

Date: 1<sup>st</sup> September, 2015

**FORM A**  
(Pursuant to Clause 31(a) of the Listing Agreement)

1	Name of the company	Arihant Superstructures Limited (CIN: L51900MH1983PLC029643)
2	Annual financial statements (standalone) for the financial yearended	31 <sup>st</sup> March, 2015
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable

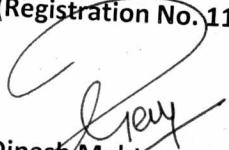
For Arihant Superstructures Limited

  
Ashok Chhajer  
Managing Director

  
Aman Verma  
Chief Financial Officer

  
Dinesh Chandra Babel  
Audit Committee Chairman

For Kailash Chandra Jain & Co.  
Chartered Accountants  
(Registration No. 112318W)

  
Dipesh Mehta  
Partner  
Membership No. 134607



L51900MH1983PLC029643

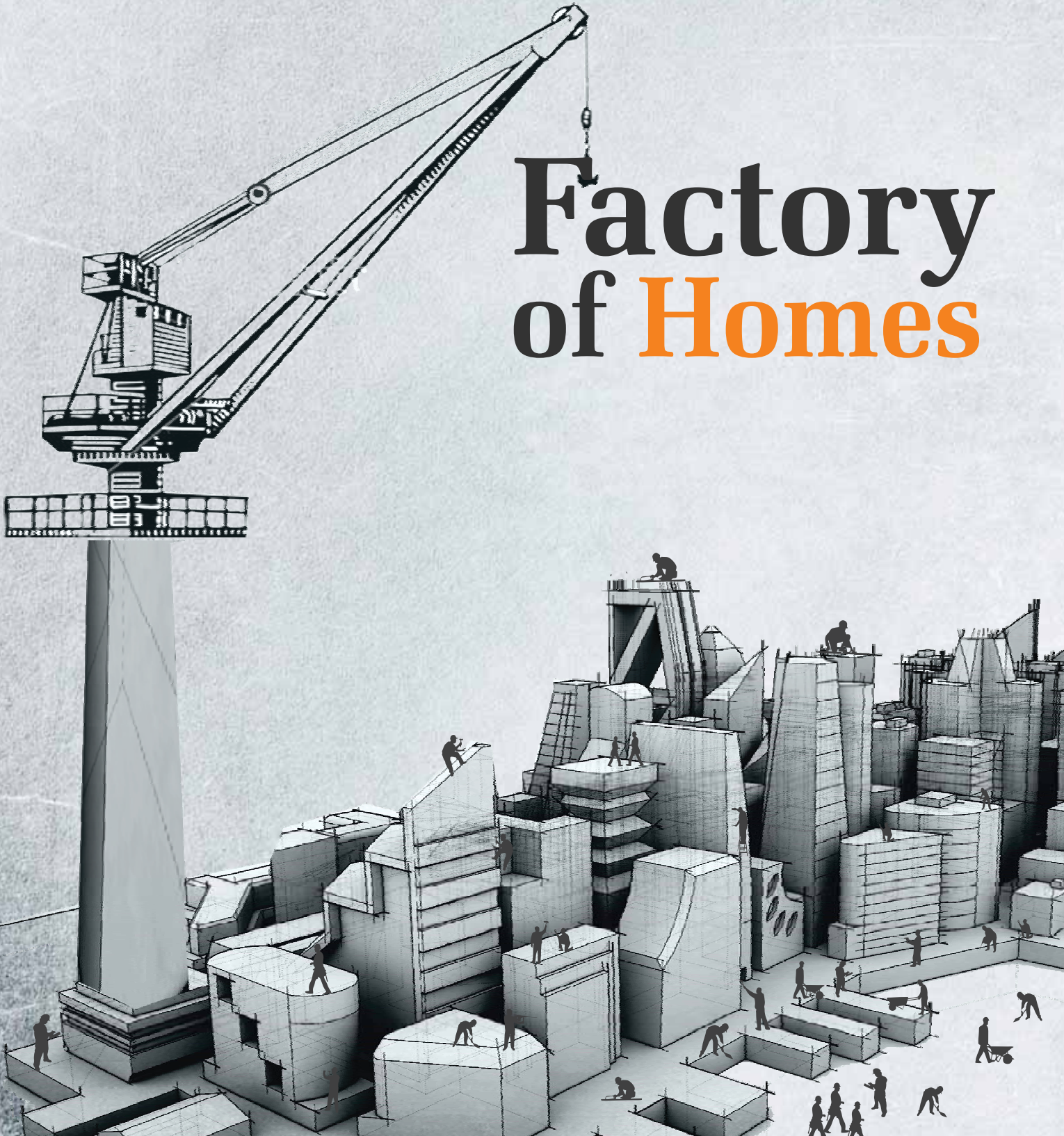
302, Persipolis Building,  
Plot No. 74, Sector-17,  
Vashi, Navi Mumbai-400 703.

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Annual Report 2014 - 2015

# Factory of Homes







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# Corporate Information

## Board of Directors

Mr. Ashok Chhajjer	:	Chairman & Managing Director
Mr. Dinkar Samant	:	Whole Time Director
Mr. Nimish Shah	:	Whole Time Director
Mr. Dinesh Chandra Babel	:	Independent Director
Mr. Vinayak V. Nalavde	:	Independent Director
Mr. Virendra Kumar Mital	:	Independent Director
Mrs. Kamini Shroff	:	Independent Director

## Audit Committee

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

## Stakeholders Relationship Committee

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

## Company Secretary and Compliance Officer

Mrs. Puja Agrawal

## Auditors

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

## Bankers

The Federal Bank Ltd.

## Registrar & Share Transfer Agent

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

## Arihant Superstructures Limited

**Registered Office:** 302, Persipolis Building, Plot No. 74,  
Sector-17, Vashi, Navi Mumbai -400703, Maharashtra, India,  
Phones: +91 22 - 41113333 Fax: +91 22 - 27882946



## Dear Shareholders,

It gives me great pleasure to communicate the developments of the year gone past. A large part of the success of how we have grown is a reflection of not only the customers who have placed their trust in us and joined the Arihant family by buying their homes from us but also you, the shareholders, who have been pillars on a strong foundation that this Company has been built on. You will all appreciate that the financial year 2015 has been a difficult one for the real estate industry and while it has been dismal at the premium end of the realty segment, developers at the middle income and the lower income group have not been hit hard. Companies with low leverage and less borrowings are doing well.



There is never a “No Market” at any given point of time. There is always a market for specific product at a specific time across industries. In past all the product rode a horse run. First, the product which does not hit the demand will be discarded from the supply list and will find no takers till the next cycle of the bull run. Then, the pricing which does not fits the buyers pocket will be on a stand till the income or the buying capacity rises. But as a nature of law some entities with good strategies will still survive. We at Arihant have followed such strategies which has made us survive even in the worst market situations. Our products are correctly designed and pricing policy suits affordability at all given times. The saving grace is that the quality developers at the affordable end of the spectrum have to some extent been insulated by the negative trend primarily due to the brand value which reinforces the much needed confidence during such times. Your Company thankfully falls in this category and has managed to bear the downturn and report strong numbers for the financial year 2015.

The revenues for the fiscal came in at Rs. 1097.6 mn which was 8% growth over last year.

Our EBITDA was Rs.265.7 mn which translates to an EBITDA margin of 25%, which is very healthy by industry standards. The Company's net profits stood at INR 101.4 mn as compared to INR 13.1 mn in the previous year. The Basic EPS stood at INR 2.46. The Board of your Company has also recommended a dividend of 3% which is 30 paise per share.

Your Company operates in the affordable housing segment which is primarily targeting the Middle Income Group (MIG) and as per multiple reports from industry sources<sup>1</sup>, the MIG segment is expected to generate highest demand of almost 1.08 mn units in the top eight cities in India till 2018 followed by the Low Income Group (LIG) which is expected to generate demand of 1.05 mn units.

From a location perspective, we have our strong pockets of influence in the Mumbai MMR region and in Jodhpur where the brand Arihant strikes a positive chord with the customers in general. We believe that given rising prices in Tier I cities, the demand is slowly gravitating towards Tier II and satellite cities where the quality of life is far better than in the large cities. We believe that our strategy of focussing on this segment will pay us rich dividends as we move forward.

From an operational perspective, we are currently developing about 11,000 homes which translates to 12 landmark projects with an area of 11.4 mn square feet under development. During the period under review, we also launched two new projects namely Aloki and Anshula with a total area of about 900,000 sq. ft. Despite a challenging year, we saw demand for 580 units during the year which works out to approximately 0.45 mn square feet. The company's average realisation improved to INR 4026 per square feet despite the tough market conditions.



Going ahead, we believe that government policies will also have a strong bearing on the growth of the real estate industry. At a macro level, Government proposals to relax guidelines for foreign investment, implementation of REITs, and increased funding for affordable housing and infrastructure projects are all expected to offer the much needed impetus. The Union budget 2015-16 has allocated INR 140bn towards the "Housing for All" scheme by 2022. This is indeed a great initiative which goes well with the government's intent to boost urbanisation through smart cities and development of large industrial corridors.

Our strategy of focusing on the Mumbai MMR region very early in our growth stages was a well thought out decision which will start paying us rich dividends in the coming years. With Mumbai being almost saturated as far as land parcels are concerned, any fresh development will have to happen in the Navi Mumbai region and Arihant is uniquely positioned to address that opportunity. The NAINA (Navi Mumbai Airport Influence Notified Area) region being developed by CIDCO is spread over 561 sq. km and apart from the new airport of Mumbai to take shape there, the presence of JNPT and a number of corporates who have shifted to Navi Mumbai, will spur tremendous development in that area.

As we move into the new financial year, we believe that we are positioned well to continue the consistent growth that your Company has displayed over the last couple of years with increased commitment and focus on the bottom line.

This dovetails into our "Factory of Homes" theme which we have adopted for the current Annual Report. More than being a theme which is temporary and has a momentary impact, we believe that the way Arihant has standardised processes and systems that ensure that each and every step of building a home right from purchase of land, procurement process, dealing with vendors and ensuring quality audits have become a fine art and our USP would be this process which is replicable ad infinitum.

The basic building block of land for sustainable development for the next seven years is available and is fully paid up and this places us in an advantageous position. The Company also has completely integrated in-house capabilities of Land Acquisition & Procurement, Liaison, Design & Engineering, EPC and Marketing & Sales which perhaps is a unique feature of ARIHANT. The rationale is just not to create an organization of growth and profits, but to create a business of excellence and sustainability.

I would like to take this opportunity to thank our employees, who have been one of the main reasons for this growth, our customers who are the reason we exist, our Board of Directors who have guided us and most importantly the shareholders who have supported us always.

Thanking You.

Ashok Chhajer  
Chairman

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<sup>1</sup> Cushman & Wakefield report 'INDIAN REAL ESTATE: POISED FOR HIGHER GROWTH', October 2014



# Board of Directors



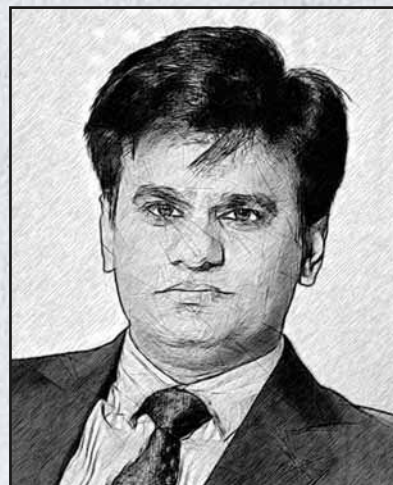
**Mr. Ashok Chhajer**  
Chairman & Managing Director



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



**Mr. Dinesh Chandra Babel**  
Independent Director



**Mr. Nimish Shah**  
Whole Time Executive Director



**Mr. Virendra Kumar Mital**  
Independent Director



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



**Mrs. Kamini Shroff**  
Independent Director





## Factory of Homes

In 1913, Henry Ford perfected the moving assembly line for mass production of cars. His innovation reduced the time it takes to assemble a car from over 12 hours to a little over 2 hours. Ford's ingenuity caused a revolution changing the face of the automobile industry.

It may be about time that the real estate industry in India moves in this direction as well. While we may not be able to install conveyer belts and assemble buildings on them, we can surely adopt Henry Ford's philosophy of the assembly line by streamlining the process that goes into constructing a home.

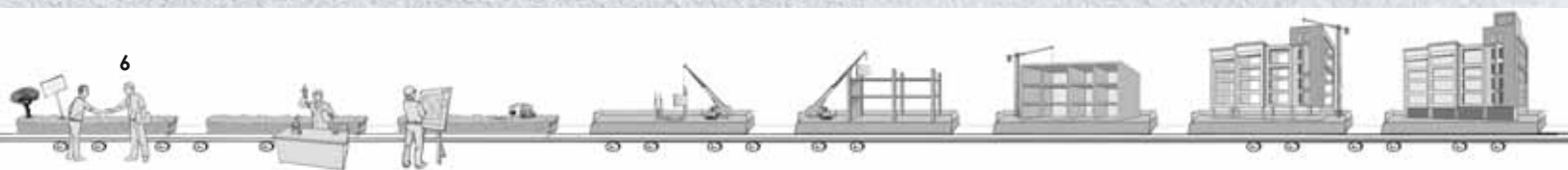
While the major economies are slowly recovering from the recent economic crisis, uncertainty continues. Terrorism, regional conflicts and economic imbalances in developed economies are real concerns. Central Bankers are focusing their efforts on containing inflation and are treading cautiously when it comes to growth. In such a scenario, rising costs are beginning to change the way the real estate industry functions.

Gone are the days where real estate firms could construct structures, hold unsold inventories while making profits from the appreciation of property prices. With buyers holding their purses tight, it is no longer feasible to have unsold inventory. The real estate industry is slowing and has started to look for more alternate cost efficient ways to function and it is realising the tremendous potential of 'Manufactured Homes'.

India is the second most populated country in the world with over 1.28 billion people, and is one of the fastest growing economies. The IMF predicts India will grow above 7.5% in 2015 and 2016 overtaking the Chinese behemoth. The predictions may bring some relief to stock markets & economists; however the Indian Government faces a series of challenges. To overcome this Prime Minister has been aggressively promoting 'Make in India' initiative and is taking strong steps to invite global conglomerates to set up shop in various parts of the country.

The 'Make in India' campaign will include building factories, warehouses, commercial office space and all of this cannot be done in our existing cities, which are already bursting around the seams. For this dream to be realised, new towns and cities will have to be settled. The Government has an ambitious vision to provide 'Housing for all by 2022' and create 100 new smart cities. India currently faces a shortage of 59 million homes as per the KPMG report 'Decoding: Housing for all by 2022'. The housing shortage is expected to increase to around 110 million in the next 7 years which would require annual investment of USD250 to 260bn.

For the real estate industry, this is a tremendous opportunity, but to fulfill the Government's vision it must change the way it functions. Real estate firms will have to adopt new models of construction which are efficient in order to offer value for money homes & fits in the budget of the customer. The process has to become water-tight and mechanized. To ensure housing for all, there is a need to create homes that are cost & time efficient and also affordable, without compromising their structural integrity.







## **Standardization of product line**

Standardization of the product is extremely crucial to the automotive production line as it allows for the same process to be repeated over and over. Eg: Painting of one colour car. Constructing affordable housing will also need to ensure standardization by building homes with the exactly same wall finish, doors, windows, floor tiles, concealed wiring across multiples homes, to the very last detail. While it may sound challenging, most realty companies in developed markets abide by the 'auto assembly line' model, as it follows a 'cast-in-place' technology.

