Balance			735,350,000		735,350,000
<b>GENERAL RESERVE</b>					
Opening Balance		88,308,752		88,308,752	
Add: Additions during the year		-		-	
Closing Balance			88,308,752		88,308,752
<b>SURPLUS IN THE STATEMENT OF PROFIT AND LOSS</b>					
Opening Balance		778,465,075		966,876,252	
Add: Profit for the year		(186,618,777)		(185,606,397)	
Add : Addition during the year		-		-	
Less: Appropriations made during the year		5,822,528		14,449,836	
Closing Balance			586,023,769		766,820,019
			1,409,682,521		1,590,478,771

LONG TERM BORROWINGS	4	31.12.2014 (15 Months) ₹		30.09.2013 (12 Months) ₹	
i) SECURED		Current	Non - Current	Current	Non - Current
Terms Loans & Other Loans					
a. From Banks		110,510,048	332,679,680	201,876,029	282,660,410
b. From other parties		148,799,567	309,564,676	69,292,656	327,392,200
<b>Sub - Total</b>		<b>259,309,615</b>	<b>642,244,357</b>	271,168,685	610,052,610
ii) UNSECURED					
a. Deposits		-	525,599,694	-	36,010,353
b Loan & Advances from Related parties		-	291,510,647	-	163,258,685
<b>Sub - Total</b>		-	<b>817,110,341</b>	--	199,269,038
<b>TOTAL</b>		<b>259,309,615</b>	<b>1,459,354,697</b>	271,168,685	809,321,648

Deposits includes all Inter Corporate Depsoits

LONG TERM BORROWINGS			
(i) SECURED			
A. FROM BANKS - TERM LOANS			
Particulars	Interest Rate P.A.	Amount Outstanding	
		31.12.2014 (15 Months) ₹	30.09.2013 (12 Months) ₹
"Axis Bank Ltd-Nissan Car: Secured against the vehicle for which the loan has been taken. Repayment - Thirty five monthly installments of Rs.22,675/- starting from 1-4-2012. Two installments are outstanding as on the balance sheet date."	10.89%	44,739	355,719
"Axis Bank Ltd - Skoda Rapid: Secured against the vehicle for which the loan has been taken. Repayment - Thirty six monthly installments of Rs.22,880/- starting from 1-4-2012. Three installments are outstanding as on the balance sheet date."	10.89%	67,412	378,389
"HDFC LTD: Secured by way of equitable mortgage on certain immovable properties, owned by company. Further the loan has been guaranteed by way of personal guarantee of the managing director of the company. Repayment - One monthly installment of Rs.6,82,771/- , subsequently thirty five installments of Rs.6,79,011/- and twenty three installment of Rs. 6,90,715/- and one installment Rs.6,90,698/- totalling sixty installments, starting from 1-12-2011. Twenty Three installments are outstanding as on the balance sheet date."	15%	13,732,808	20,629,351
"ICICI BANK - 15 CR Loan: Secured by way of equitable mortgage on certain immovable properties, owned by company and on receivables from the project. Further the loan has been guaranteed by way of personal guarantee of the directors of the company.Repayment - The term of loan is twelve months, Rs. 1.25 Crores must me repaid in each month starting from 15-7-2014. However, more amount is repaid during the year and the loan will be closed in next year."	14.75%	77,943,251	-

Particulars	Interest Rate P.A.	Amount Outstanding	
		31.12.2014 (15 Months) ₹	30.09.2013 (12 Months) ₹
<p>"HDFC Ltd - Frangipani: Secured by way of equitable mortgage on certain immovable properties, owned by company and on receivables from the project. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. The date of commencement of loan is 10-01-2013. Repayment - The term of loan is twelve months, Rs. 2 Crores must be repaid by the end of sixth month from the commencement of the loan and subsequently Rs. 2 Crores is repayable in six monthly installments. However, more amount is repaid during the year and the loan has closed in november 2013."</p>	14.25%	-	30,724,724
<p>"ICICI Bank Ltd Car Loan -Skoda 2 Car: Secured against the vehicle for which the loan has been taken. Repayment - Two loans totalling one hundred and twenty monthly installments: sixty monthly installments of Rs.35,745/- for each loan, starting from 1-9-2011. Nineteen installments are outstanding as on the balance sheet date."</p>	10.76%	1,243,812	2,087,152
<p>"ICICI BANK LTD - MOGAPPAIR PROJ LOAN: Secured by way of equitable mortgage on certain immovable properties, owned by its associate company Heirloom Real Estate Private Limited and by the co-venturers. Repayment - Twenty monthly installments of Rs.1.50 Crores which will commence from 15-08-2014. However, the company has already commenced the repayment based on the availability of funds"</p>	14.00%	206,918,818	109,770,048
<p>"ICICI BANK LTD -Panache Loan: Secured by way of equitable mortgage on certain immovable properties, owned by its associate company Arihant Hospitality (Chennai) Private Limited. Repayment - Twelve monthly installments of Rs.1.25 Crores which will commence from 15-01-2014. However, the company has already commenced the repayment based on the availability of funds"</p>	14.50%	-	136,893,818
<p>"Standard Chartered Bank 8.11 Cr (Viceroy): Secured by way of charge on the lease rentals from let out properties of the company and by way of equitable mortgage of immovable properties owned by the company. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - Sixty monthly installments of Rs.18,45,275/- which commenced from 5-02-2013. Thirty seven installments are outstanding as on the balance sheet date."</p>	13.00%	55,752,821	72,852,865
<p>"Standard Chartered Bank 9.82 Cr (Viceroy): Secured by way of charge on the lease rentals from let out properties of the company and by way of equitable mortgage of immovable properties owned by the company. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - One hundred and one monthly installments of Rs.15,62,689/- which commenced from 15-01-2013. Seventy seven installments are outstanding as on the balance sheet date."</p>	12.25%	82,601,936	92,561,239
<p>"HDFC Loan- 6350188108: Secured by way of equitable mortgage on certain immovable properties. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - Loan is repayable at a specific percentage (at present 10%) of collection from customers determined from time to time."</p>	10.00%	9,633,049	18,085,323