Using this industrial, assembly-line production method can make construction more like manufacturing by using standard elements and mechanization. The goal of industrial construction methods is to save cost and time by converting 'housing construction' into 'housing production'. Builders can save on costs by using standard product catalogs, modular designs and construction drawings. Using pre-cast components in an affordable housing project can help in standardization of important nuances like parapets, balconies, colour schemes etc.

## **Land at reasonable price**

For housing projects to be sustainable, the purchase price of the land has to be financially viable. This means lot of homework before procurement of land; right from the source of land to the location, topography and environmental conditions. Keeping the land price in the minimum range would ensure improved margins.

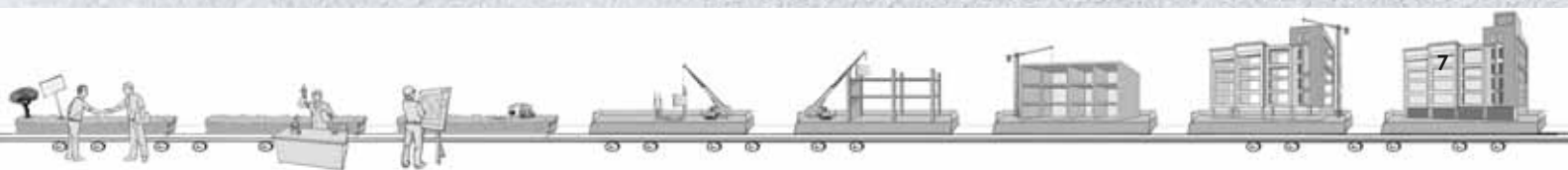
## **Division of Labour**

To emulate the assembly line, real estate companies will have to form dedicated teams for specific tasks, and accomplish several goals at once. Division of labour will have to be specific, such as teams dedicated to survey land and locality, a revenue team for acquiring plots, legal team to work out agreements, a liaison team which acquires various clearances from relevant authorities; teams of designers and architects to conceive and create appropriated designs, specialised teams for masonry, electrical and plumbing etc. External audit are also required to ensure compliance of laid out construction processes. Delegating tasks will mechanize the entire process involved in constructing the structure.

## **The Conveyer Belt**

An assembly line uses division of labour, instead of one person doing an entire job for start to finish; it passes out individual tasks involved in building a specific product, allowing work to move faster.

In the auto industry, assembly line workers produce or assemble just one part of the whole product. A worker will be skilled in a specific task, but may never have a complete understating of what it takes to build the product from start to finish. The assembly line increases efficiency, reduces the cost of production and makes the product more affordable. Mass Housing through assembly line production requires building an entire ecosystem; This includes a standardized procurement process and strong relationship with vendors, labour education and training for efficient productivity, third party audits to ensure quality to name a few.



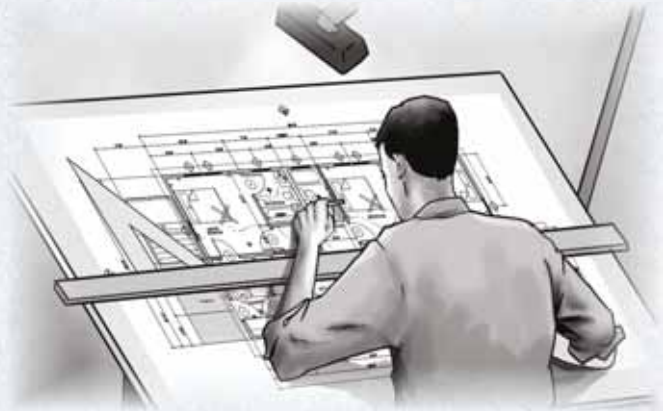




## Importance of Design

Successfully achieving economies of scale in affordable housing projects can be rather challenging. Standardization across projects along with good aesthetics is a tall order. Here the auto industry can teach realty companies an important lesson.

The pillar of any auto manufacturer is its design team; to make affordable homes a financially viable option, builders must consider the design-to-value concept. This means de-specifying structural designs to eliminate unnecessary costs and standardization across projects.



Design-to-value approaches can also yield significant savings when specifying smaller elements like internal and external doors, lighting, electrical systems, and flooring. For example, builder can manage to save 15-30% by standardizing floor systems as the company reduces procurement costs, and repetition leads to greater productivity among workers.

Design-to-value concept entails defining clear rules regarding space usage, superstructure systems, facade, dimensions, and connectivity to site infrastructure. This concept also requires an integrated effort by architects, suppliers and realtors to agree on product and process design.

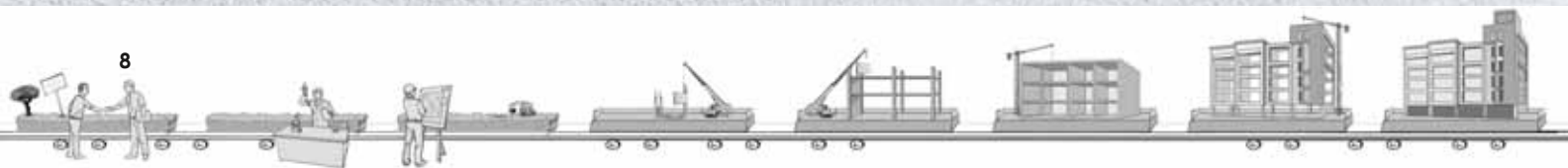
Without an integrated perspective across suppliers as well as clients, standardization may not work. Finally, to optimize standardization of design and various housing elements, builders need to take advantage of information technology systems. Affordable home builders can invest in IT systems not only to manage work flow on a daily basis but create an information modeling software which links design drawings to data about scheduling and costs.

## Efficient Procurement

To create manufactured homes, dedicated vendors are preferred. Just like auto companies have dedicated vendors for ancillaries, construction firms can fix select vendors to supply materials across projects. By placing bulk orders for materials from select vendors will also lead to transparency across bids, effective benchmarking and pricing accuracy.

Depending on the type of material, procurement strategies can cut costs by as much as 25-30% across key spending categories. For complex affordable housing projects, builders must determine purchasing strategies by the level of complexity and nature of materials involved.

For example, for engineering-intensive elements such as electrical and ventilation systems, a central purchasing approach could be preferred, with big-ticket items bought separately from wholesalers or manufacturers.



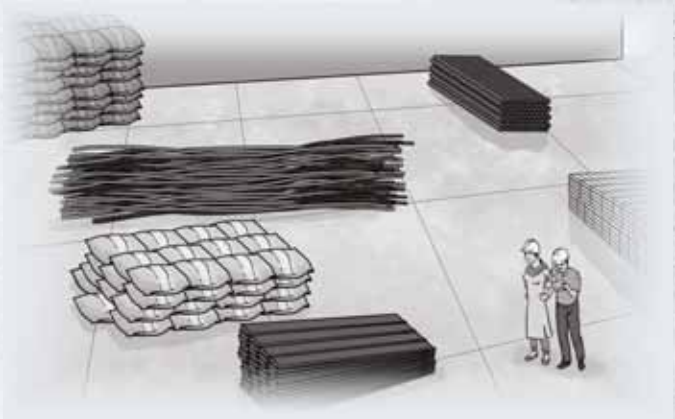




## The Check List

Maintaining quality and ensuring a strong structure is a big responsibility, and in the fast paced construction of affordable 'Manufactured Homes,' realty firms can introduce a third party audit system to examine & monitor each site & square inch of the ongoing construction work.

The builders can then make the necessary corrections while the structures are being built, saving on valuable resources, times and most importantly work within the contours of the project cost. Maintaining a check list before handover also ensures faster delivery of flats to customers and subsequent after sales servicing.



## Training

In the auto industry, workers are skilled at specific jobs only and repetition only increases efficiency and a similar approach in the real estate business will also reduce the dependence on subcontractor.

Therefore, the industrial approach requires an integrated training and skill development program and operating manuals that describe a standard, structured way of executing each construction step.

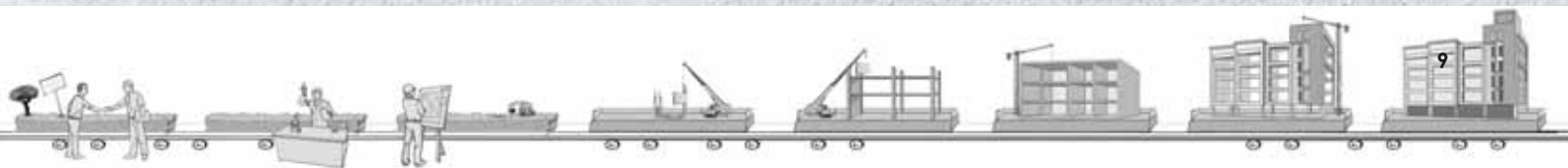
Forging relationships with contract labourers will result in increased productivity on-site and expedite timely execution and completion of projects. Getting supervisors and labourers to work together to understand the vision of the architect and the builders will maximise the human resource potential.



## Maximizing Operational Efficiencies

On the assembly line, realtors can ensure execution of construction tasks are addressed through a series of lean operational measures. The methods like 'critical-path management', 'construction flow balancing' and 'process step productivity enhancement' can be used for improving the execution.

Careful analysis of critical-path activities and sequencing is especially important when implementing industrial approaches, such as extensive use of prefabricated parts. To achieve greatest benefits, non-critical activities must be shifted from the building site to a factory and sequencing construction steps as if on a production line.





## **ARIHANT'S MISSION & PHILOSOPHY**

ASL (Arihant Superstructures Ltd) has set an ambitious mission to create homes for 20,000 families by 2020. To convert this mission statement into reality, ASL is not leaving any stone unturned and recognizes that there is an extreme lack of affordable homes and sees opportunity in 'Manufactured Homes.' ASL has already adopted the philosophy of the 'Manufactured Homes' to fulfill its mission and can be appropriately called as the 'Factory of Homes'.

In the past few years ASL has emerged as one of the leading players in the nascent but lucrative business of the 'affordable luxury' segment. This means ASL is committed to building homes at an affordable & reasonable cost, while not compromising on basic amenities and tenets of construction. ASL has pioneered a completely integrated in-house model for the affordable housing segment as it uses its own capabilities of Land Acquisition & Procurement, Liaison, Design & Engineering, EPC and Marketing & Sales very effectively.

This realty powerhouse has already completed 5,000 + affordable homes, constructed 4 million square feet and executed over 40 projects. Currently, ASL has 11,000 homes under various phases of construction translating to 11.4 mn square feet under development. ASL has managed to live up to exacting principles and remain committed to delivering a quality product which has made it a trusted brand with consumers. The principles followed by ASL are getting replicated in the industry. Here's how ASL does it.

### **Standardization of product line**

The making & specification of affordable housing for the middle income group is exactly the same right across wall finish, doors, window, floor tiles even up to extent of concealed wire quality across projects. This has helped in setting up of minimum standards of making of luxurious home in the affordable category resulting in appreciation of quality product & building immense trust to the brand by consumers' such that ASL was selected as top hot 50 brands of Mumbai in 2014 in the category of business to consumer's where only 3 companies in real estate could make it to the mark & ARIHANT was one among the three.

### **Consistent fixed vendors for materials**

ASL always has been innovative in adopting new materials & setting trends in the market of realestate as installation of fire escape chute 1st ever time in India in towers for safety during fire hazards. ASL have consistent vendors for supplying building materials with market out specification to ensure that the end product is consistently the one desired by the market the vendor all have been the top leaders & branded product makers in their segment of building materials ensuring a brand can only make a brand.





## Production Cycle (Time Lines)

The projects are tagged with the schedules of construction made from initiation date of construction. BAR charts and DPR (Daily progress report) along with photographs of site progress are submitted to Chairman's Office on a regular basis. This ensures accountability by the engineering section. The solutions to the daily problems are sorted on the fast track mode to avoid hurdles and slowing down of the projects.

This has reduced cost over runs. ASL is extremely sensitive to the discomfort caused due to delay to the customers as most of them are first time buyers and end users. Needless to talk about excellence in project delivery; we have delivered Arihant Amodini, Taloja before promised schedule. Thus keeping the product philosophy **"We Touch Senses"** alive.

## Inventory Management of Materials

The Central stores & purchase have JIT (Just in time) systems of material procurement & distribution line that unwanted inventories do not pile up & consumption of materials is ensured. A fortnightly mapping of MIS report helps to track consumption on the mile stones of construction stages achieved. The laboratory test ensures that the materials are of the quality it is intended for.

## Checks & Balances

A unique initiative by the management & board to introduce third party construction audits every fortnightly at each site, covering every inch of construction. This special report is renewed by the CMD & necessary corrective action is taken. These initiatives ensure that **"EK SASTA GHAR KHARAB GHAR NAHIN HO SAKTA"**

## Training of Teams

With the continuous infusion of techno-commercial employees, we have strength of 200 plus in 2014. The induction plans, rigorous training programs and risk alert drills are taken at site in groups, keeping all the employees motivated to perform & ensure quality control at every step. Their performances are annually awarded by **"EK LAVYA AWARD"**, **"ROBIN HOOD AWARD"**, **"BEST TEAM AWARD"** and **"BEST LEADERSHIP AWARD"**





# ARIHANT AKANKSHA

Palaspe panvel (on Mumbai Goa Road)

Stilt + Podium + 32 storeyed towers, 2018 flats. Studio, 2 BHK, 3 BHK & 4 BHK





# ARIHANT ANMOL

Badlapur (E)

Stilt + 7 storeyed 20 towers, 1 & 2 BHK - 665 flats



Current Status





# ARIHANT AAROHI

Kalyan - Shil Road

Residential cum commercial project • Stilt + 15 storeyed, 2 Towers • 1 & 2 BHK - 194 flats



Current Status





# ARIHANT AMODINI

Kharghar Extension – Taloja

Stilt + 22 storeyed tower, 2 BHK - 126 flats



Current Status





# ARIHANT AMISHA

Taloja - Nr. Panvel

Stilt + 4 storeyed, 1 & 2 BHK - 456 flats



Current Status





# ARIHANT ALOKI

Opp. Karjat Railway Station & Bus Depot  
Stilt + 8 storeyed, 1, 2 & 3 BHK - 408 flats



Current Status





# ARIHANT ARSHIYA

Khopoli - Nr. Khalapur Toll Naka

Residential cum commercial project • Still +8 storeyed, 1605 flats, 1 RK, 1BHK & 2 BHK flats



Current Status





# ARIHANT ANSHULA

Nr. Taloja Phase 2, Navi Mumbai  
Still +4 Storeyed , 1 , 2 & 3 BHK 488 flats



Current Status





# ARIHANT ANAIKA

Nr.Taloja Phase 2, Navi Mumbai  
Still +4 Storeyed , 1 , 2 & 3 BHK 316 flats



Current Status





# ARIHANT ADITA

Jodhpur - Rajasthan  
G + 10 Storeyed 2 & 3 BHK - 1040 flats



Current Status





# ARIHANT ADITA

Jodhpur  
Club House





# ARIHANT ADITA

*Jodhpur*  
CLUB HOUSE





# ARIHANT AYATI

Jodhpur  
3 Bhk (86 flats)



Current Status





# ARIHANT AGRIMA

Jodhpur





An Elegant house for  
URBAN POOR WITH  
GOVT. OF RAJASTHAN



ARIHANT

## THE ALLIANCE

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



**Arihant  
believes in  
giving more**

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

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

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



# Arihant goes the Extra Mile

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

We replaced the kadappa kitchen platform to Granite Platform.

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

We provided Full Tile DADO IN BATHROOM.

We introduced BETTER QUALITY of internal plaster.

We provided BETTER QUALITY of external paint.

We enhanced quality of building elevation by adding JODHPUR STONE WORK

We provided concrete road in place of ordinary road.

We provided BETTER QUALITY PLUMBING & ELECTRICAL FIXTURES.