Particulars	Interest Rate P.A.	Amount Outstanding	
		31.12.2014 (15 Months) ₹	30.09.2013 (12 Months) ₹
"ICICI Bank Ltd -Tata Winger Secured against the vehicles for which the loan has been taken. Repayment - Thirty five monthly installments:- of Rs.20,192/- Starting from 7-03-2012."	12.25%	-	197,812
<b>TOTAL</b>		<b>447,938,646</b>	<b>484,536,440</b>
<b>B. OTHERS - TERM LOANS from Others</b>			
"Aditya Birla Finance Limited: Secured by way of equitable mortgage on certain immovable properties, owned by company and on receivables from the project. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. The date of commencement of loan is 03-10-2013. Repayment - The term of loan is twenty seven months, EMI will start from November 2014. However, more amount is repaid during the year."	13.75%	53,042,604	-
"Indiabulls Housing Finance Limited (HHLCHF00127656): Secured by way of equitable mortgage on certain immovable properties, owned by the company Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - One hundred and eighty monthly installments of Rs.1,90,646/- starting from 1-01-2013. One hundred and fifty six installments are outstanding as on the balance sheet date."	11.75%	15,212,067	15,791,096
"India Infoline Investment Services Ltd: Secured by way of equitable mortgage on certain immovable properties, owned by the company Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - sixty monthly installments of Rs.4,07,194/- starting from 1-11-2011. The loan fully closed in current year."	14.00%	-	12,700,247
"ICICI Home Finance- Gajapathy Road Flat: Secured against the immovable property for which the loan has been taken. Repayment - Two hundred and sixty two monthly installments of Rs.79,589/- starting from 10-3-2008. One hundred and eighty installments are outstanding as on the balance sheet date."	13.25%	6,199,877	6,352,982
"ICICI BANK LTD - SRIPERUMBATHUR PROJ: Secured by way of equitable mortgage on certain immovable properties, owned by associate company, Heirloom Real Estate (P) Ltd and by hypothecation of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - Twenty five monthly installments of Rs. 40 Lakhs starting from 15-05-2012. The loan fully closed in current year."	15.00%	-	32,000,000
"ICICI BANK LTD - SRIPERUMBATHUR PROJ: Secured by way of equitable mortgage on certain immovable properties, owned by associate company, Heirloom Real Estate (P) Ltd and by hypothecation of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - Fifteen monthly installments of Rs.20 Lakhs, starting from 15-10-2012. The loan fully closed in current year."	15.00%	-	6,000,000

Particulars	Interest Rate P.A.	Amount Outstanding	
		31.12.2014 (15 Months) ₹	30.09.2013 (12 Months) ₹
<p>"Kotak Mahindra Investments Limited (6 Cr Loan): Secured by way of equitable mortgage on certain immovable properties, owned by company and on receivables from the project. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. The date of commencement of loan is 27-10-2014. Repayment - The term of loan is twelve months, EMI will be six monthly installments of Rs.1 crore, starting from May 2015."</p>	15.00%	60,000,000	
<p>"Kotak Mahindra Prime Ltd - Audi A8: Secured against the vehicle for which the loan has been taken. Repayment - Sixty monthly installments of Rs.1,79,690/- starting from 10-01-2013. Thirty six installments are outstanding as on the balance sheet date."</p>	10.00%	5,579,105	7,459,745
<p>"Religare Finvest Limited: Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothecation of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the managing director of the company. Repayment -One installments of interest amounts of Rs. 32,084/-, then Fifteen monthly installments of Rs.17,20,917/-, then forty five monthly installments of Rs.16,87,376/- and one installment of Rs.9,67,801/- starting from 1-8-2011. Twenty one installments are outstanding as on the balance sheet date."</p>	14.00%	30,703,256	48,061,670
<p>"Religare Finvest Ltd - 2 Cr Loan: Secured by way of equitable mortgage on certain immovable properties, owned by the company. Repayment - Two installments of interest amounts of Rs. 1,24,375/- and 2,49,320/- each, then, eleven monthly installments of Rs.3,22,670/-, then, one hundred and eleven monthly installments of Rs. 3,10,451/- and one installment of Rs. 2,61,296/- starting from 15-11-2011. Eighty nine monthly installments are outstanding as on the balance sheet date"</p>	13.75%	17,020,342	18,429,660
<p>"Religare Finvest Ltd - 3 Cr Loan: Secured by way of equitable mortgage on certain immovable properties, owned by the company. Repayment - Three installments of interest amounts of Rs.10,273/-, Rs.3,45,971/- and Rs.4,02,058/- each, then, ten monthly installments of Rs.7,29,542/-, then, fifty monthly installments of Rs. 7,15,795/- and one installment of Rs. 3,96,666/- starting from 1-11-2011. Twenty six monthly installments are outstanding as on the balance sheet date"</p>	14.00%	15,737,404	22,705,935
<p>"Religare Finvest Ltd 4.94 Cr: Secured by way of equitable mortgage on certain immovable properties, owned by the company. Repayment - one installment of interest amounts of Rs.1,66,073/- and then one hundred and twelve monthly installments of Rs.7,96,995/- and one installment of Rs. 2,16,370/- starting from 1-06-2013. Ninty six monthly installments are outstanding as on the balance sheet date"</p>	13.75%	45,793,833	48,854,756
<p>"Religare Finvest Ltd 7.06 Cr: Secured by way of equitable mortgage on certain immovable properties, owned by the company. Repayment -One installments of interest amounts of Rs.2,28,403/- and then one hundred and twelve monthly installments of Rs.11,39,025/- and one installment of Rs. 3,09,288/- starting from 1-06-2013. Ninty six installments are outstanding as on the balance sheet date"</p>	13.75%	65,446,255	69,820,765
<p>"others: secured against the asset/ property for which the loan has been obtained"</p>	12% to 18%	143,629,500	108,508,000
<b>TOTAL</b>		<b>458,364,242</b>	<b>396,684,856</b>
<b>GRAND TOTAL</b>		<b>906,302,888</b>	<b>881,221,296</b>