## CLINICAL CONSTRUCTION PROCESS

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



## WINNING TRUST

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



## Quality that fetches RECOGNITION

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

### Sample Flat



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



## NOTICE TO MEMBERS

**NOTICE** is hereby given that the Thirty Second Annual General Meeting of Arihant Superstructures Limited will be held at Hotel The Regenza by Tunga, Plot No. 37, Sector 30A, Vashi, Navi Mumbai - 400703 on Friday, 25th September, 2015 at 11:00 a.m. to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements (including consolidated financial statements) of the Company for the financial year ended 31<sup>st</sup> March, 2015, the Reports of Directors and Auditors thereon.
2. To declare a final dividend on equity shares.
3. To appoint a Director in place of Mr. Dinkar Samant (DIN: 00023459), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Statutory Auditors for the Financial Year 2015-2016 and fix their remuneration in this regard. The appointment of M/s. Kailash Chand Jain & Co, Chartered Accountants, Mumbai (Firm Registration No. 112318W) was approved by Members at the Thirty First Annual General Meeting as Statutory Auditors of the Company, to hold office until the conclusion of the ensuing Annual General Meeting to be held in the year 2016, and to fix their remuneration for the financial year ending 31<sup>st</sup> March, 2016.

### **SPECIAL BUSINESS:**

5. **To fix the Remuneration of Mr. Dinkar Samant (DIN: 00023459), Whole-time Executive Director of the Company**

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

**“RESOLVED THAT** pursuant to the provisions of sections 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of Central Government, if necessary, and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions, and pursuant to the approval of the Nomination and Remuneration Committee and the Audit Committee, the approval of the Company be accorded for the increase in the remuneration of Mr. Dinkar Samant (DIN: 00023459), Whole-time Executive Director of the Company to ₹ 43,00,000/- (Rupees Forty Three Lacs) per annum for a period of one year with effect from 1<sup>st</sup> April, 2015 with other terms and conditions remaining unchanged as per the agreement entered into between him and the Company and with the power to the Board of Directors to alter and modify the same, in consonance with the provisions of the Act.

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

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

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

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



**6. Re-appointment of Mr. Nimish Shah (DIN: 03036904), as a Whole-time Executive Director, liable to retire by rotation and to fix his remuneration**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of Central Government, if necessary, and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions, and pursuant to the approval of the Nomination and Remuneration Committee and the Audit Committee, the approval of the Company be accorded for appointment of Mr. **Nimish Shah (DIN: 03036904)**, with effect from 13<sup>th</sup> April, 2015 for a period of 5 years as a Whole-time Executive Directors liable to retire by rotation on such terms and conditions as stated herein and in respect of whom the Company has received a Notice U/s 160 of the Companies Act, 2013”

**FURTHER RESOLVED THAT** in pursuance to the provisions of Section 197 and Schedule V of the Act the remuneration of Mr. Nimish Shah (DIN: 03036904), Whole-time Executive Director of the Company be ₹ 38,70,000/- (Rupees Thirty Eight Lacs Seventy Thousand only) per annum for a period of one year with effect from 13<sup>th</sup> April, 2015 on such terms and conditions as stated herein and in the Explanatory Statement and with the power to the Board of Directors to alter and modify the same, in consonance with the provisions of the Act.

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

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

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

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

**7. To appoint Mrs. Kamini Shroff (DIN: 07141404) as an Independent Director of the Company**

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

**“RESOLVED THAT** pursuant to the provision of section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and clause 49 of the Listing Agreement, Mrs. Kamini Shroff (DIN: 07141404) who was appointed as an Additional Director pursuant to the provision of section 161(I) of the Companies Act, 2013 and whose term of office expires at this Annual General Meeting and in respect of whom the company has received the notice in writing under section 160 of the Companies Act, 2013, from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to 29<sup>th</sup> March, 2020.



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

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

**Vashi, 1<sup>st</sup> August 2015**

**Registered Office:**

**302, Persipolis, Plot No. 74, Sector 17,**

**Vashi, Navi Mumbai 400 703**

**CIN: L51900MH1983TLC029643**

**NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the business under items 5, 6 and 7 is set out above are annexed hereto and form a part of this Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY, OR, WHERE THAT IS ALLOWED, ONE OR MORE PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND THAT A PROXY NEED NOT BE A MEMBER.** Pursuant to Section 105 of the Companies Act, 2013 and Rule 19 the Companies (Management & Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding fifty members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.  
 Proxies, in order to be effective, must be received at the Registered office of the Company at 302, Persipolis, Plot No. 74, Sector 17, Vashi, Navi Mumbai 400703, not less than FORTY-EIGHT HOURS before the commencement of the AGM.  
 Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are Adroit Corporation Services Pvt. Ltd., 19, Jaferbhoy Industrial Estate, 1st floor, Makwana Road, Marol Naka, Mumbai 400 059.
4. The Register of Members and Transfer Books of the Company will be closed from Saturday 19<sup>th</sup> September, 2015 to Friday, 25<sup>th</sup> September, 2015 (both days inclusive) for determining the names of the members eligible for dividend on Equity Shares, if declared in the meeting.
5. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company or its Registrars and Transfer Agents, Adroit Corporation Services Pvt. Ltd.
6. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, Adroit Corporation Services Pvt. Ltd cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the members.
7. The dividend, if declared at the Annual General Meeting, would be paid/despached on or after Friday, 25<sup>th</sup> September 2015 to those persons or their mandates:
  - (a) whose names appear as Beneficial Owners as at the end of the business hours on 18<sup>th</sup> September, 2015 (last trading day before book closure) in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic mode; and



- (b) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/its Registrar and Transfer Agents on or before 18<sup>th</sup> September, 2015
8. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except Saturdays and Sundays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
  9. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to Adroit Corporation Services Pvt. Ltd at the above mentioned address. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
  10. Under the Companies Act, 1956 dividends that are unclaimed/unpaid for a period of seven years are required to be transferred to the Investor Education and Protection Fund ("IEPF") administered by the Central Government. As there is no unpaid or unclaimed Dividend lying with the Company that need to be transferred to IEPF, there is no information under this head.
  11. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer Agents for payment of dividend through Electronic Clearing Service ("ECS") to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of/change in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Members who wish to change such bank account details are therefore requested to advise their Depository Participants about such change, with complete details of bank account.
  12. Pursuant to sections 20, 101 and 136 of the Companies Act, 2013 read with the Rules framed thereunder, the Notice calling the Annual General Meeting along with the Annual Report 2014-15 would be sent by electronic mode to those Members whose e-mail addresses are registered with the Depository or the Company's Registrar and Transfer Agents, unless the Members have requested for a physical copy of the same. To support this green initiative measure, members who have not registered their e-mail addresses are requested to register the same with Adroit / Depositories / Company.
  13. Section 20 of the Companies Act, 2013 permits service of documents on members by a company through electronic mode. Accordingly, as a part of the Green Initiative, electronic copy of the Annual Report for FY 2014-15 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. Further, in terms of SEBI Circular No. CIR/CFD/ DIL/7/2011 dated 05.10.2011 and Clause 32 of the listing agreement, the physical copies of Abridged Annual Report is being sent through permitted mode to all other members who have not registered their email address(es). Members may also note that the Annual Report for FY 2014-15 will also be available on the Company's website [www.asl.net.in](http://www.asl.net.in) for download. Any member receiving the Abridged Annual Report may request for the full copy of the Annual Report.
  14. The Company has designated an exclusive e-mail id viz. [investor@asl.net.in](mailto:investor@asl.net.in) to enable Investors to register their complaints, if any
  15. Members are requested to:
    - a. intimate to the Company's Registrar and Transfer Agents, Adroit Corporation Services Private Limited changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;
    - b. intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of Shares held in dematerialised form;
    - c. quote their folio numbers/Client ID/DP ID in all correspondence; and
    - d. consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names
    - e. Bring their copy of the Annual Report to the Annual General Meeting.
  16. Members/Proxies/Representatives are requested to bring the Attendance Slip enclosed in the Annual Report for attending the Meeting



17. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and the clause 35B of the listing agreement, the Members are provided with the facility to cast their vote electronically, through e-voting services provided by NSDL, on all the resolutions set forth in this Notice. In order to enable its Members, who do not have the access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, the Company is enclosing a Ballot form with the Notice. Instructions for Ballot Form are given at the back of the said Form and instructions for e-voting are given here in below. Resolutions passed by the Members through Ballot Forms or e-voting is/are deemed to have been passed as if they have been passed at the AGM.
18. CS Rachana Shanbhag of M/s RHS & Associates, Practicing Company Secretaries, Mumbai (Certificate of Practice: 9297) has been appointed as the Scrutiniser to scrutinise the voting and remote e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
19. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their votes by remote e-voting or by ballot forms shall be able to exercise their right at the meeting.
20. The members who have cast their vote by remote e-voting or by ballot form prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
21. Members can opt for only one mode of voting i.e. either by ballot or e-voting. In case members cast their votes through both modes, voting done by e-voting shall prevail and votes cast through ballot form shall be treated as invalid.  
In case a Member is desirous of obtaining a duplicate Ballot Form, he may send an e-mail to [investor@asl.net.in](mailto:investor@asl.net.in) by mentioning their Folio/DP ID and Client ID No. However, the duly completed Ballot Form must reach the Scrutiniser, CS Rachana Shanbhag of M/s RHS & Associates at the Registered Office of the Company at: Scrutiniser, C/o Arihant Superstructures Limited, 302, Persipolis, Sector-17, Vashi, Navi Mumbai 400 703.

## 22. IMPORTANT – E-Voting Instructions:

- I. The remote e-voting period commences on 21<sup>st</sup> September, 2015 (9:00 am) and ends on 24th September, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19<sup>th</sup> September, 2015, (cut-off date) may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- II. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)] :
    - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.  
Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - (ii) Click on Shareholder - Login
    - (iii) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - (iv) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (v) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vi) Select "EVEN" of "Arihant Superstructures Limited".
    - (vii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (viii) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - (ix) Upon confirmation, the message "Vote cast successfully" will be displayed.
    - (x) Once you have voted on the resolution, you will not be allowed to modify your vote.



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

- B. In case a Member receives physical copy of the Notice of AGM)/ EGM/ EOGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM)/ EGM/ EOGM :

EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

III. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

V. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 19<sup>th</sup> September, 2015.

Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 19<sup>th</sup> September, 2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [Issuer/RTA](mailto:Issuer/RTA).

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

VI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

VII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper. The voting rights shall be proportional to their shares in the paid-up equity share capital of the Company as of the cut-off date.

Any person, who acquires shares of the Company and becomes a member of the Company after the despatch of the Notice and holding shares as on the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

VIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

IX. The Scrutinizer shall after the conclusion of voting at the general meeting, 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.

The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.asl.net.in](http://www.asl.net.in) and on the website of NSDL 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 BSE Limited, Mumbai.



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

*As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out material facts relating to the business under items 5 to 7 of the accompanying Notice dated 1<sup>st</sup> August, 2015*

**Item No 5**

Mr. Dinkar Samant (DIN: 00023459) was appointed as a Whole-time Executive Director of the Company, on 4<sup>th</sup> August, 2012 and his appointment was approved by the Shareholders in the AGM held on 22<sup>nd</sup> September, 2012 for a period of five years. Mr. Dinkar Samant has, during his tenure, contributed immensely for the business activities of the company and has guided the company in its expansion activities. Considering the increased scope of work being handled by Mr. Dinkar Samant and the prevalent standards in the industry for payment of professional Directors of such experience, the Board, on the recommendation of the Nomination and Remuneration Committee proposes to increase the remuneration payable to Mr. Dinkar Samant as stated in the Resolution. The other terms and conditions of Mr. Dinkar Samant's appointment remain unchanged.

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

Your Directors recommend passing of the Resolutions at Item No. 5 of the Notice as a Special Resolution.

Apart from Mr. Dinkar Samant, who would be interested in his appointment and remuneration, none of the other Directors, Key Managerial Personnel ("KMP") of the Company and relatives of the Directors and KMP are, in any way, concerned or interested, financially or otherwise, in this item of businesses.

The statement of additional information required to be disclosed as per Schedule V of the Act is attached at the end of this Explanatory Statement and must be read as a part of this Notice.

**Item No. 6**

Mr. Nimish Shah (DIN: 03036904) was appointed as a Whole-time Executive Director of the Company, on 13<sup>th</sup> April, 2010 and his appointment was approved by the Shareholders in the AGM held on 03<sup>rd</sup> August, 2010 for a period of five years. Mr. Nimish Shah has, during his tenure, contributed immensely for the business activities of the company and has guided the company in its expansion activities. Further, he has been an integral part of the team "Arihant".

Accordingly, the Nomination and Remuneration Committee has reviewed and recommended the reappointment of Mr. Nimish Shah as a Whole-time Executive Director of the Company, liable to retire by rotation, for the period of 5 years with effect from 13<sup>th</sup> April, 2015 on the terms and conditions and remuneration as stated herein. The Company has received a Notice U/s 160 of the Companies Act, 2013 along with the deposit thereof proposing the appointment of Mr. Nimish Shah. Further, Mr. Nimish Shah has declared that he is eligible as per Part I to Schedule V of the Act to be appointed as Whole-time Executive Director.

Considering the profile and the scope of work being handled by Mr. Nimish Shah and the prevalent standards in the industry for payment of professional Directors of such experience, the Board, on the recommendation of the Nomination and Remuneration Committee proposes the remuneration of Mr. Nimish Shah at ₹ 38,70,000/- (Rupees Thirty Eight Lacs Seventy Thousand only) for a period of 1 year from 13<sup>th</sup> April, 2015. The said remuneration, if approved would be within the limits set out under Section 197 read with the Schedule V to the Act for the time being in force.

Your Directors recommend passing of the Resolutions at Item No. 6 of the Notice as a Special Resolution.

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

Apart from Mr. Nimish Shah, who would be interested in his appointment and remuneration, none of the other Directors, Key Managerial Personnel ("KMP") of the Company and relatives of the Directors and KMP are, in any way, concerned or interested, financially or otherwise, in this items of businesses.

The statement of additional information required to be disclosed as per Schedule V of the Act is attached at the end of this Explanatory Statement and must be read with the part of this Notice.



**Item No. 7:**

The Board of Directors of the Company appointed, pursuant to the provisions of Section 149 and 161(1) of the Act Mrs. Kamini Shroff (DIN: 07141404) as an Additional Director, in the Independent Category of the Company with effect from 30<sup>th</sup> March, 2015.

In terms of the provisions of Section 161(1) of the Act, Mrs. Kamini Shroff would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Kamini Shroff for the office of Director of the Company.

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

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

The Company has received a declaration from Mrs. Kamini Shroff that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Mrs. Kamini Shroff possesses appropriate skills, experience and knowledge, inter alia, in the field of finance, legal consultancy and stakeholder relations.

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

Brief resume of Mrs. Kamini Shroff, nature of her expertise in specific functional areas and names of companies in which she holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

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

Copy of the draft letter for appointment of Mrs. Kamini Shroff as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

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

Save and except Mrs. Kamini Shroff and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

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

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

**Vashi, 1<sup>st</sup> August 2015**

**Registered Office:**

**302, Persipolis, Plot No. 74, Sector 17,**

**Vashi, Navi Mumbai 400 703**

**CIN: L51900MH1983TLC029643**



**STATEMENT OF ADDITIONAL INFORMATION TO BE ATTACHED TO THE NOTICE OF THE 32<sup>ND</sup> AGM AS PER SCHEDULE V TO THE ACT [FOR ITEM NO. 5 AND ITEM NO. 6] AND FORMING A PART OF THE NOTICE AND EXPLANATORY STATEMENT**
**I. GENERAL INFORMATION {Common to both Appointees}**

[1] Nature of Industry	Construction and Infrastructure Industry										
[2] Date or expected date of commencement of commercial production	The company is in business since 1983. The company has commenced its construction and infrastructure business since 2009.										
[3] In case of new companies, expected date of commencement of activities as per the project approved by financial institutions appearing in the prospectus	Not Applicable										
[4] Financial Performance based on given indicators	As per the audited financial statements as on 31 <sup>st</sup> March 2015: <table border="1"> <thead> <tr> <th>Particulars</th><th>Rupees (in lakhs)</th></tr> </thead> <tbody> <tr> <td>Gross Turnover &amp; Other Income</td><td>6489.66</td></tr> <tr> <td>Net Profit as per Profit &amp; Loss Statement (After Tax)</td><td>971.77</td></tr> <tr> <td>Net Worth</td><td>48326.49</td></tr> <tr> <td>Book Value Per Share</td><td>117.41</td></tr> </tbody> </table>	Particulars	Rupees (in lakhs)	Gross Turnover & Other Income	6489.66	Net Profit as per Profit & Loss Statement (After Tax)	971.77	Net Worth	48326.49	Book Value Per Share	117.41
Particulars	Rupees (in lakhs)										
Gross Turnover & Other Income	6489.66										
Net Profit as per Profit & Loss Statement (After Tax)	971.77										
Net Worth	48326.49										
Book Value Per Share	117.41										
[5] Foreign Investments or collaborations, if any	Nil										

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

	<b>Mr. Dinkar Samant</b>	<b>Mr. Nimish Shah</b>
[1] Background Details	Mr. Dinkar Samant is a Graduate from Sir J. J. College of Architecture with First Class Honors & Masters in Civil- Town Planning from Pune Engineering Institute. He is 58 years of age and has an expertise of over 25 years in Architecture and Town Development Planning. He has worked for a premier Public Sector Organisation and New Town Development Authority CIDCO for over 25 years. He is widely recognised in the field of expertise.	Mr. Nimish Shah is a Bachelor of Engineering in the Civil Stream. He is a core person of the company having more than 17 years of experience in construction and related activities. He is actively involved in all the nuances of engineering including detailed Planning & Execution, Project Estimations, Infrastructure & Site organization of the projects. He was involved in several turnkey projects of Water supply & Sewerage Scheme for Govt. of Maharashtra and successfully commissioned them.
[2] Past Remuneration	₹ 40 Lacs per annum	₹ 36 Lacs per annum
[3] Recognition or awards	1. Received Prime Minister Award at Vidhyan Bhawan , New Delhi on behalf of CIDCO for excellence in Urban Planning 2. Recently Nominated by CIDCO as an Technical member on two separate Steering Committee deciding with Nature Park of Navi Mumbai and Navi Mumbai as a Smart City	NIL



[4] Job Profile & his suitability	Whole-time Executive Director. Taking into consideration his qualifications and expertise in relevant fields, the Executive Director is best suited for the responsibilities currently assigned to him by the Board of Directors.	Whole-time Executive Director & Chief Project Officer. Taking into consideration his qualifications and expertise in relevant fields, the Executive Director is best suited for the responsibilities currently assigned to him by the Board of Directors.
[5] Remuneration proposed	₹ 43,00,000/- per annum	₹ 38,70,000/- per annum
[6] Comparative Remuneration Profile w.r.t. industry, size of company, profile of the position & person	Taking into consideration the size of the Company, the profile of Mr. Dinkar Samant, the responsibilities shouldered by him and the industry bench marks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies	Taking into consideration the size of the Company, the profile of Mr. Nimish Shah, the responsibilities shouldered by him and the industry bench marks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies
[7] Pecuniary Relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Besides the remuneration proposed to be paid to him, the Executive Director does not have any other pecuniary relationship with the Company or relationship with the managerial personnel.	Besides the remuneration proposed to be paid to him, the Executive Director does not have any other pecuniary relationship with the Company or relationship with the managerial personnel.

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

<b>Reasons for loss or inadequate profits</b>	The Company has posted a net profit after tax of ₹ 971.77 Lakhs during the year ended 31 <sup>st</sup> March, 2015.
<b>Steps taken or proposed to be taken for improvement</b>	Company has launched big projects, the projects have been able to generate outstanding sales bookings, however the Construction in these Projects has just started. As per the principles of Accounting standards, revenues could not be recognized from the same as construction has not reached up to 25%. However the construction activities are in full swing. Hence looking at the response which these projects have witnessed, Company is very positive that in the coming years we will be able to show stronger results than ever.
<b>Expected increase in productivity and profits in measurable terms</b>	Normal product cycle of the Real estate company is at least 3-4 years, since we have launched couple of good projects in the last one year and few others expected to be launched in this Financial year.

## IV. DISCLOSURES:

The information and Disclosures of the remuneration package of the Whole-time Directors have been mentioned in the Annual Report in the Corporate Governance Report Section under the heading "Remuneration Paid/ Payable to the Managing Director and Executive (Whole-time) Directors for the year ended 31<sup>st</sup> March 2015.

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

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



**ANNEXURE TO THE NOTICE**
**Details of the Directors seeking Appointment / Re-appointment at the 32<sup>nd</sup> Annual General Meeting  
 (In pursuance of Clause 49 of the Listing Agreement)**

<b>Particulars</b>	<b>Mrs. Kamini Shroff</b>	<b>Mr. Nimish Shah</b>	<b>Mr. Dinkar Samant</b>
<b>Date of Birth</b>	06 <sup>th</sup> December, 1968	11 <sup>th</sup> April, 1974	15 <sup>th</sup> June, 1956
<b>Date of Appointment</b>	30 <sup>th</sup> March, 2015	13 <sup>th</sup> April, 2015	04 <sup>th</sup> August, 2012
<b>Qualifications</b>	B. Com, LL.B.	B.E. (Civil)	Graduate from Sir J.J. College of Architecture with First Class Honors and Masters in Civil Town Planning from Pune
<b>Expertise</b>	Legal consultancy	Real Estate	Real Estate
<b>Directorship in other Companies</b>	NIL	NIL	NIL
<b>Committee Positions in ASL</b>	NIL	<b>Member:</b> 1. Executive Committee 2. Share Transfer Committee	<b>Member:</b> 1. Audit Committee 2. Executive Committee 3. Share Transfer Committee 4. Corporate Social Responsibility Committee
<b>Committee Positions in other Public Limited Companies</b>	NIL	NIL	NIL
<b>Relation between Directors</b>	NIL	NIL	NIL
<b>Number of Shares held in the Company</b>	NIL	NIL	NIL



## DIRECTORS' REPORT

### To the Members,

Your Directors have pleasure in presenting the 32<sup>nd</sup> Annual Report of the Company for the Financial Year ending on 31<sup>st</sup> March 2015.

### Financial Highlights

The financial performance of your Company, for the year ended 31<sup>st</sup> March, 2015 is summarized below:

(₹ in Lacs)

	Year ended 31 <sup>st</sup> March, 2015		Year ended 31 <sup>st</sup> March, 2014	
	Consolidated	Standalone	Consolidated	Standalone
Sales and Other Income	10976.17	6489.66	10100.62	5634.26
Profit before interest, depreciation & tax	2655.70	1903.96	2071.37	1190.34
Interest	641.13	418.03	1339.23	734.89
Depreciation	111.02	53.27	55.28	35.14
Profit/ (Loss) before Tax	1903.54	1432.66	676.87	420.31
Provision for Tax	767.35	460.89	404.91	140.77
Profit/ (Loss) after Tax	1136.19	971.77	271.95	279.54
Profit/(Loss) for the year	1136.19	971.77	271.95	279.54
Add: Balance of Profit and Loss Account	670.35	1933.90	659.89	1774.88
Share of Minority & Associates	123.01	0	140.98	0
Profit available for Appropriation	1683.52	2905.67	790.86	1774.88
<i>Less: Appropriation</i>				
Proposed Equity Dividend	123.48	123.48	102.90	102.90
Tax on Proposed Equity Dividend	24.68	24.68	16.70	16.70
Less/Add: Earlier year provisions	4.60	0	0.92	0.92
<b>Balance of profit carried to Balance Sheet</b>	<b>1530.75</b>	<b>2757.51</b>	<b>670.35</b>	<b>1933.90</b>

During the year under review, your Company's total income has been registered at ₹ 6489.66 lacs in comparison of ₹ 5634.26 lacs of the previous financial year. The profit after tax (PAT) has been registered at ₹ 971.77 lacs in comparison of ₹ 279.54 lacs of the previous financial year. The Company has transferred an amount of ₹ 971.77 Lacs to Reserves, during the year under review.

### DIVIDEND & SHARE CAPITAL

Your Directors have pleasure in recommending for approval of the members at the Annual General Meeting a dividend of 3 % (previous year 2.5%) on the equity shares of the Company as the Final Dividend for the Financial Year 2014-15. The Dividend of 3 %, if approved at the forth coming Annual General Meeting, will result in the out flow of ₹ 123.48 lacs to the company in addition to ₹ 24.68 lacs by way of dividend distribution tax. Dividend shall be payable to all the shareholders of the company as on the record date of 19<sup>th</sup> September, 2015.

### ABRIDGED FINANCIAL STATEMENTS

In accordance with the listing agreement with Stock Exchanges and Section 136 of the Companies Act, 2013 read with Rule 10 of the Companies (Accounts) Rules, 2014 of the said Act, the Abridged Annual Report containing salient features of the Financial Statements, including Consolidated Financial Statements, for the financial year 2014-15, along with the Directors' Report (including Management Discussion & Analysis and Corporate Governance Report) is being sent to all shareholders who have not registered their email address(es) for the purpose of receiving documents/ communication from the Company in electronic mode.

Full version of the Annual Report 2014-15 containing complete Balance Sheet, Statement of Profit & Loss, other statements and notes thereto, including Consolidated Financial Statements, prepared as per the requirements of Schedule III to the Companies Act, 2013, Directors' Report (including Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report) are being sent via email to all shareholders who have provided their email address(es). Full



version of Annual Report 2014-15 is also available for inspection at the registered office of the Company during working hours upto the date of ensuing Annual General Meeting (AGM). It is also available at the Company's website at [www.asl.net.in](http://www.asl.net.in).

## **OPERATIONS REVIEW**

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

This is a residential project located at Taloja (Navi Mumbai). Amodini consists of approximately 126 flats, having approximately 1.36 lacs sq. ft. developable / saleable area. Arihant Amodini consists a stilt + 22 Storied Tower comprising elegant 2BHK. The land has been conveyed in the name of Arihant Superstructures Limited by way of Tripartite Agreement. 100% construction activities are completed. The project has internal & external amenities such as intercom facility, UPVC sound resistance French windows, velvet touch paint with POP in all rooms, children play area, health club, gymnasium, landscape garden, power backups for lifts, indoor game room & library.

### **PROJECT "ARIHANT ARHAM"**

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

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

This is a residential project located at Kalyan Shil Road, Navi Mumbai. Arihant AaroHi consists of approximately 194 flats, having approximately 2.5 acres land area. Arihant AaroHi consists a stilt + 17 storeyed tower comprising elegant 1BHK & 2BHK. Construction is in full swing. The project has internal & external amenities such as 2x2 verified tilling in all rooms, UPVC sound resistant french windows, granite top kitchen platform, swimming pool, library, children play area, health club, gymnasium, landscape garden, indoor game room, power backups for lifts.

### **PROJECT "ARIHANT ADITA"**

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

### **PROJECT "ARIHANT AYATI"**

The residential project named as "Arihant Ayati" is situated at Devnagar, Jodhpur (Rajasthan). This Project is stilt + 16 storied Towers consisting 3 BHK Super Luxurious Flats having the Internal and External Amenities like 3-Burner gas hob & Chimney in kitchen, UPVC Sliding windows with Tinted glass, High speed lifts, swimming pool, High Health Club with Gymnasium & steam room, Green concept at Top Terrace for cool temperature and External Texture with pure Acrylic Paint etc.

### **PROJECT "ARIHANT AGRIMA"**

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

## **PROJECTS UNDER SUBSIDIARIES:**

### **PROJECT "ARIHANT AKANKSHA"**

This is a residential project located at Panvel, Navi Mumbai. The project consists of 8 Buildings having 2018 flats approx. Arihant Akanksha a stilt + podium + 32 Storeyed towers comprising elegant Studio, 2BHK, 3BHK & 4BHK apartments. The project having internal & external amenities such as Laxmi Mataji Temple, Intercom facility, Velvet touch paint with POP in all rooms, elegant entrance lobby, 4 high speed lifts in each building, business lounge, landscapes garden, swimming pool with Kids pool, gymnasium with club house, children play area, amphitheatre with party lawn, Jogging Track, Meditation Center, ample car parking, basket ball court, external camera for security checks.

### **PROJECT "ARIHANT ARSHIYA"**

This residential project named as "Arihant Arshiya" is situated at Khalapur, Khopoli. This project consists of 1605 flats approx having 20 acres land area. The construction of project is in full swing. Arihant Arshiya is a part stilt + 8 storeyed towers

comprising elegant 1RK, 1BHK, 2BHK flats. The project is having internal & external amenities such as swimming pool, library, children play area, health club- gymnasium & steam room, landscape garden, indoor game room, Temple, complex owned shuttle bus service.

#### **PROJECT “ARIHANT ANMOL”**

This is a residential project located at Jouveli Badlapur (E). Anmol project consist of 665 flats having 7 acres land area. The land has been conveyed in the name of Arihant Vatika Realty Pvt. Ltd. The construction is in full swing. The project has granite top kitchen platform swimming pool, library, children play area, health club- gymnasium & steam room, landscape garden, indoor game room, S. S. elevator, indoor game room & party hall.

#### **PROJECT “ ARIHANT AMISHA”**

This residential project named as “Arihant Amisha” situated at Wawanje Taloja, Panvel. This project consists of 456 flats having 7 acres land area. The construction of the project is started in full swing. The project has various amenities such as Temple, Swimming Pool, Health Club with Gymnasium & Steam Room, Community hall, cum social activity center & library, swimming pool, beautiful landscaped garden etc.

#### **PROJECT “ARIHANT ALOKI”**

This residential project named as “Arihant Alok” situated at Bhisegaon Karjat (E). This project consists of 408 flats having 6 acres land area. The project is just launched. Arihant Alok is a stilt + 8 storeyed, 8 towers comprising elegant 1BHK & 2BHK, 3 BHK flats. The project has internal & external amenities such as 2x2 vitrified flooring in all rooms, Granite top kitchen platform, luster paint, Aluminum powder coated sliding windows, Children play area, Community hall, health club- gymnasium & steam room, landscape garden, indoor game room.

#### **FIXED DEPOSIT**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

#### **SUBSIDIARIES**

All the subsidiary companies are non-material, non-listed subsidiary companies as defined under Clause 49 of the Listing Agreements entered into with the stock exchanges. A statement pursuant to Section 129 (3) of the Companies Act, 2013 relating to the subsidiary companies is attached to the accounts. Other details pertaining to subsidiaries, joint ventures and associate companies, as required under the Act is attached to this Report and forms part of the Annual Report.

Arihant Technoinfra Private Limited ceased to be the subsidiary of the Company w.e.f. 17<sup>th</sup> February, 2015 pursuant to the disinvestment of 12% of the stake of the Company in Arihant Technoinfra Private Limited.

The Company has made an application with the Hon'ble High Court, Mumbai for amalgamation of Adeshwar Realty Private Limited (wholly owned subsidiary) with Arihant Superstructures Limited. The appointed date for the same has been fixed as 1<sup>st</sup> April, 2014. The company has already obtained the In-principal approval for the same from BSE and SEBI vide Letter No. DCS/AMAL/LP/24(f)/252/2015-16 dated 29<sup>th</sup> May, 2015. The details of the proposed amalgamation scheme, as filed with the Hon'ble High Court are available on the website of the company.