PARTICULARS	NOTE NO	AMOUNT AS ON 31.12.2014 (15 Months) ₹		AMOUNT AS ON 30.09.2013 (12 Months) ₹	
<b>DEFERRED TAX</b>	<b>5</b>				
Deferred Tax Liability		672,599		963,975	
LESS:- Deferred Tax Asset provided during the year		<u>(111,349,856)</u>		<u>(57,105,020)</u>	
Deferred Tax Liability / (Assets) Net			<b>(110,677,256)</b>		(56,141,045)
<b>OTHER LONG TERM LIABILITIES</b>	<b>6</b>				
Other long term liabilities			<b>126,611,227</b>		254,625,307
<b>LONG TERM PROVISIONS</b>	<b>7</b>				
Provision for Employment benefits			<b>4,382,691</b>		5,827,869
<b>SHORT TERM BORROWINGS</b>	<b>8</b>				
Loans and Advances from Related Parties			<b>203,175,685</b>		449,200,000
<b>TRADE PAYABLES</b>	<b>9</b>				
			<b>369,668,783</b>		411,156,885
<b>OTHER CURRENT LIABILITIES</b>	<b>10</b>				
Current maturities of Long term Loans (refer note no. 4)		259,309,615		271,168,685	
Interest Accrued but no due		6,543,884		6,153,140	
Income Received in Advance		3,885,527		--	
Other Payables					
Advance from Customer and for Projects		1,257,719,712		1,216,673,975	
Statutory dues payable		11,859,036		8,438,729	
Other Sundry Current Liabilities		<u>77,169,550</u>		<u>149,446,562</u>	
			<b>1,616,487,327</b>		1,651,881,091
<b>SHORT TERM PROVISIONS</b>	<b>11</b>				
Provision for Employee Benefit		--		37,828	
Other Provisions					
Provision for Tax		37,086,583		11,452,061	
Other Provisions		<u>--</u>		<u>22,776,824</u>	
			<b>37,086,583</b>		34,266,713

**Note No. 12**  
**CONSOLIDATED FIXED ASSETS**  
**DEPRECIATION SCHEDULE AS PER THE COMPANIES ACT, 1956 FOR THE PERIOD FROM 01.10.2013 TO 31.12.2014**

Name of The Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance As On 01.10.2013	Additions During 01.10.2013 To 31.12.2014	Deletions During 01.10.2013 To 31.12.2014	Balance As At 31.12.2014	Balance As On 01.10.2013	For The Period 01.10.2013 To 31.12.2014	Deletions During 01.10.2013 To 31.12.2014	Total As On 31.12.2014	As On 01.10.2013	As On 31.12.2014
Land	17,931,721	-	-	17,931,721	-	-	-	-	17,931,721	17,931,721
Buildings										
Freehold Buildings	93,027,216	-	-	93,027,216	15,685,032	2,206,065	-	17,891,097	77,342,183	75,136,119
Leasehold Buildings	5,795,307	-	-	5,795,307	850,438	113,109	-	963,547	4,944,869	4,831,760
Furniture & Fixtures	21,510,280	61,457	-	21,571,737	11,977,257	1,542,583	-	13,519,840	9,533,023	8,051,897
Plant & Equipments	14,269,229	1,853,490	3,248,500	12,874,219	5,651,804	876,676	1,518,941	5,009,539	8,617,426	7,864,680
Office Equipments	7,830,327	987,551	-	8,817,878	5,520,948	968,797	-	6,489,745	2,309,377	2,328,133
Vehicles	25,433,821	60,516	-	25,494,337	5,577,924	3,237,711	-	8,815,635	19,855,899	16,678,702
<b>Total</b>	<b>185,797,900</b>	<b>2,963,014</b>	<b>3,248,500</b>	<b>185,512,414</b>	<b>45,263,403</b>	<b>8,944,941</b>	<b>1,518,941</b>	<b>52,689,403</b>	<b>140,534,498</b>	<b>132,823,011</b>
Intangible Assets										
Computer Software	1,785,990	120,225	-	1,906,215	1,231,249	125,023	-	1,356,272	554,741	549,943
Trns Development Rights	238,835,636		238,835,636	-	-	-	-	-	238,835,636	-
<b>Total</b>	<b>240,621,626</b>	<b>120,225</b>	<b>238,835,636</b>	<b>1,906,215</b>	<b>1,231,249</b>	<b>125,023</b>	<b>-</b>	<b>1,356,272</b>	<b>239,390,377</b>	<b>549,943</b>
<b>Grand Total</b>	<b>426,419,526</b>	<b>3,083,239</b>	<b>242,084,136</b>	<b>187,418,629</b>	<b>46,494,652</b>	<b>9,069,964</b>	<b>1,518,941</b>	<b>54,045,675</b>	<b>379,924,875</b>	<b>133,372,954</b>
Previous Year Values	397,701,784	255,077,755	226,360,013	426,419,526	42,462,608	6,675,608	2,643,563	46,494,652	355,239,177	379,924,874