#### **LISTING**

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

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Your Board of Directors comprise of eminent, experienced and reputed Individuals of the Industry. During the year Mrs. Kamini Shroff (DIN: 07141404) was appointed as the Independent Director of the Company w.e.f. 30<sup>th</sup> March, 2015. The Board proposes the ratification of her appointment in the AGM of the Company. The Company has received the necessary notice U/s 160 of the Companies Act, 2013 along with the deposit proposing the appointment of Ms. Kamini Shroff as a Director on the Board of Directors of the Company.



The current composition of the Board of Directors of the Company are as follows:

Name of the Director	DIN	Designation
Ashok Chhajer	01965094	Managing Director
Dinkar Samant	00023459	Whole-time Director
Nimish Shah	03036904	Whole-time Director
Virendra Kumar Mital	00376830	Independent Director
V.inayak V. Nalavde	02047436	Independent Director
Dineshchandra Babel	03042254	Independent Director
Kamini Shroff	07141404	Independent Director

Details of the Key Managerial Personnel of the Company

Name	Designation
Puja Agrawal	Company Secretary
Aman Verma	Chief Financial Officer

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and Clause 49 of the Listing Agreement with the Stock Exchanges.

In accordance with the provisions of the Act Mr. Dinkar Samant, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered himself for re-appointment.

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

### **BOARD EVALUATION**

The performance of the Board of Directors, Committees of the Board and Individual Directors is evaluated on certain prescribed and pre-determined criteria and parameters as recommended by the Nomination and Remuneration Committee of the Board of Directors. Such evaluation is pursuant to the provisions of the Companies Act, 2013 read with the Corporate Governance Requirements prescribed under the Clause 49 of the Listing Agreement entered into by the Company with BSE and prescribed by SEBI.

The evaluation was undertaken based on the feedback provided by the Board members on the various parameters such as preparedness on the agendas discussed in the Meetings, contribution, participation and inputs in meetings, etc. In addition, the Chairman and Managing Director was also evaluated on the key aspects of his role.

Further, the Independent Directors, in their separate meeting also evaluated the non-Independent Directors performance and the performance of the Board was also discussed. The Board in its subsequent meeting also discussed the same along.

### **MEETINGS**

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year six Board Meetings and five Audit Committee Meetings were convened and held. The details of the Board Meetings and the Director's attendance are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. Further, there has been a separate Meeting of the Independent Directors during the financial year 2014-2015.

### **DIRECTORS APPOINTMENT & REMUNERATION POLICY**

The Board has on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report and also available on the website of the company.

### **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. The details of related party transactions are mentioned in the notes to accounts of the Standalone Financial Statements, forming part of the Annual Report. The details of Form AOC-2 as required under the Act is also attached as an Annexure I to this Report.

## **AUDIT COMMITTEE**

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

## **CODE OF CONDUCT**

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

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

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

## **NOMINATION AND REMUNERATION POLICY**

The Nomination and Remuneration Policy of the Company as applicable to the Board of Directors, Key Managerial Personnel is stated in the Corporate Governance Report.

## **INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the Standalone Financial Statements, forming part of the Annual Report.

## **PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed and that no material departures have been made from the same;
- (b) 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 affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) 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;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) 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; and
- (f) the directors, have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **MANAGERIAL REMUNERATION**

There are no employees drawing remuneration of ₹ 5,00,000 per month or ₹ 60,00,000/- and above per annum during the year under review. The details of the remuneration drawn by the Whole-time Executive Directors and Managing Directors and Independent Directors are stated in the Corporate Governance Report of the Company. Other details pertaining to disclosure



requirements under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report as Annexure 2.

### **AUDITORS**

M/s Kailash Chand Jain & Co. Chartered Accountants, were in the 31<sup>st</sup> Annual General Meeting (AGM) appointed as the Statutory Auditors of the Company for a period of five years i.e. till the conclusion of the AGM to be held in the year 2018, subject to ratification of the members in every AGM. The Board recommends the ratification of the appointment of the Statutory Auditors in this AGM.

### **AUDITORS REPORT**

The observation made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

### **COST AUDITORS**

Pursuant to the direction from the Ministry of Corporate Affairs for appointment of Cost Auditors, your Board had appointed Mr. Vinod Subramaniam as the Cost Auditor of your Company for the financial year 2014-15 to conduct the audit of the cost records of the Company.

### **SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. D. A. Kamat, Practicing Company Secretary, , to undertake the Secretarial Audit of the Company for the year under review. There are no comments/observations in the Secretarial Audit Report requiring any reply from Directors. The Secretarial Audit Report is annexed as Annexure 3.

### **EXTRACT OF THE ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed as Annexure 4.

### **RISK MANAGEMENT**

Pursuant to section 134 (3)(n) of the Companies Act, 2013 & Clause 49 of the listing agreement, the company has constituted a risk management committee. The details of the committee and its terms of reference are set out in the corporate governance report forming part of the Boards report.

At present the company has not identified any element of risk which may threaten the existence of the company.

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

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

Internal Control Systems are implemented to safeguard the Company's assets from loss or damage, to keep constant check on the cost structure, to prevent revenue leakages, to provide adequate financial and accounting controls and implement accounting standards. During the year under review, the Company has appointed MPK Associates, Chartered Accountants as Internal Auditors.

### **CORPORATE GOVERNANCE**

A detailed report on the corporate governance system and practices of the Company forming part of this report is given as a separate section of the Annual Report.

### **CORPORATE GOVERNANCE CERTIFICATE**

The Compliance Certificate from Mr. D. A. Kamat, Practicing Company Secretary regarding compliance of conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement forms the part of the Annual Report.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

A Management Discussion and Analysis on the business and operations of the Company forming part of this report is given as a separate section of the Annual Report.

### **INVESTORS' RELATION AND GRIEVANCES**

During the year under review, the company has received not received any complaint/grievance from the investors of the Company. The Company has a dedicated e-mail address [investor@asl.net.in](mailto:investor@asl.net.in) for communication with the Investors.

### **ACCOUNTING STANDARDS AND CONSOLIDATED FINANCIAL STATEMENTS**

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

### **CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION**

The information required to be furnished pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 is enclosed as Annexure 5 and forms part of this report.

### **PERSONNEL**

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

### **ACKNOWLEDGEMENTS**

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

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

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

**Place: Navi Mumbai**

**Date: 1<sup>st</sup> August, 2015**



**Annexure I****Form No. AOC-2**

(Pursuant to **clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014**)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

- (a) Name(s) of the related party and nature of relationship: NIL
- (b) Nature of contracts/arrangements/transactions: NIL
- (c) Duration of the contracts / arrangements/transactions: NIL
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NIL
- (e) Justification for entering into such contracts or arrangements or transactions: NIL
- (f) Date(s) of approval by the Board: NIL
- (g) Amount paid as advances, if any: NIL
- (h) Date on which the special resolution was passed in general meeting as required under first provision to section 188: NIL

**2. Details of material contracts or arrangement or transactions at arm's length basis: (AS PER ANNEXURE A)**

- (a) Name(s) of the related party and nature of relationship:
- (b) Nature of contracts/arrangements/transactions:
- (c) Duration of the contracts / arrangements/transactions:
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
- (e) Date(s) of approval by the Board, if any:
- (f) Amount paid as advances, if any:

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

**Ashok Chhajer  
Chairman & Managing Director**

**ANNEXURE - A - AOC-2  
ARIHANT SUPERSTRUCTURES LIMITED  
Related party transactions**

**Details of related parties:**

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

Note: Related parties have been identified by the Management.

**Details of related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March, 2015:**

	Subsidiaries / Associates	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
<b>I. Transactions during the year :</b>					
<b>Loans &amp; Advances Given</b>					
1. Arihant Abode Ltd.	13,67,00,000	-	-	-	13,67,00,000
2. Arihant Aashiyana Pvt. Ltd.	9,35,00,000	-	-	-	9,35,00,000
3. Adeshwar Realty Pvt. Ltd.	6,48,06,513	-	-	-	6,48,06,513
4. Arihant Gruhnirman Pvt. Ltd.	1,67,50,000	-	-	-	1,67,50,000
5. Arihant Vatika Realty Pvt. Ltd.	17,80,00,000	-	-	-	17,80,00,000
6. Arihant Technoinfra Pvt. Ltd.	8,69,91,203	-	-	-	8,69,91,203
<b>Loan &amp; Advances Given Received</b>					
1. Arihant Abode Ltd.	12,92,00,000	-	-	-	12,92,00,000
2. Arihant Aashiyana Pvt. Ltd.	15,00,00,000	-	-	-	15,00,00,000
3. Adeshwar Realty Pvt. Ltd.	26,62,56,644	-	-	-	26,62,56,644
4. Arihant Gruhnirman Pvt. Ltd.	1,52,00,000	-	-	-	1,52,00,000
5. Arihant Vatika Realty Pvt. Ltd.	3,45,00,000	-	-	-	3,45,00,000
6. Arihant Technoinfra Pvt. Ltd.	5,00,00,000	-	-	-	5,00,00,000
<b>Interest Received</b>					
1. Arihant Abode Ltd.	37,25,241	-	-	-	37,25,241
2. Arihant Aashiyana Pvt. Ltd.	1,40,66,446	-	-	-	1,40,66,446
3. Adeshwar Realty Pvt. Ltd.	1,68,20,098	-	-	-	1,68,20,098
4. Arihant Gruhnirman Pvt. Ltd.	60,77,157	-	-	-	60,77,157
5. Arihant Vatika Realty Pvt. Ltd.	65,34,246	-	-	-	65,34,246
6. Arihant Technoinfra Pvt. Ltd.	1,21,81,809	-	-	-	1,21,81,809

**Details of related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March, 2015:**

	Subsidiaries / Associates	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
<b>Loan Taken</b>					
1. Ashok B. Chhajer	-	11,37,25,946	-	-	11,37,25,946
2. Adinath Realty Pvt. Ltd.	-	-	-	1,01,00,000	1,01,00,000
<b>Loan Repaid</b>					
1. Ashok B. Chhajer	-	15,73,28,885	-	-	15,73,28,885
2. Adinath Realty Pvt. Ltd.	-	-	-	70,00,000	70,00,000
<b>Interest Paid</b>					
1. Ashok B. Chhajer	-	82,47,609	-	-	82,47,609
2. Nimesh Shah	-	77,990	-	-	77,990
3. Adinath Realty Pvt. Ltd.	-	-	-	30,81,076	30,81,076



	Subsidiaries / Associates	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
<b>Directors Remuneration</b>					
1. Ashok B. Chhajer	-	24,00,000	-	-	24,00,000
2. Nimesh Shah	-	28,45,357	-	-	28,45,357
3. Dinkar Samant	-	30,01,130	-	-	30,01,130
<b>II. Balance Outstanding at the year end :</b>					
1. Arihant Abode Ltd.					
Closing Balance	5,61,46,833	-	-	-	5,61,46,833
Opening Balance	(4,52,94,117)	-	-	-	(4,52,94,117)
2. Arihant Aashiyana Pvt. Ltd.					
Closing Balance	7,51,14,191	-	-	-	7,51,14,191
Opening Balance	(11,89,54,390)	-	-	-	(11,89,54,390)
3. Arihant Gruhnirman Pvt. Ltd.					
Closing Balance	5,39,22,590	-	-	-	5,39,22,590
Opening Balance	(4,69,03,149)	-	-	-	(4,69,03,149)
4. Arihant Vatika Realty Pvt. Ltd.					
Closing Balance	14,93,80,821	-	-	-	14,93,80,821
Opening Balance	-	-	-	-	-
5. Arihant Technoinfra Pvt. Ltd.					
Closing Balance	12,56,07,432	-	-	-	12,56,07,432
Opening Balance	(7,76,52,601)	-	-	-	(7,76,52,601)
6. Ashok B. Chhajer					
Closing Balance	-	4,22,39,256	-	-	4,22,39,256
Opening Balance	-	(7,84,19,347)	-	-	(7,84,19,347)
7. Nimesh Shah					
Closing Balance	-	5,90,120	-	-	5,90,120
Opening Balance	-	(5,19,929)	-	-	(5,19,929)
8. Adinath Realty Pvt. Ltd.					
Closing Balance	-	-	-	2,37,03,751	2,37,03,751
Opening Balance	-	-	-	(1,78,30,783)	(1,78,30,783)
9. Sangeeta A. Chhajer (Deposit)					
Closing Balance	-	-	2,00,00,000	-	2,00,00,000
Opening Balance	-	-	(2,00,00,000)	-	(2,00,00,000)
10. Ashok B. Chhajer (Deposit)					
Closing Balance	-	20,00,000	-	-	20,00,000
Opening Balance	-	(20,00,000)	-	-	(20,00,000)
11. Sai Mahaavir Developers					
Closing Balance	-	-	-	1,00,00,000	1,00,00,000
Opening Balance	-	-	-	(1,00,00,000)	(1,00,00,000)

**Annexure - 2**

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

- (i) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15  
Mr Ashok Chhajer: 11.76%, Mr Dinkar Samant: 19.61% and Mr Nimish Shah: 17.65%
- (ii) During the financial year 2014-15 the percentage increase in remuneration of Mr Dinkar Samant and Mr Nimish Shah were 8.11% and 2.89% respectively.
- (iii) The median remuneration of employees of the Company during the financial year was Rs 2.04 lakh.
- iii) In the financial year, there was an increase of 8% in the median remuneration of employees;
- iv) There were 68 permanent employees on the rolls of Company as on March 31, 2015;
- v) Relationship between average increase in remuneration and company performance:-  
Total revenue for the financial year ended March 31, 2015 increased by 15% whereas the increase in median remuneration was 8%. The average increase in median remuneration was in line with the performance of the Company.
- vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:  
The total remuneration of Key Managerial Personnel declined by 4.7% in 2014-15 whereas the total revenue increased by 15%.
- vii) a) Variations in the market capitalization of the Company : The market capitalisation as on March 31, 2015 was ₹ 148.18 crore (₹ 133.36 crore as on March 31, 2014)  
b) Price Earnings ratio of the Company was 15.25 as at March 31, 2015 and was 47.65 as at March 31, 2014  
c) Percent increase over/ decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year-  
The Company had come out with Rights Issue during the year 2012-13. The issue price was ₹ 12/- per share. The Market Price of share as on 31<sup>st</sup> March, 2015 was ₹ 36/- per share.
- viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 14% whereas the decrease in the managerial remuneration for the same financial year was 4.7%.
- ix) The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable; and
- xi) It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

\*Details of Mr Aman Verma, Chief Financial Officer not given, as he was employed only for the part of the year i.e. w.e.f. 5<sup>th</sup> August, 2015.

\*\*Details of Ms Puja Agrawal, Company Secretary not given, as she was employed only for the part of the year i.e. w.e.f. 24<sup>th</sup> January, 2015.



**FORM NO MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2015

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

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

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ARIHANT SUPERSTRUCTURES LIMITED** (hereinafter called the "Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct / statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended **31<sup>st</sup> March, 2015** complied with the statutory provisions listed hereunder and also that the Company has the proper Board-processes and compliance-mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- I. I have examined the books, papers, minute books, forms and returns filed, reports issued by various fellow professionals and other applicable records and registers and maintained by the Company for the financial year ended on **31<sup>st</sup> March, 2015** and stated in **Annexure II** according to the provisions of:
  1. The Companies Act, 2013 (the Act) and the rules made thereunder (reference note. 1 and 2);
  2. The Securities Contracts (Regulations) Act, 1956 ('SCRA') and the rules made thereunder;
  3. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  4. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  5. Listing Agreement entered into with the Bombay Stock Exchange;
  6. The Bye-Laws of National Securities Depository Limited and Central Depository Services Limited.
- II. There were no events covered under following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') which are applicable to Listed Companies:-
  - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - (g) The Securities Exchange Board of India (Merchant Bankers) Regulations, 1992.
- III. We have reviewed the information, documents, records, filings and other certificates or confirmations received from fellow professionals for the period under review and the representations made by the company and its officers for the systems, records and compliances for other laws applicable specifically to the company. The list of specifically applicable laws and acts applicable to the company are stated in **Annexure III** to this Report.

**IV.** We have examined the compliances of the applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries, India to the extent of its applicability to the Company for the period under review.

**We further report that:**

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

Adequate notice is given to all directors to schedule the Board Meetings, & agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through with the unanimous consent of all Board of Directors and are recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under report, the Company has undertaken following event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc referred to above viz.

**I further report that** during the audit period the following events have taken place:

- (a) The Board of Directors have approved the merger of Adeshwar Realty Private Limited with the Company. The approval from BSE and SEBI was received vide letter dated 29<sup>TH</sup> May, 2015. The High Court approval for the same is pending as on the date of this Report.
- (b) The Board of Directors, have disinvested 12% of the shareholding of the Company in Arihant Technoinfra Private Limited (ATPL). ATPL was a non-material non-listed subsidiary company. The current shareholding of ASL in ATPL as on the date of this Report is 48%. Accordingly, ATPL is no longer a subsidiary of the Company as on 31<sup>st</sup> March, 2015.

**Place: Mumbai**

**Date: 1<sup>st</sup> August, 2015**

**Signature**

**Name of the Firm: D. A. Kamat & Co**

**FCS No. 3843**

**CP No: 4965**

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

**Annexure I – Notes on the Secretarial Audit Report of Arihant Superstructures Limited dated 1<sup>st</sup> August, 2015**

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

- i. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- iii. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- iv. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.



- v. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- vi. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Place: Mumbai**

**Date: 1<sup>st</sup> August, 2015**

**Signature**

**Name of the Firm: D. A. Kamat & Co**

**FCS No. 3843**

**CP No: 4965**

**Annexure II – List of Documents maintained and perused for the purpose of Secretarial Audit dated 1<sup>st</sup> August, 2015**

No.	List of Documents
1.	Minutes of the Meetings of the Board of Directors and the Meetings of the Committees of the Board.
2.	Notices issued to the Directors and Agenda Papers sent thereof.
3.	Attendance Registers for the Meetings of the Board of Directors & Shareholders.
4.	Notices & Minutes of the General Meetings of the Company.
5.	Statutory Registers maintained by the Company.
6.	Internal Audit Report issued by the Internal Auditor by MPK Associates for the year ended 31 <sup>st</sup> March, 2015.
7.	Compliance Certificates issued by the Management to the Board of Directors of the Company.
8.	Details of the Related Party Transactions entered into by the Company during the Financial Year 2014-15.
9.	Details of the Constitution of Risk Management Committee pursuant to Section 134(3)(n) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.
10.	Details of the Dis-investment of shares of the Company by 12% in its subsidiary Arihant Technoinfra Private Limited.
11.	Details of the application made with the High Court for the amalgamation of Adeshwar Realty Private Limited (wholly-owned subsidiary) with the Company and the in-principle approval received from the BSE & SEBI for the same.
12.	General and Specific Disclosures of Interest issued by the Directors and maintained by the Company pursuant to the provisions of the Section 184 of the Companies Act, 2013.
14.	There are no pending litigations filed by and against the Company.
15.	The Financial Statements prepared in accordance with the provisions of the Companies Act, 2013 and the Auditors' Report for the Financial Year 2014-15.

**Annexure III – List of other Acts specifically applicable to the Company**

Registered Office of the Company:	Arihant Superstructures Limited, 302, Persepolis Building, Plot No. 74, Sector 17, Vashi, Navi Mumbai-400703.
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**Major Acts applicable to the Company:**

**A. Labour Laws:**

1. Minimum Wages Act, 1948.
2. Payment of Wages Act, 1936.
3. Employees' State Insurance Act, 1948.
4. Contract Labour (Regulation and Abolition) Act, 1979.
5. Payment of Gratuity Act, 1972.

6. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
7. The Bombay Shops and Establishment Act, 1948.
8. Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

**B. Commercial and Mercantile Laws:**

1. Negotiable Instruments Act, 1888.
2. Income Tax Act, 1961.
3. Central Excise Act, 1944.
4. Central and Local Sales Tax Act, 1956.
5. Profession Tax
6. Local Body Tax
7. Indian Contract Act, 1872.

**C. Environmental Laws:**

1. Environmental Protection Act, 1986.
2. Hazardous Waste (Management, Handling and Trans-boundary Movement) Rules, 2008.
3. The Water (Prevention and Control of Pollution) Act, 1974.
4. The Air (Prevention and Control of Pollution) Act, 1981.
5. The Noise Pollution (Regulation and Control) Rules, 2000.



**Annexure 4**
**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**
**as on the financial year ended on 31<sup>st</sup> March, 2015**

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

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : L51900MH1983PLC029643
- ii) Registration Date : 26/03/1983
- iii) Name of the Company : Arihant Superstructures Limited
- iv) Category / Sub-Category of the Company : Company Limited by Shares
- v) Address of the Registered office and contact details : 302, Persipolis Building, Plot No 74, Sector 17, Vashi, Navi Mumbai 400703
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent : Adroit Corporate Services Pvt.Ltd.  
17-20, Jafferbhoy Ind. Estate,  
1st Floor, Makwana Road,  
Marol Naka, Andheri (E), Mumbai 400059  
Tel: 42270400 Fax: +91 (0)22 28503748

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
I	Development and construction of properties	410	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:****IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 31st March, 2014				No. of Shares held at the end of the year i.e. 31st March, 2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>I. Indian</b>									
a) Individuals/ HUF	8230162	0	8230162	20.00	8230162	0	8230162	20.00	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Body Corporate	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other...	22187306	0	22187306	53.91	22187306	0	22187306	53.91	0.00
<b>Sub Total (A)(I)</b>	<b>30417468</b>	<b>0</b>	<b>30417468</b>	<b>73.90</b>	<b>30417468</b>	<b>0</b>	<b>30417468</b>	<b>73.90</b>	<b>0.00</b>

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 31st March, 2014				No. of Shares held at the end of the year i.e. 31st March, 2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Foreign</b>									0.00
a) NRI - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other...	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>30417468</b>	<b>0</b>	<b>30417468</b>	<b>73.90</b>	<b>30417468</b>	<b>0</b>	<b>30417468</b>	<b>73.90</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									0.00
a) Mutual Funds / Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
e) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	15500	0	15500	0.04	0.04
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>15500</b>	<b>0</b>	<b>15500</b>	<b>0.04</b>	<b>0.04</b>
<b>2. Non - Institutions</b>									0.00
a) Bodies Corp.									0.00
i) Indian	852437	0	852437	2.07	965652	0	965652	2.35	0.28
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	224669	52392	277061	0.67	282416	52392	334808	0.81	0.14
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	9611261	0	9611261	23.35	9419550	0	9419550	22.89	-0.47
c) Others	1611	0	1611	0.00	7010	0	7010	0.02	0.01
d) NRI's	153	0	153	0.00	3	0	3	0.00	0.00
<b>Sub-total (B)(2)</b>	<b>10690131</b>	<b>52392</b>	<b>10742523</b>	<b>26.10</b>	<b>10674631</b>	<b>52392</b>	<b>10727023</b>	<b>26.06</b>	<b>-0.04</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>10690131</b>	<b>52392</b>	<b>10742523</b>	<b>26.10</b>	<b>10690131</b>	<b>52392</b>	<b>10742523</b>	<b>26.10</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>41107599</b>	<b>52392</b>	<b>41159991</b>	<b>100</b>	<b>41107599</b>	<b>52392</b>	<b>41159991</b>	<b>100</b>	<b>0.00</b>



(ii) **Shareholding of Promoters**

SI No.	Shareholder's Name	Share holding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Ashok Chhejer	22151306	53.82	0	22151306	53.82	0	0
2	Lalit Bothra	207424	0.50	0	207424	0.50	0	0
3	Meena Ranka	148	0.00	0	148	0.00	0	0
4	Parth Chhajer	6000000	14.58	0	6000000	14.58	0	0
5	Rakesh Kumar Nemichand Chhajer	18000	0.04	0	18000	0.04	0	0
6	Rakesh Kumar Nemichand Chhajer (HUF)	18000	0.04	0	18000	0.04	0	0
7	Sangeeta Chhajer	2022590	4.91	0	2022590	4.91	0	0
<b>TOTAL</b>		<b>30417468</b>	<b>73.90</b>	<b>0.00</b>	<b>30417468</b>	<b>73.90</b>	<b>0.00</b>	<b>0.00</b>

(iii) **Change in Promoters' Shareholding (please specify, if there is no change)**

SI No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	30417468	73.90	30417468	73.90
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NA	NA	NA	NA
	At the End of the year	30417468	73.90	30417468	73.90

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

SI No	For Each of the Top 10 Shareholders	Shareholding at the beginning and end of the year				Cumulative Shareholding during the year	
		No. of shares	% of total number shares	Change in Shareholding	Reason	No of shares	% of total number of shares
1	Anand Raj Jain	416667	1.01	Nil	-	416667	1.01
2	Shyam Lal Bothra	416667	1.01	Nil	-	416667	1.01
3	Ashok Boob	414930	1.01	Nil	-	414930	1.01
4	Sangeeta Doshi	388145	0.94	Nil	-	388145	0.94
5	Jagdish B Sanklecha HUF	333333	0.81	Nil	-	333333	0.81
6	Monish O Chhajer	309919	0.75	Nil	-	309919	0.75
7	Shikha Chhajer	292050	0.71	-292050 (0.71%)	Market Sale	0	0
8	Madhumati Punamchand Malu	250000	0.61	Nil	-	250000	0.61
9	Anjali Maheshwari	227150	0.55	Nil	-	227150	0.55
10	Renu Jain	208333	0.51	Nil	-	208333	0.51
11	Comfort Securities Limited	214019	0.52	214019 (0.52%)	Market Purchase	214019	0.52

**(v) Shareholding of Directors & KMP**

Sl. No	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
I	Ashok Chhajer				
	At the beginning of the year	22151306	53.82	22151306	53.82
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus /sweat equity etc)	NA	NA	NA	NA
	At the end of the year	22151306	53.82	22151306	53.82

\* Apart from the above director, none other director or KMP holds share in the Company

**V. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	196686529	211319725	0	408006254
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>196686529</b>	<b>211319725</b>	<b>0</b>	<b>408006254</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	135000000	149211959	0	284211959
Reduction	150737881	170089686	0	320827567
Net Change	-15737881	-20877727	0	-36615608
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	178999984	170589754	0	349589738
ii) Interest due but not paid	1948664	19852244	0	21800908
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>180948648</b>	<b>190441998</b>	<b>0</b>	<b>371390646</b>



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (In Lakhs)**

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (₹)
		Ashok Chhajer-MD	Dinkar Samant - WTD	Nimish Shah-WTD	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24.00	30.19	26.92	81.12
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	0.06	0.05
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	24.00	30.19	26.98	81.17
	Ceiling as per the Act				143.23

**B. Remuneration to other directors: (In Lakhs)**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹)
		Dinesh Chandra Babel	V V Nakavde	V K Mital	Kamini Shroff*	
1.	Independent Directors					
	· Fee for attending board committee meetings	1.9	1.9	1.9	0.2	5.9
	· Commission	0	0	0	0	0
	· Others, please specify	0	0	0	0	0
	<b>Total (1)</b>	<b>1.9</b>	<b>1.9</b>	<b>1.9</b>	<b>0.2</b>	<b>5.9</b>
2.	Other Non-Executive Directors	0	0	0	0	0
	· Fee for attending board committee meetings					
	· Commission					
	· Others, please specify					
	Total (2)	0	0	0	0	0
	<b>Total (B)=(1+2)</b>	<b>1.9</b>	<b>1.9</b>	<b>1.9</b>	<b>0.2</b>	<b>5.9</b>
	Total Managerial Remuneration					5.9
	Overall Ceiling as per the Act					14.33

\* Kamini Shroff was appointed as Director on 30th March, 2015. 1 meeting was held during her tenure.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD /MANAGER / WTD: (In Lakhs)**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary*	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	16.50	0.93	17.43
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0.02	0.02
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	- as % of profit	0	0	0
	- others, specify...	0	0	0
5	Others, please specify	0	0	0
	<b>Total</b>	<b>16.50</b>	<b>0.95</b>	<b>17.45</b>

\* Ms. Puja Agrawal was appointed as Company Secretary w.e.f. 24<sup>th</sup> January, 2015

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

A. COMPANY	
Penalty	NA
Punishment	
Compounding	
B. DIRECTORS	
Penalty	NA
Punishment	
Compounding	
C. OTHER OFFICERS IN DEFAULT	
Penalty	NA
Punishment	
Compounding	



**Annexure - 5**

**Information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 forming part of Directors' Report for the year ending March 31, 2015:**

**(A) Conservation of energy –****(i) The steps taken or impact on conservation of energy;**

- a. **Rain water harvesting:** Rainwater harvesting is the accumulation and deposition of rainwater for reuse and recharge on-site, rather than allowing it to run off. The rain water is channelized into harvesting pits which are used to recharge the ground water table.
- b. **DGU energy efficient glasses or high performance glasses :**
  - I. They provide thermal insulation, helping to save energy and CO2 reduction
  - II. The use of solar control glass allows a bright and comfortable environment to be maintained inside a building with reduced requirement for air-conditioning and lighting. The use of advanced solar control glass, allowing the sun's light into buildings, while blocking much of its heat.

**(ii) The steps taken by the company for utilising alternate sources of energy;****1. Solar water heater:**

- a. When the sun's rays fall on a solar water heater collector, made of either an Evacuated Vacuum Tube system (EVT) or Flat Plate Collector system (FPC), the solar radiation heats up the water present in glass tubes / metal tubes due to high transmittance of the covering glass medium. The heated water, now less dense, rises in the various tubes eventually reaching the tank at the top.
  - b. The relatively colder and denser water in the tank descends into the tubes, in turn getting heated this cycle continues. The Thermosiphon effect ensures the movement of hot water upwards into the tank because of difference in density, eliminating the need for an external pump. The insulated tank ensures that the hot water remains hot for a long time.
2. **Solar Street light:** Solar-powered lighting consists of a solar panel or photovoltaic cell that collects the sun's energy during the day and stores it in a rechargeable gel cell battery. The intelligent controller senses when there is no longer any energy from the sun and automatically turns the LED light on using a portion of the stored energy in the rechargeable battery.
  3. **Water cooled chillers:** Water-cooled chillers are typically intended for indoor installation and operation, and are cooled by a separate condenser water loop and connected to outdoor cooling tower.

**Water cooled chillers** are used to **cool** fluids or dehumidify air in both commercial and industrial facilities. Chilled **water** has a variety of applications from space **cooling** to process uses.

**(iii) The capital investment on energy conservation equipments;**

The capital investment for various energy conservation equipments are as follows:

1. Water cooled rotary screw chillers: A 300 TR capacity chiller about 40,000 per chiller with taxes.
2. Solar street lights : A solar water heater system for 23000 lit per day costs about 2 lacs
3. A rain water harvesting system will cost about 60,000/- per pit with bore pipe and water percolation filter media.
4. Total capital expenditure for High performance DGU glass costs is around 1.3 crores [Rs 2270/- per sqm]

**(B) Technology absorption –****(i) The efforts made towards technology absorption;**

**VS-I system used for façade glazing:** The VS-I system developed by Franz Safford of USA, is a point supported glass wall system for the glass walls. The system is comprised of vertical high grade aluminum "blade" extrusions and through-the-joint point supported aluminum cast fittings, the system does not have any horizontal member. This

allows the use of standard glass panels (non-drilled glass) supplied by any glass manufacturer, at clients discretion. The system is also very fast to erect. There are neither horizontal members nor their associated connections in the VS-I system solution. Our project is the only the second project in India to be executed with this technology.