PARTICULARS	NOTE NO	AMOUNT AS ON 31.12.2014 (15 Months) ₹		AMOUNT AS ON 30.09.2013 (12 Months) ₹	
<b>NON-CURRENT INVESTMENTS</b>	13				
<b>1. UNQUOTED - TRADE</b>					
<b>A. INVESTMENT IN EQUITY INSTRUMENT</b>					
<b>JOINT VENTURES / ASSOCIATES</b>					
Arihant Indo African Infra Developers & Builders Pvt.Ltd. (62,37,784 Equity shares of R.10/- Each Fully Paid Up)		62,377,840		2,032,742	
Heirloom Real Estate Pvt.Ltd. (2,500 Equity shares of R.10/- Each Fully Paid Up)		25,000		25,000	
<b>b. INVESTMENT IN DEBENTURES</b>					
Arihant Indo African Infra Developers & Builders Pvt Ltd “(13% 2,03,894 Optionally Redeemable Convertible Debenetures of R.100/- Each)”		20,389,400		80,734,500	
<b>c. INVESTMENT IN PARTNERSHIP FIRMS</b>					
Arihant Heirloom		53,592,232		67,361,951	
<b>d. OTHER NON CURRENT INVESTMENT</b>					
Development Rights Certificate		35,646,451			
<b>2. UNQUOTED - NON-TRADE</b>					
<b>a. INVESTMENT IN GOVT. BONDS</b>					
National Savings Certificate		7,470		7,470	
<b>3. QUOTED - NON-TRADE (FULLY PAID AT COST)</b>					
Happy Homes Profin Ltd (44,800 Equity shares of R 10/- each Fully Paid Up market value Rs. 1, Carried at other than cost)		1		1	
Hindustan Construction Company Ltd (500 Shares of Rs 45.53 Each Fully Paid Up market value is Rs. 14,750/-)		22,767		22,767	
IDBI Bank Ltd (500 Shares of Rs 156.20 Each Fully Paid Up; market value is Rs. 36,575/-)		78,100		78,100	
Indotech Transformers (691 Equity Shares of R 130.19 Each Fully Paid up market value is Rs.153091.05)		89,830		89,830	
Tata Consultancy Servies Ltd (3,600 Shares of R.250.65/- Each Fully Paid up; market vaue is Rs. 9209700/-)		902,352		902,352	
			<b>173,131,442</b>		<b>151,254,713</b>

Details of quoted/unquoted investments: Particulars	AS ON 31.12.2014 (15 Months)	AS ON 30.09.2013 (12 Months)
(a) Aggregate amount of quoted investments and market value thereof		
Book Value	1,093,050	1,093,050
Market Value	9,414,116	70,091,116
(b) Aggregate amount of unquoted investments		
Book Value	172,038,392	168,409,191
(c) Aggregate provision for diminution in value of investments	-	-

PARTICULARS	NOTE NO	AMOUNT AS ON 31.12.2014 (15 Months) ₹		AMOUNT AS ON 30.09.2013 (12 Months) ₹	
<b>LONG TERM LOANS AND ADVANCES</b>	<b>14</b>				
Security deposits		1,053,386,255		1,109,268,731	
Loan and Advances to related parties		(8,602,779)	<b>1,044,783,476</b>	7,119	1,109,275,850
<b>OTHER NON CURRENT ASSETS</b>	<b>15</b>				
Long Term Trade Receivables		377,970,292	<b>377,970,292</b>	--	--
<b>CURRENT INVESTMENTS</b>	<b>16</b>				
Units of mutual funds under daily dividend plan		1,209,534	<b>1,209,534</b>	5,122,489	5,122,489
<b>INVENTORIES</b>	<b>17</b>				
(as taken, valued and certified by the Management)					
Land		--		80,635,801	
Raw Materials		1,982,496		2,092,396	
Work in Progress		959,415,763		921,167,182	
Finished Properties		280,818,836	<b>1,242,217,095</b>	61,302,856	1,065,198,235
<b>TRADE RECEIVABLES</b>	<b>18</b>				
Debt outstanding for a period of exceeding six months from the date they are due for payment					
Unsecured and considered good					
- Debts due by the private companies firms in which directors and directors partners		67,655,249		59,330,777	
- Others		139,314,378		598,876,212	
Debt outstanding for a period of less than six months from the date they are due for payment					
Unsecured and considered good					
- Debts due by private companies in which directors are directors		248,385		1,308,212	
- Others		146,474,593	<b>353,692,606</b>	266,479,558	925,994,759
<b>CASH AND CASH EQUIVALENTS</b>	<b>19</b>				
Balance with Banks		41,915,932		92,081,033	
Cash in Hand		19,831,379		9,192,410	
Others* (mutual funds under daily dividend plan)		197,904,834		43,400,000	

PARTICULARS	NOTE NO	AMOUNT AS ON 31.12.2014 (15 Months) ₹		AMOUNT AS ON 30.09.2013 (12 Months) ₹	
Other Bank balances - Deposit accounts - Earmarked accounts: Unpaid dividend		43,387,805 401,832		60,928,137 401,832	
<b>SHORT TERM LOANS AND ADVANCES</b>	<b>20</b>		<b>303,441,782</b>		20,6003,412
Unsecured and considered good Related Parties					
Other loans and advances		124,777,725		10,991,725	
Others					
Prepaid Expenses		33,134,216		812,098	
Advance for land		214,540,685		310,687,539	
Balance with Revenue Authorities		224,154,016		178,553,373	
Advance given to suppliers and others		346,711,480		209,346,961	
Other loans and advances		310,868,274		384,238,645	
			<b>1,254,186,396</b>		1,094,630,341
<b>OTHER CURRENT ASSETS</b>	<b>21</b>				
Other deposits		104,519,256		69,864,909	
Other Receivables		213,247,424		229,347,657	
			<b>317,766,681</b>		299,212,566
<b>REVENUE FROM OPERATION</b>	<b>22</b>				
Sales		892,086,237		11,313,461,753	
Marketing fees received		24,958,365		3,514,854	
Project Management fees received		7,590,396		6,419,555	
Share of profit from firms		517,609		(7,196,606)	
		<b>925,152,607</b>		1,316,199,556	
Other Operating Revenues					
Lease Rentals		38,739,618		27,657,392	
Car Park Sales		500,000		--	
Maintenance Charges Received		26,290,922		18,928,840	
Other Operating income		124,450		11,401,538	
		<b>65,654,990</b>		57,987,770	
			<b>990,807,597</b>		1,374,187,326
<b>OTHER INCOME</b>	<b>23</b>				
Interest received		17,859,082		11,970,723	
Dividend Income		1,445,754		2,413,874	
Other non-operating income (net of expenses)					
Profit on sale of Investment		1,052,149		17,642,420	
Miscellaneous Income		12,698,500		12,062,840	
			<b>33,055,485</b>		44,089,857
<b>CONSTRUCTION AND PROJECT EXPENSES</b>	<b>24</b>				
Cost of land					
Materials		150,497,424		1,035,204,334	
Labour & sub-contract expenses		575,349,553		7,555,191	
Legal expenses		49,908,842		7,538,473	
Consultancy charges		5,703,979		120,971,589	
Interest charges and other finance costs related to projects		208,243,710		54,169,816	
Marketing Expenses		-		82,269,284	
Other Project Expenses		232,641,235		58,149,273	
			<b>1,222,344,743</b>		1,365,857,960



PARTICULARS	NOTE NO	AMOUNT AS ON 31.12.2014 (15 Months) ₹		AMOUNT AS ON 30.09.2013 (12 Months) ₹	
<b>25 Changes In Inventories Of Materials, Work- In-Progress And Finished Goods</b>	<b>25</b>				
a. Inventories at the beginning of the year					
i. Land		--		79927364.00	
ii. Raw Materials		2,092,396		1,482,652	
iii. Work-in-progress		783,196,041		775,630,929	
iv. Finished goods		212,321,014		226,603,398	
		997,609,452		1,083,644,343	
b. Inventories at the end of the year					
i. Land				80635801.00	
ii. Raw Materials		1,982,496		2,092,396	
iii. Work-in-progress		959,415,763		921,167,182	
iv. Finished goods		280,818,836		61,302,856	
		1,242,217,095		1,065,198,235	
Net (increase) / decrease			<b>(244,607,643)</b>		18,446,108
<b>EMPLOYEES BENEFIT EXPENSES</b>	<b>26</b>				
Salaries & Wages		28,227,123		18,450,964	
Contribution to provident and other funds		875,054		441,952	
Staff Welfare		924,475		405,108	
Other Employee benefit expenses		453,860	<b>30,480,511</b>	--	19,298,024
<b>FINANCE COSTS</b>	<b>27</b>				
Interest Expense;		130,175,086		142,455,049	
Other borrowings costs;		-			
Processing fees- (for Loan)		1,439,170	<b>131,614,256</b>	2,968,551	145,423,600
<b>DEPRECIATION AND AMORTIZATION</b>	<b>28</b>				
Depreciation of tangible fixed asset		8,944,941		6,579,258	
Amortization of intangible fixed asset		125,023	<b>9,065,964</b>	96,350	6,675,608
<b>OTHER EXPENSES</b>	<b>29</b>				
Power & Fuel		3,106,097		2,739,222	
Rent		5,998,761		4,766,784	
General Expenses		1,395,918		1,302,788	
Resale Compensation		-		3,597,335	
Insurance		193,312		112,391	
Rates & Taxes		1,920,710		2,853,385	
Repairs & Office Maintenance		32,723,873		27,218,567	
Advertisement & Business Promotion		16,336,000		4,051,944	
Legal, Professional & Consultancy Charges		9,622,940		5,968,529	
Travelling & Conveyance		2,251,685		1,399,881	
Vehicle Maintenance		1,325,525		1,110,400	
Telephone, Postage, Printing & Stationery		3,230,349		2,376,940	
Miscellaneous Expenditure		1,124,182		2,003,430	
Bad Debt		8,500,000			
Donation		258,150		561,073	
Directors' Fees		80,000		72,000	
Commission		-		1,203,310	
Bank Charges		43,513		74,000	
Audit Fees					
- For Statutory Audit		1,259,402		746,988	
- For Tax Audit		168,540		168,540	
- For Income tax representation		168,540		176,967	
Loss on sale of fixed assets		1,110,511	<b>90,818,009</b>	1,055,904	63,560,378

### 30 CONTINGENT LIABILITIES, PROVISIONS AND CONTINGENT ASSETS

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

ii) The income tax department has filed appeal against the order of the CIT (Appeal) before the income tax appellate tribunal for various assessment years which is as follows:-

Period to which the amount relates

Amount	(Rs)
2004-2005	13,71,638/-
2005-2006	53,23,956/-
2007-2008	1,19,53,006/-
2009-2010	5,58,07,850/-

iii) Amount of service tax under dispute: Rs.23,16,081/- pertaining to period october 2004 to march 2007 (Previous year: Rs.23,16,081/- for the period october 2004 to march 2007). Stay has been granted by the CESTAT. If the appeal is disallowed it may result in penalty of equivalent amount.

iv) Amount of service tax under dispute: In the year of 2012-13 the service tax department has raised a demand of Rs.2,23,97,303 /- .The company has disputed the demand on the grounds that, the department has demanded service tax for a period for which service tax was not applicable to the company. Also, the department has calculated servicetax on land, which is not a taxable service .Hence service tax demand is higher

than actual tax levible. The company has duly paid its share of service tax on the construction services provided by it. Out of the total demand Rs.16,09,794/- was already paid while the balance Rs.7,87,509 /- stands unpaid.

#### Contigent Assets :

v) The company may receive interest on amounts paid by it for various appeals which are pending before ITAT.

Notes:

1. The Company does not expect any reimbursements in respect of the above contingent liabilities.
2. It is not practicable to estimate the timing of cash outflows, if any, in respect of matters stated above pending resolution of the arbitration/apellate proceedings

### 31. TRADE RECEIVABLES AND TRADE PAYABLES

Trade receivables, trade payables, advance from customer and advance to supplier are subject to confirmation awaited.