**(ii) The benefits derived;**

VS I system is more structure efficient. Larger size of vision glass panel is possible with this system. Replacement of glass is convenient. The installation is very fast as compared to semi unitized systems

**(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-**

No Technology was imported during the year under review.

**(iv) The expenditure incurred on Research and Development**

No expenditure was incurred on Research and Development during the year under review.



## CORPORATE GOVERNANCE REPORT

### **COMPANY'S PHILOSOPHY**

The Company believes that sound corporate governance is a key element for enhancing and retaining the trust of investors and various other stakeholders. As a responsible corporate citizen your Company has evolved best practices which are structured to institutionalize policies and procedures that enhance the efficacy of the Board and inculcate a culture of accountability, transparency and integrity across the Arihant group as a whole.

### **BOARD OF DIRECTORS**

#### **Board Composition and Category of Directors:**

The current policy of the Company is to have an optimum combination of Executive and Independent directors to maintain the independence of the Board. As on 31<sup>st</sup> March, 2015, the Board consists of seven members, three of whom are executive or whole-time directors and four are independent directors.

The composition of Board and category of Directors are as follows:

Category	Name of Directors
<b>Promoter Director</b>	Ashok Chhajer Chairman & Managing Director
<b>Whole-Time Executive Directors</b>	Nimish Shah Dinkar Samant
<b>Independent Directors</b>	Dinesh Chandra Babel Virendra Kumar Mital Vinayak V. Nalavde Kamini Shroff

#### **Code of Conduct:**

The Board of Directors have approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company.

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

A copy of the Code has been put on the Company's website ([www.asl.net.in](http://www.asl.net.in)). A declaration signed by the Company's Chairman and Managing Director is published in this report.

#### **Number of Board Meetings:**

Six Board Meetings were held during the year. These were held on 28<sup>th</sup> April, 2014; 5<sup>th</sup> August, 2014; 10<sup>th</sup> November, 2014; 22<sup>nd</sup> December, 2014; 24<sup>th</sup> January, 2015 and 30<sup>th</sup> March, 2015.

Attendance of directors during the year 2014-15:

Name of Directors	No of Meetings		Whether attended last AGM held on 25 <sup>th</sup> September, 2014	No. of Directorship in other companies#	No. of Committee Positions held in other public limited companies ##	
	Held	Attended			Chairman	Member
Ashok Chhajer	6	6	Yes	Nil	Nil	Nil
Nimish Shah	6	5	Yes	Nil	Nil	Nil
Dinkar Samant	6	5	Yes	Nil	Nil	Nil
Dinesh Chandra Babel	6	6	Yes	1	Nil	Nil
Virendra Kumar Mital	6	6	Yes	3	Nil	Nil
V.V. Nalavde	6	6	Yes	Nil	Nil	Nil
Kamini Shroff*	1	1	NA	Nil	Nil	Nil

**\*Appointed as Director w.e.f. 30<sup>th</sup> March, 2015. 1 board meeting was held during her tenure.**

# The Directorship held by Directors as mentioned above excluding subsidiaries of ASL, private companies and foreign companies.

## In accordance with Clause 49 of the Listing Agreement Chairmanship/Membership of only Audit Committee and Stakeholders' Relationship Committees in all public companies (excluding Arihant Superstructures Limited) have been considered.

### **Meeting of Independent Directors**

During the year under review, the Independent Directors met on 30<sup>th</sup> March, 2015, inter alia, to:

1. Review the performance of Non Independent Directors and the Board of Directors as a whole.
2. Review the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
3. Access the quality, quantity and timeliness of flow of information between the company management and the Board. All the independent Directors were present at the meeting\*.

\*Ms Kamini Shroff was appointed as an Independent Director w.e.f. 30<sup>th</sup> March, 2015 in the Board Meeting held after the Meeting of the Independent Directors.

### **Declaration of Independence by the Independent Directors:**

The Independent Directors have provided their declaration of Independence as per the provisions of Section 149(7) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

### **COMMITTEES OF THE BOARD**

#### **Audit Committee**

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

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

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

#### **Composition, Meetings and Attendance**

The Audit Committee of the Company meets the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing agreement. The Audit Committee consists of three Independent Directors and one whole-time Director. The Company Secretary acts as the Secretary for the Audit Committee.



Five Audit Committee Meetings were held during the year. These were held on 28<sup>th</sup> April, 2014; 5<sup>th</sup> August, 2014; 10<sup>th</sup> November, 2014; 22<sup>nd</sup> December, 2014 and 24<sup>th</sup> January, 2015.

Members	Designation	No. of Meetings Attended
Dinesh Chandra Babel	Chairman	5
Virendra Kumar Mital	Member	5
V.V. Nalavde	Member	5
Dinkar Samant	Member	4

### Stakeholders' Relationship Committee

(Formerly Shareholders'/Investors' Grievance Committee)

#### Composition, Meeting and Attendance of the Committee:

The Committee comprises of three Independent Directors and meets the requirements under Clause 49 of the Listing Agreement and provisions of Companies Act, 2013.

Four Stakeholders' Relationship Committee Meetings were held during the year. These were held on 28<sup>th</sup> April, 2014; 5<sup>th</sup> August, 2014; 10<sup>th</sup> November, 2014 and 24<sup>th</sup> January, 2015.

Members	Designation	No. of Meetings Attended
Virendra Mital	Chairman	4
Dinesh Chandra Babel	Member	4
V.V. Nalavde	Member	4

#### Terms of Reference

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

#### Compliance Officer

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

#### Redressal of Investor Grievances

The Company's policy is to address all complaints, suggestions and grievances expeditiously and to send/issue replies at earliest except in case of dispute over facts or other legal impediments.

During the year under review, no investors' complaints were received.

### Nomination & Remuneration Committee

(Formerly Remuneration Committee)

#### Composition, Meeting and Attendance of the Committee:

The Committee comprises of three Independent Non-Executive Directors. Mr. V.V. Nalavde, Independent Non-Executive Director, acts the Chairman of the Committee. The other members of the Committee are Mr. Virendra Mital and Mr. Dinesh Chandra Babel, Independent Directors.-The Company Secretary acts as the Secretary for the Nomination & Remuneration Committee.-

Two Nomination & Remuneration Committee Meetings were held during the year. These were held on 5<sup>th</sup> August, 2014 and 30<sup>th</sup> March, 2015.

Members	Designation	No. of Meetings Attended
V.V. Nalavde	Chairman	2
Dinesh Chandra Babel	Member	2
Virendra Mital	Member	2

### Remuneration Policy

The Company's Remuneration Policy of the Company for Directors, Key Managerial Personnel and other employees is primarily based on the following criteria:

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

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

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

### Terms of Reference

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

### Share Transfer Committee

#### Composition, Meeting and Attendance of the Committee:

The Committee comprises of Ashok Chhajer, Nimish Shah and Dinkar Samant.-The Company Secretary acts as the Secretary for the Share Transfer Committee.-

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

### Terms of Reference

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

### Corporate Social Responsibility Committee

#### Composition, Meeting and Attendance of the Committee:

The Corporate Social Responsibility Committee of the Company meets the requirements of Section 135 of the Companies Act, 2013. The Corporate Social Responsibility Committee consists of two Independent Directors and two whole-time Directors. The Company Secretary acts as the Secretary for the Corporate Social Responsibility Committee.

One Corporate Social Responsibility Committee Meeting was held during the year on 24<sup>th</sup> January, 2015.

Members	Designation	No. of Meetings Attended
Dinesh Chandra Babel	Chairman	1
V.V. Nalavde	Member	1
Ashok Chhajer	Member	1
Dinkar Samant	Member	1

The CSR Committee is responsible for:

- Formulation of the Corporate Social Responsibility Policy of the Company for the approval of the Board of Directors of the Company



- To monitor and devise a framework for the CSR activities to be undertaken by the Company
- To review the CSR Activities on a regular basis and to guide the CSR team on such projects, as may be required.

### Disinvestment Committee

#### Composition, Meeting and Attendance of the Committee:

The Disinvestment Committee of the Company consists of three Independent Directors.

One Disinvestment Committee Meeting was held during the year on 24<sup>th</sup> January, 2015.

Members	Designation	No. of Meetings Attended
Dinesh Chandra Babel	Chairman	1
Vinayak V. Nalavde	Member	1
Virendra Mital	Member	1

### Risk Management Committee

The Risk Management Committee of the Company consists of three members and is formulated as per the requirements of the Clause 49 of the Listing Agreement, as is effective from 1<sup>st</sup> October, 2014. The majority of the members of the Risk Committee are Directors. The members of the Risk Management Committee have been appointed on the recommendations of the Nomination and Remuneration Committee.

One Disinvestment Committee Meeting was held during the year on 24<sup>th</sup> January, 2015.

Members	Designation	No. of Meetings Attended
Ashok Chhajer (Director)	Chairman	1
Virendra Mital (Director)	Member	1
Aman Verma (CFO)	Member	1

#### The terms of reference of the Risk Management Committee are as follows:

- To periodically assess risks to the effective execution of business strategy and review key leading indicators in this regard
- The committee shall annually review and approve the Risk Management Framework of the Company
- To evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner
- The risk management committee shall have access to any internal information necessary to fulfill its oversight role.
- The risk management committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors

### Executive Committee

The Executive Committee of the Company consists of three members namely Mr. Ashok Chhajer (Chairman), Mr. Nimish Shah and Mr. Dinkar Samant. No meeting of Executive Committee was held during the year.

### Directors' Remuneration

Details of remuneration for the year ended 31<sup>st</sup> March 2015 are as follows:

#### Remuneration to Managing Director and Whole-Time Directors during 2014-15:

Name of Director	Salary and Allowance (₹)
Ashok Chhajer Chairman & Managing Director	₹ 24.00 lakh per annum
Nimish Shah Whole-time Director	₹ 26.98 lakh per annum
Dinkar Samant Whole-time Director	₹ 30.19 lakh per annum

### Non-Executive Directors

Name of the Director	Sitting Fees paid (₹)
Vinayak Nalavde	1,90,000
Dinesh Chandra Babel	1,90,000
Virendra Mital	1,90,000
Kamini Shroff	20,000

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

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

### Equity Shares held by Directors as on 31<sup>st</sup> March 2015

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

Name of the Director	No. of shares
Ashok Chhajer	22151306

### SUBSIDIARY MONITORING FRAMEWORK

The subsidiaries of the Company are as follows:

1. Arihant Abode Limited
2. Arihant Vatika Realty Private Limited
3. Adeshwar Realty Private Limited
4. Arihant Gruhnirman Private Limited
5. Arihant Aashiyana Private Limited
6. Arihant Technoinfra Private Limited (till 17<sup>th</sup> February, 2015)

The subsidiaries are managed by their respective Boards having rights and obligations to manage such companies in the best interest of their stakeholders. As a majority shareholder, the Company monitors and reviews the performance of such companies' inter-alia, by the following means:

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

### GENERAL BODY MEETINGS

#### Annual General Meetings

YEAR	LOCATION	DAY, DATE & TIME	SPECIAL RESOLUTION
2011-12	Hotel Royal Orchid Central Grazia, Plot L-3, Sector-19, Palm Beach Road, Vashi, Navi Mumbai – 400705	Saturday, 22 <sup>nd</sup> September, 2012 at 06.00 p.m.	Yes
2012-13	Hotel Four Points by Sheraton, Plot No. 39/1, 6 to 15, Sector 30A, Vashi, Navi Mumbai- 400701	Thursday, 26 <sup>th</sup> September, 2013 at 5.00 p.m	Yes
2013-14	Hotel the Regenza by Tunga, Plot No. 37, Sector 30A, Vashi, Navi Mumbai- 400701	Thursday, 25 <sup>th</sup> September, 2014 at 12.00 noon	Yes



### **E-voting**

#### **In last AGM following resolutions were passed through E-voting:**

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

#### **Extraordinary General Meeting:**

No Extraordinary General Meeting of the Members was held during the year 2014-2015

#### **Postal Ballot:**

No Postal Ballot was conducted during the year 2014-2015

### **DISCLOSURES**

#### **Related Party Transactions**

None of the transactions with any of the related parties were in conflict with the interest of the Company. Details of transactions with related parties are disclosed in notes to the Accounts in the Annual Report. All related party transactions are negotiated at arms' length basis and are only intended to further the interest of the Company.

#### **Compliances**

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

#### **Vigil Mechanism**

The Company has established a vigil mechanism:

- (i) to promote ethical behaviour in all its business activities
- (ii) to establish mechanism for employees to report any genuine grievances, illegal, unethical behaviour, suspected fraud or violation of laws, rules and regulation or conduct

The reportable matters are disclosed to the Audit Committee of the Board of Directors.

The Policy also provides for adequate protection to the whistle blower against victimization or discriminatory practices.

### **MEANS OF COMMUNICATION**

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

The financial results are normally published in Free Press Journal (English) and Navshakti (Marathi). Also they are uploaded on the Company's website [www.asl.net.in](http://www.asl.net.in).

#### **Website and Exclusive Designated e-mail id**

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

## GENERAL SHAREHOLDERS' INFORMATION

### Annual General Meeting

Day : Friday  
Date : 25<sup>th</sup> September, 2015  
Time : 11:00 am  
Venue : Hotel The Regenza by Tunga, Plot No. 37, Sector 30A, Vashi, Navi Mumbai - 400703

### Financial Calendar (Tentative)

#### Financial Year 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016

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

Quarter ended	Latest by
30 <sup>th</sup> June, 2015	14 <sup>th</sup> August, 2015
30 <sup>th</sup> September, 2015	14 <sup>th</sup> November, 2015
31 <sup>st</sup> December, 2015	13 <sup>th</sup> February, 2016
31 <sup>st</sup> March, 2016	30 <sup>th</sup> May, 2016

#### b) Book Closure Dates

From 19<sup>th</sup> September, 2015 to 25<sup>th</sup> September, 2015 (both days inclusive)

#### c) Dividend Payment Date

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

#### d) Liquidity of Shares

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

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

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

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

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

**Adroit Corporate Services Pvt Ltd**

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

#### i) Share Transfer Mechanism

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



**j) Market Price Data:**

The Equity Shares of the Company were traded on the Bombay Stock Exchange during the year 2014-2015:

Month	High Price	Low Price
14-Apr	38.85	32.3
14-May	43.9	36.25
14-Jun	52.5	39.1
14-Jul	43.35	40.65
14-Aug	42.75	40.45
14-Sep	42.2	35.75
14-Oct	40	36.5
14-Nov	46	38.1
14-Dec	46.15	37
15-Jan	41	36
15-Feb	38	34
15-Mar	38	33

**i) Share Holding Pattern as on 31<sup>st</sup> March, 2015**

Sr. No.	Category	No. Of shares held	%age
A	Promoters and Promoter Group		
1	Indian	30417468	73.90
2	Foreign	0	0.00
	Total Shareholding of Promoter and Promoter Group	30417468	73.90
B	Public Shareholding		
1	Institutions	15500	0.04
2	Non Institutions	10727023	26.06
	Total Public Shareholding	107425223	26.10
C	Shares held by custodians and against which Depository Receipts have been issued		
1	Promoter and Promoter Group	0	0.00
2	Public	0	0.00
	<b>TOTAL A+B+C</b>	<b>4,11,59,991</b>	<b>100</b>

**ii) Distribution of equity Shareholding as on 31<sup>st</sup> March 2015**

Shares	No. of Shareholders	% of total Shareholders	Number of Shares	% of total no. of Shares
1- 5000	743	81.30	241369	0.59
5001 - 10000	16	1.75	123458	0.30
10001 & above	155	16.95	40795464	99.11
<b>TOTAL</b>	<b>914</b>	<b>100</b>	<b>41159991</b>	<b>100</b>

The Company has no dividend of the past years which are required to be transferred to the Investor and Education Protection Fund. Dividend had been declared by the Company for the year 2012-2013 and 2013-14 in the Annual General Meeting held on 26<sup>th</sup> September, 2013 and 25<sup>th</sup> September, 2014 respectively. Some amount has not been claimed by the shareholders of the Company and the amount has been transferred to Unpaid Dividend Account.