#### 32.Difference in Reporting dates :

Name of Subsidiaries	Reporting Date	Parent Company Reporting date	Difference in Reporting dates
1. Vaikunt Housing Ltd	30/06/2014	31/12/2014	6 Months
2. Arihant Griha Ltd	30/06/2014	31/12/2014	6 Months
3. Trasperent Heights Real Estate Ltd	30/06/2014	31/12/2014	6 Months
4. Varenva Constructions Ltd	30/06/2014	31/12/2014	6 Months

### 33. INVESTMENT IN PARTNERSHIP FIRMS

Name of the firm	Name of all Partners	Share of each Partner	Total Capital as on 31-03-2014 in Rs.
1. Arihant Heirloom	Arihant Foundations & Housing limited A.v.Krishnan R.Raghavan Vasanth Lakshmi	49.39% 13.24% 16.17% 21.20%	21,236,834
2. Arihant Foundations	Arihant Foundations & Housing limited SPI properties pvt ltd Swaroop Reddy	4.50% 95.00% 0.50%	49,982,682
3. Arihant Foundations & Housing	Arihant Foundations & Housing limited SPI properties pvt ltd Swaroop Reddy	3.50% 95.00% 1.50%	16,797,805

### 34. SEGMENT REPORTING

The company is primarily in the business of real estate development and related activities including construction. Major exposure is to residential and commercial construction and development of IT parks. Further majority of the business conducted is within the geographic boundaries of India.

In view of the above, in the opinion of the Management and

based on the organizational and internal reporting structure, the company's business activities as described above are subject to similar risks and returns. Further, since the business activities undertaken by the company are within India, in the opinion of the Management, the environment in India is considered to have similar risks and returns. Consequently the company's business activities primarily represent a single business segment. Similarly, this business operations in India represent a single geographical segment.

### 35. LEASED ASSETS

#### A. Operating lease taken

- (i) The company has taken buildings on operating lease. The lease rental are paid by the company on a monthly basis.
- (ii) Following are the details of leases rental expenses during the period

Particulars	31.12.2014 (15 MONTHS) In Rs.	30.09.2013 (12 MONTHS) In Rs.
Total lease recognised in Profit & Loss account	5,948,761	4,766,784

(iii) As per the lease agreement following are the details of Future minimum lease rentals payable as at 31st December, 2014.

Particulars	31.12.2014 (15 MONTHS) In Rs.	30.09.2013 (12 MONTHS) In Rs.
a) Not later than one year	5,139,786	4,371,924
b) Later than one year, but not later than five year	11,757,162	6,957,500
c) More than five year	-	-
B. Operating lease given		

(i) The company has given buildings on operating lease. The lease rental are Receivable by the company on a monthly basis.

(ii) Following are the details of leases rental income during the period

Particulars	31.12.2014 (15 MONTHS) In Rs.	30.09.2013 (12 MONTHS) In Rs.
Total lease recognised in Profit & Loss account	38,739,618	27,657,392

(iii) As per the lease agreement following are the details of Future minimum lease rentals receivable as at 31st December, 2014.

Particulars	31.12.2014 (15 MONTHS) In Rs.	30.09.2013 (12 MONTHS) In Rs.
a) Not later than one year	29,653,220	-
b) Later than one year, but not later than five year	26,552,247	29,781,941
c) More than five year	-	114,164,316

### 36. EARNINGS PER SHARE

Particulars	31.12.2014 (15 MONTHS) In Rs.	30.09.2013 (12 MONTHS) In Rs.
a) Weighted Average number of shares considered for calculation of EPS	8,600,000	8,600,000
b) Net profit after tax	(186633879)	(185,606,397)
c) Basic earnings per share	(21.70)	(21.58)
d) Face value per share	10	10

#### DILUTED EARNINGS PER SHARE

Particulars	31.12.2014 (15 MONTHS) In Rs.	30.09.2013 (12 MONTHS) In Rs.
a) Weighted Average number of shares considered for calculation of EPS	8,600,000	8,600,000
b) Net profit after tax	(186633879)	(185,606,397)
c) Basic earnings per share	(21.70)	(21.58)
d) Face value per share	10	10

### 37. a) CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The company does not own any manufacturing facility. Hence, the requirements pertaining to disclosure of particulars relating to conservation of energy, technology absorption as prescribed under the Companies (Disclosure of particulars in the report of board of directors) Rules, 1988, are not applicable. However, the company has commissioned a device named power factor, which reduces the consumption of energy. The company has also taken initiative to reduce the power and fuel consumption.

(Amount in Rs. Lakhs)

#### b) FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	31.12.2014 (15 MONTHS) In Rs.	30.09.2013 (12 MONTHS) In Rs.
i) Outgo*	1.91	16.84

\* Foreign Exchange outgo comprises of expenses on travelling and participating in exhibitions abroad and professional charges paid to foreign consultants

**38. INTEREST IN JOINT VENTURES AND ASSOCIATES:**

Name of the Company	Country of incorporation	Proportion of ownership interest as at 31-12-2014	Proportion of ownership interest as at 30-09-2013
<b>Joint Ventures Companies</b>			
(a) Escapade Real Estate Pvt. Ltd	India	50.00%	50.00%
(b) Arihant Unitech Realty Projects Ltd.	India	50.00%	50.00%
(c) Arihant Indo African Infra Developers and Builders P Ltd	India	12.00%	26.00%
(d) North town Estates Pvt. Ltd	India	50.00%	50.00%
<b>Partnership firms</b>			
(a) Arihant Heirloom	India	49.39%	49.39%
(b) Arihant Foundations	India	4.50%	4.50%
(c) Arihant Foundations & Housing	India	3.50%	3.50%
<b>Associates Companies</b>			
Heirloom Real Estate Private Limited	India	25.00%	25.00%

(a) The above joint venture entities are incorporated in India. The Company's share of the assets and liabilities as on 30th June, 2014 and income and expenses for the year ended 30th June, 2014, in respect of joint venture entities based on audited accounts (except for 1.Escapade Real Estate Private Limited, 2.Arihant Unitech Realty Projects Limited, 3.Arihant Indo African Infra Developers and Builders P Ltd, 4.North town Estates Private Limited whose accounts not audited as on 30.06.2014) are considered for consolidation as shown below:

Particulars	As on 30.06.2014 (15 MONTHS) In Rs.	30.09.2013 (12 MONTHS) In Rs.
<b>A. Assets</b>		
- Non-current assets	672,184,389	571,636,302
- Current assets	635,708,591	968,738,173
<b>TOTAL</b>	<b>1,307,892,979</b>	<b>1,540,374,476</b>
<b>B. Liabilities</b>		
- Non-current liabilities	39,458,780	(35,897,568)
- Current liabilities	1,543,987,913	1,348,093,240
<b>TOTAL</b>	<b>1,583,446,693</b>	<b>1,312,195,672</b>
C. Contingent Liabilities	NIL	NIL
D. Capital commitments	NIL	NIL
E. Income	343,859,324	744,419,006
F. Expenses	442,741,704	900,619,927

**37. BENEFITS TO EMPLOYEES**

As per accounting standard (AS) 15 revised, 'employee benefits', the disclosures of employee benefits are as given below:

(a) Defined contribution plans

Contributions recognized as expense for the year are as under:

Particulars	31.12.2014 (15 MONTHS) In Rs.	30.09.2013 (12 MONTHS) In Rs.
Employer's contribution to provident fund (in Rs.)	1,160,678	688,380

(b) Defined Benefit plans

The cost of providing gratuity are determined using the projected unit credit method, on the basis of actuarial valuation techniques, conducted at the end of the financial year.

<b>i. Expense to be recognized in the statement of profit &amp; loss</b>	31.12.2014 (15 MONTHS)
a) Interest Cost	369,894
b) Current Service Cost	759,793
c) Past Service Cost	-
d) Expected Return on Plan Assets	-
e) Curtailment Cost (Credit)	-
f) Settlement Cost (Credit)	-
g) Net Actuarial (gain) / loss	(832,879)
h) Net Expenses to be recognized in the statement of profit & loss account	296,808
<b>ii. Amounts to be recognized in the Balance Sheet</b>	31.12.2014 (15 MONTHS)
a) Present Value of Obligations as on the Accounting Date	3,852,651
b) Fair Value of the Plan Assets	-
c) Liability Recognized in the Balance Sheet	3,852,651

iii. Movements in accrued liability	31.12.2014 (15 MONTHS)
a) Accrued Liability as at the beginning of the period	3,842,035
b) Correction subsequently effected to last year's closing liability	-
c) Interest Cost	369,894
d) Current Service Cost	759,793
e) Past Service Cost	-
f) Curtailment Cost	-
g) Settlement Cost	-
h) Benefits paid	(286,192)
i) Net Actuarial (gain) / loss	(832,879)
j) Accrued Liability as at the end of the period	3,852,651
iv. Reconciliation	31.12.2014 (15 MONTHS)
a) Net Liability as at the beginning of the period	3,842,035
b) Correction subsequently effected to last year's closing liability	-
c) Net Expenses in statement of profit and loss	296,808
d) Benefits paid	(286,192)
e) Net Liability at the end of the period	3,852,651

v. Experience Rated Adjustments	31.12.2014 (15 MONTHS)
a) Liability side	832,879
b) Asset side	NA

**vi. Principal Actuarial Assumptions:**

Particulars	31.12.2014 (15 MONTHS) In Rs.	30.09.2013 (12 MONTHS) In Rs.
a) Mortality table - Indian assured lives	Ind. (2006-08)	Ind. (2006-08)
b) Discounting rate (per annum)	8.00%	8.20%
c) Rate of escalation in salary (per annum)	10.00%	10.00%
d) rate of return on plan assets	NA	NA
e) Attrition rate fixed by the enterprise	5.00%	5.00%

**40. RELATED PARTY DISCLOSURES**

Related parties are classified as :

**Associates**

Heirloom Real Estate Private Limited

**Key Management Personnel**

Name	Designation
Mr. Kamal Lunawath	Chairman and Managing Director
Mr. Vimal Lunawath	CFO & Whole time Director
Mr. Bharat Jain	Whole time Director

Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise and relatives of any such individual:

Mrs. Snehalatha Lunawath  
Mrs. Preethi Lunawath  
Mrs. Kavita Lunawath

**Summary of significant related parties transactions carried out in ordinary course of business are as under:**

Amount (₹)				
S. No	Description	Key management personnel	Entities, relatives of key management personnel and individuals owning directly indirectly, an interest in the voting power of the reporting enterprise and relatives of any such individual	TOTAL
1.	Service rendered	- (-)	- (-)	- -
2.	Interest received	(-)	(-)	(-)
3.	Interest paid	<b>45,124,377</b> (26052370)	- (-)	<b>45,124,377</b> (26,052,370)
4.	Loans received from	<b>191,081,631</b> (31,873,970)	- (-)	<b>191,081,631</b> (31,873,970)
5.	Loans repaid to	<b>57,676,830</b> (23,849,342)	- (-)	<b>57,676,830</b> (23,849,342)
6.	Loans Given	(-)	(-)	- -
7.	Loans repaid - Repayment Recd.	(-)	(-)	- -
8.	Advances received from	(-)	(-)	- -
9.	Advances repaid to	(-)	(-)	- -
10.	Advances made to	(-)	(-)	- -
11.	Advances - repayment received from	(-)	(-)	- -
12.	Project Management fee paid	(-)	(-)	- -
13.	Marketing fee paid	(-)	(-)	- -
14.	Remuneration paid	<b>4,500,000</b> (3,300,000)	- (-)	<b>4,500,000</b> (3,300,000)

Note: Previous years' figures are given within brackets

**41. PREVIOUS YEAR FIGURES**

Previous year figures have been regrouped, rearranged and reclassified wherever considered necessary.

As per our attached report of even date  
For **B.P. Jain & Co.**  
**Chartered Accountants**  
FIRM REG NO-050105S  
sd/-  
**CA Devendra Kumar Bhandari**  
Partner  
Membership No.: 208862

For and on behalf of board of directors  
For **Arihant Foundations & Housing Limited**

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

sd/-  
**Vimal Lunawath**  
Chief Financial Officer  
& Whole Time Director  
DIN : 00586269

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

Place : Chennai  
Date : 27.02.2015

[illegible]



**Form No. MGT-11****Proxy form**

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

CIN: L70101TN1992PLC022299

Name of the company: **ARIHANT FOUNDATIONS & HOUSING LIMITED**

Registered office: 271, (Old no.182), Poonamallee High Road, "Ankur Manor", 1st Floor,  
Off. McNichols Road, Kilpauk, Chennai- 600010

Name of the member (s): .....

Registered address: .....

E-mail Id: ..... Folio No/ Client Id: DP ID: .....

I/We, being the member (s) of ..... shares 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 22nd Annual general meeting of the company, to be held on the 30th day of June at 9.30 a.m. at "Arihant Escapade", Devaraj Nagar, No. 48, Okkiyum, Thoraipakkam, Chennai-600097 and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution No.**

1. To receive, consider and adopt the Audited Balance sheet as at 31st December, 2014 and Audited profit and loss account for the year from 01.10.2013 to 31.12.2014, cash flow statement for the year from 01.10.2013 to 31.12.2014 together with the Directors' Report and the Auditors' Report.
2. To appoint a Director in place of Mr. Vimal Lunawath (DIN: 00586269), who retires by rotation and being eligible, offer himself for reappointment
3. Appointment of B.P. Jain & Co, Chartered Accountants, as the Statutory Auditors of the Company and to authorize the Board of Directors to fix their remuneration.
4. Appointment of Mrs. A.A Gonsalves as an independent Director of the Company
5. Appointment of Mr. Ravikanth Choudhry as an independent Director of the Company
6. Appointment of Mr. Damodaran Arumugam as an independent Director of the Company
7. Appointment of Mr. Karan Bhasin as an independent Director of the Company
8. Appointment of Mr. Bharat Jain as the Whole-time Director of the Company

Signed this..... day of..... 20.....

Signature of shareholder..

Signature of Proxy holder(s)

**Notes:**

1. 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.
2. For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the Twenty Second Annual General Meeting.

Affix  
Revenue  
Stamp

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**ARIHANT FOUNDATIONS & HOUSING LIMITED**

CIN: L70101TN1992PLC022299

Regd. Office: 271, (Old no.182), Poonamallee High Road, "Ankur Manor",  
1st Floor, Off. McNichols Road, Kilpauk, Chennai- 600010

**22ND ANNUAL GENERAL  
MEETING****ATTENDANCE SLIP**

- 1) Name of the Shareholder(s)  
(including Joint holder(s))
- 2) Registered Folio No./DPID/CLID No.\*  
\*(Applicable to investors holding shares in  
Dematerialized Form)
- 3) Number of Shares held

**ELECTRONIC VOTING PARTICULARS**

(Please read the e-voting instructions given in the Annual Report before exercising the e-vote)

EVSN (Electronic Voting Sequence Number)	USER ID	PASSWORD/PIN
150526003	Please enter your DPID/CLID or Folio No.	Existing password or Enter your PAN with Bank A/c No./ Date of Birth

I/We hereby declare that I/We/am/are registered member/proxy for the registered member of the Company and hereby record my/our presence at the Annual General Meeting of the Company held on 30th June, 2015 at 9.30 a.m. at "Arihant Escapade", Devaraj Nagar, No. 48, Okkiyum, Thoraiyakkam, Chennai- 600097 and at any adjournment thereof in respect of such resolutions as mentioned in the Notice.

Name of the Registered Member/Proxy : \_\_\_\_\_




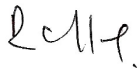
Signature of the Registered Member/Proxy : \_\_\_\_\_

**Note:**

- 1) Members/Proxies to Members are requested to sign and handover this slip at the entrance of the venue of the meeting.
- 2) Authorized representatives of corporate members shall produce proper authorization issued in their favour.






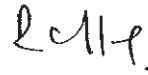
**FORM A****COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE  
STOCK EXCHANGES**

1.	Name of the Company	<b>ARIHANT FOUNDATIONS &amp; HOUSING LIMITED</b>
2.	Annual financial Statements for the year ended	31 <sup>st</sup> December, 2014
3.	Type of Audit observation	<b><u>Un-Qualified</u></b>
4.	Frequency of qualification	Not Applicable
5.	To be signed by-	
	<ul style="list-style-type: none"><li>• CEO/ Managing Director</li></ul>	 (Kamal Lunawath) Managing Director
	<ul style="list-style-type: none"><li>• CFO</li></ul>	 (Vimal Lunawath) Whole time Director- Finance
	<ul style="list-style-type: none"><li>• Auditor of the Company</li></ul>	 For B.P.JAIN & CO. Chartered Accountants Firm Reg No. 050105S CA. Devendra Kumar Bhandari Partner Membership No.: 208862
	<ul style="list-style-type: none"><li>• Audit Committee Chairman</li></ul>	 (Ravikant Choudhry) Chairman of Audit Committee

Date: 27.02.2015

Place: Chennai

**FORM A****COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE  
STOCK EXCHANGES**

1.	Name of the Company	<b>ARIHANT FOUNDATIONS &amp; HOUSING LIMITED</b>
2.	Annual financial Statements for the year ended	31 <sup>st</sup> December, 2014
3.	Type of Audit observation	<b><u>Un-Qualified</u></b>
4.	Frequency of qualification	Not Applicable
5.	To be signed by- <ul style="list-style-type: none"><li>• CEO/ Managing Director</li><li>• CFO</li><li>• Auditor of the Company</li><li>• Audit Committee Chairman</li></ul>	<p> (Kamal Lunawath) Managing Director</p> <p> (Vimal Lunawath) Whole time Director- Finance</p> <p> For B.P.JAIN &amp; CO. Chartered Accountants Firm Reg No. 050105S CA. Devendra Kumar Bhandari Partner Membership No.: 208862</p> <p> (Ravikant Choudhry) Chairman of Audit Committee</p>

Date: 27.02.2015

Place: Chennai