**k) Dematerialization of Shares**

The shares of the Company are in compulsory dematerialized segment and are available for trading in depository system of both National Securities Depository Limited and Central Depository Services (India) Limited. As on 31<sup>st</sup> March, 2015, 41107599 Equity Shares (constituting 99.87 %) were in dematerialized form.

**I) Address for Investor Correspondence**

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

**Adroit Corporate Services Pvt Ltd,**

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

Telephone: 022-28594060/022-40052115

Fax: 022 - 28503748

Email: [info@adroitcorporate.com](mailto:info@adroitcorporate.com)

Website: [www.adroitcorporate.com](http://www.adroitcorporate.com)

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

No penalties have been imposed during the year 2014 – 2015.

**Reconciliation of Share Capital**

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

**Compliance Certificate from the Practicing Company Secretary**

Certificate from the Practicing Company Secretary, Mr. D. A. Kamat, FCS 3843 confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is annexed to this Report forming part of the Annual Report.

**Adoption of mandatory and non- mandatory requirements**

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

**Audit Qualification**

The Company is in the regime of unqualified financial statements.

**Reporting of Internal Auditor**

The Internal Auditor directly reports to the Audit Committee.

**CEO and CFO Certification**

The Chairman and Managing Director and Chief Financial Officer of your Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The Chairman and Managing Director and Chief Financial Officer of your Company also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement. The annual certificate given by the Chairman and Managing Director and the Chief Financial Officer is published in this report.

**Certificate on Compliance with Code of Conduct**

I hereby confirm that all members of the Board and Senior Management Personnel of the Company have affirmed compliance with Arihant Superstructures Limited Code of Conduct for the financial year 2014-15.

**Ashok Chhajer**

**Chairman and Managing Director**

**Pace: Navi Mumbai**

**Date: 1<sup>st</sup> August, 2015**



## **CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members of

### **ARIHANT SUPERSTRUCTURES LIMITED**

We have examined the compliance of the conditions of Corporate Governance by **Arihant Superstructures Limited** for the year ended on 31<sup>st</sup> March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

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

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

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

**Sd/-**

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

**Place: Mumbai**

**Date: 1<sup>st</sup> August, 2015**

**C.E.O. / C.F.O. CERTIFICATION**

To

The Board of Directors

**Arihant Superstructures Limited**

We, Ashok Chhajer, Managing Director and Aman Verma, CFO of Arihant Superstructures Limited to the best of our knowledge & belief certify that:

- (A) We have reviewed financial statements and the cash flow statement (including the consolidated financial statement and the cash flow statements) for the year ended 31<sup>st</sup> March, 2015 and that to the best of their knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee that:
  - (i) there were no significant changes in internal control over financial reporting during the year;
  - (ii) there were no changes in accounting policies during the year and that the same been disclosed in the notes to the financial statements; and
  - (iii) there were no instances of fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

**Ashok Chhajer**  
**Chairman & Managing Director**

**Aman Verma**  
**CFO**



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### ***Economy Outlook***

The global economy grew at a moderate pace to 2.6% in 2014. While the growth rate improved from 2013, the major economies underwent a couple of challenges pertaining to structural imbalance, increased financial risks as well as geopolitical tensions. Moving to the future, the IMF projects the global economy to grow over 3% levels in the next couple of years. The outlook on economy remains cautious on account of market sentiment and volatility in the global financial markets, however the economic growth will likely be driven by the soft commodity prices and improving market demand.

From the Indian perspective, much of the exuberance that is being witnessed in India stems from the Parliament election of 2014. The landslide victory of Prime Minister Narendra Modi led National Democratic Alliance (NDA) has not just brought about a stable political centre but also cleared the policy paralysis that India suffered from in the past couple of years. Moreover, the government is now taking steps to ensure that its development agenda can be implemented. Coupled with positivity, the economic fundamentals of the nation have also improved in recent months, with a moderation in inflation, commencement of the rate easing cycle, improving outlook for current account deficit, commitment to fiscal prudence by Centre & revival of previously stalled projects. During the FY15, the Indian economy grew at 7.3% (as per new calculations) in 2014-15 due to improvement in the performance of both services as well as manufacturing sectors. While the first half of the financial year was volatile, the latter half saw economy growth over 7%. The manufacturing sector recorded a growth rate of 8.4% during the last quarter of fiscal, up from 4.4% a year ago. As per the Organization for Economic Cooperation and Development (OECD), the Indian Economy's growth will remain strong and stable. The economy could even grow over 8 per cent if ambitious structural reforms such as goods and services tax, land and labour laws are affected. The FY15-16 fiscal consolidation target has been relaxed to allow for increased infrastructure investment while structural reforms to improve the ease of doing business and the Make in India initiative should boost corporate investments.

### ***The Indian Real Estate Scenario***

Given the backdrop of rapid urbanization, positive demographics and improving income levels, the Indian real estate sector has a strong global recognition. It is also the country's second largest employer after agriculture. Slated to grow at 30% over the next few years, the Indian real estate market size is expected to touch US\$ 180 billion by 2020. The housing sector alone contributes 5-6% to the country's gross domestic product (GDP). Also, in the period FY08-20, the market size of this sector is expected to increase at a compound annual growth rate (CAGR) of 11.2%.

During the previous year, the residential real estate sector in India reflected a sluggish demand owing to volatile market scenario and subdued economic conditions confronting the sector for past few years. Bengaluru, Mumbai and Delhi-NCR remain the hotspots and accounted for around 60% of unit launches during the year. As of October 2014, the capital values appreciated 5-13% in Bengaluru and 3-8% in Mumbai compared to the same period last year. As Bengaluru is largely end-user driven and Mumbai has a fair mix of end-users and investors, capital values have improved from the last year. However, capital values in Delhi-NCR declined 2-11%, primarily due to significant unsold inventory.

A notable trend in 2014 was that the developers focussed primarily on mid segment offerings considering that this category has been largely underserved since the past few years. Around 68% units launched in nine months of 2014 were in the mid segment, registering a significant increase from 56% during the same period of 2013. The residential sector has been largely subdued across cities as high levels of unsold inventory exist, launches of new projects have been postponed amidst sluggish demand and capital values have largely been stable.

In India improved economic conditions and government measures to provide better infrastructure and housing are expected to have a positive effect. According to Economic survey - Government proposals to relax guidelines for foreign investment, implementation of REITs and increased funding for affordable housing and infrastructure projects, these are all expected to offer the much needed impetus.

The future outlook remains positive. Cushman & Wakefield Research estimates that overall urban housing demand in India is expected to be nearly 13 mn units by the end of 2018. Besides the natural growth in population and declining household sizes leading to an increase in the demand for housing, increasing urbanization catalysed by migration of rural population to cities, development of industrial clusters and the proposed development of smart cities are likely to play a pivotal role in generating this additional demand. The growth of India's middle class population along with an increase in income, improvement in access to mortgage funding, attractive payment schemes offered by a few developers and good returns from the asset class have led to an increase in the growth of investments from this group. The Middle Income Group (MIG) is expected to generate the

highest demand of 1.08 mn units across the top eight cities till 2018, followed by Lower Income Group (LIG) which is expected to generate demand of nearly 1.05 mn units, and the Higher Income Group (HIG) will generate a demand for 0.52 mn units. Thus, both LIG and MIG will account for nearly four-fifths of the total demand.

Besides this, the Government of India have taken several initiatives to encourage the development in the sector. Some of them are as follows:

- The Government of Maharashtra has announced a series of measures to bring transparency and increase the ease of doing business in the real estate sector.
- The Government of India has relaxed the norms to allow foreign direct investment (FDI) in the construction development sector. This move should boost affordable housing projects and smart cities across the country.

The Budget 2015 has allocated Rs 140 bn to a scheme that aims at building 60 mn houses by 2022, 20 mn of which will be in urban India. The government is also working towards a national housing scheme to build about 6 mn houses annually over the next seven years in rural India. The proposed National Gramin Awas Mission (GRAM) of the rural development ministry, which is likely to replace the Indira Awas Yojana, could become the guiding scheme for constructing houses in rural areas where 70% of the population lives. The government is following a twin pronged strategy of boosting demand whilst also removing supply-side bottlenecks. An approach to boost urbanisation through smart cities and development of large industrial corridors will help to develop new residential locations and tackle some of the most important issues facing the existing cities in India.

### ***The Mumbai MMR Region***

Mumbai Metropolitan region (MMR) as a counter magnet to Mumbai was envisaged in first regional plan of 1965. However, the space has been growing phenomenally since 1971 when the CIDCO was established. The vision was to create a combination of 14 mini towns or nodes, each to be provided with connectivity through well-designed roads, and later on through railway networks. Recently, the metro system was added to the original master plan.

In a span of these decades, MMR has not only caught up with the existing settlements but has also become the second-largest settlement city in terms of population share. In the last decade, Navi Mumbai has grown at an incredible pace of 88%, which is the highest growth rate in the region.

Despite its fast growth, this area continues to be defined by a spatial openness and also ranks high in terms of social indicators like literacy rate among its predominantly middle income population, as well as social and civic infrastructure.

<b>Municipal Corporations</b>	<b>Density per Sqkm</b>	<b>Share of Population</b>	<b>Growth in last decade</b>
<b>Greater Mumbai</b>	20,680	59%	4%
<b>Navi Mumbai including Panvel</b>	6,382	10%	88%
<b>Thane</b>	11,618	8%	52%
<b>Kalyan-Dombivali</b>	11,275	7%	30%
<b>Vasai-Vihar</b>	11,631	6%	31%
<b>Mira-Bhayandar</b>	9,179	4%	57%
<b>Bhiwandi</b>	28,659	4%	36%
<b>Ulhasnagar</b>	18,407	2%	7%

The upcoming success of the region can be largely attributed to the efficient integration of economic activities and infrastructure. It is now poised at the next stage of transition, which is likely to be by way of expansion of its services sector. The space already has most key ingredients like good human capital, support infrastructure and land availability to become a strong service sector hub. What it lacks is faster and smoother connectivity with the existing commercial hubs of Greater Mumbai, particularly the suburbs. However, this is being taken care of. There are two new major economic drivers which will drive growth in this region – the proposed SEZs at JNPT and the proposed international airport at Panvel. The master plan for the Jawaharlal Nehru Port Trust (JNPT) SEZ has been sent to the Ministry of Shipping for approval. A soft launch of the project is expected to be carried out by the end of 2015 and construction work on site may also commence by the beginning of 2016. Both of these factors are expected to generate a massive amount of employment, providing a further impetus to the demand for commercial and residential developments.

**Government initiatives for the region:**

- NAINA region or Navi Mumbai Airport Influenced Notified Area which has its genesis in the New Largest airport in the country, would be the biggest catalyst that will spur infrastructure development in Navi Mumbai.
- Presence of JNPT port and Multimodal corridor

**Upcoming Connectivity**

- Proposed Mumbai Trans Harbor Link (MTHL)
- Nhava – Sewri Sea link MTHL connecting South Mumbai to Navi Mumbai
- 126 km long Virar-Alibaug Multi Modal Corridor to connect NH-8, Bhiwandi bypass, NH-3, NH-4 and NH-4B, Mumbai-Pune and NH 17
- Metro Railway getting operational from end 2016/ early 2017 from CBD Belapur to Taloja (Pendhar)

**Urban Infrastructure**

- Reliance Knowledge City, Reliance Corporate Park, Accenture, Millennium Business Park, Kellogs India and Hindalcon Industries in the vicinity of the region

**The Jodhpur Region**

Jodhpur, the second biggest city in the state of Rajasthan, is among the famous tourist destinations in the state as well as India. The city is also known as “Sun City” and it encompasses an area of 22,850 sq.km with a population of 2.1 mn. The city is well connected to the rest of Rajasthan by airways, road and rail links.

The city is witnessing a rising population with trends moving towards urban living with aspirational lifestyle and amenities. The changing demographics have brought respectable interest both from the property developers and local residents therefore paving way for a potential market.

**Drivers for Growth in Future are:**

- IT and ITeS companies looking at Tier II cities are making Jodhpur as a hub
- HPCL refinery near Jodhpur with investment of Rs 37,230 Crores will generate employment for over 1 lakh people
- Study conducted by NCAER, Barmer refinery will generate revenues of nearly Rs 4 lakh crore in 15 years
- On DMIC lines, development of New Civil Airport and Integrated Multi-Modal Logistics Hub in Jodhpur
- Mass Rapid Transit System (MRTS) in Jodhpur and Pali
- One of Mega Leather Cluster at an investment of Rs 125 cr will be in Jodhpur

**Company Performance**

Arihant Super Structures is one of the leading developers in the MMR and Jodhpur region. The Company over the last two decades has been executing world class quality construction at truly affordable prices with focus on quality, and time of delivery. The group has a history of having delivered more than 5000 homes with about 4 mn square feet of space constructed which came from roughly 40 projects. **Currently we have about 11,000 homes under construction with an area of 11.4 mn square feet under development and there are 12 projects under construction.** Today, Arihant stands tall with a strong client base, efficient delivery team and good stakeholder's relationships.

We have a dominant presence in high growth regions like Mumbai MMR (Badlapur, Shil Road, Taloja – Navi Mumbai, Panvel, Karjat and Khopoli) and Jodhpur. We have fully paid up land bank for projects to be executed in the next seven years and the most important highlight of our business model is that the land cost as percentage to realization is less than 10% for most projects executed till date.

2015, being a difficult year for industry, the company sold over 580 units in FY 15 as against 727 units that were sold during FY 14. However, the company improved its average realisations from INR 3845 per square feet to INR 4026 per square feet. The Company's revenue grew by about 8% to finish the year at ₹ 1097.6 mn. The EBITDA came in at ₹ 265.7 mn which translates to a margin of 26% for FY 15. Net profits stood at ₹ 101.32 mn as compared to ₹ 13.1 mn in FY 14.



Project wise performance is detailed below.

Projects	Location	Economic Interest	Saleable area (mnsf)	No. of units	Units Sold	Percentage Completed
Arihant Arshiya I	Khopoli	100%	0.351	522	358	60.07
Arihant Arshiya II	Khopoli	100%	0.826	1,078	98	-
Arihant Alok	Karjat	60%	0.366	408	59	4.6
Arihant Anmol I	Badlapur	60%	0.241	336	309	74.53
Arihant Anmol II	Badlapur	60%	0.063	165	84	55.57
Arihant Amodini	Taloja	100%	0.135	126	114	100
Arihant Anshula	Taloja	60%	0.430	488	46	9.7
Arihant Amisha I	Panvel	60%	0.179	224	106	26.13
Arihant Amisha II	Panvel	60%	0.199	355	-	-
Arihant Anaika	Panvel	60%	0.320	316	-	-
Arihant Akanksha	Panvel	60%	2.746	2,056	258	-
Arihant Aarohi	Thane	100%	0.240	200	124	46.91
Arihant Adita I	Jodhpur	100%	0.507	404	316	65.66
Arihant Adita II	Jodhpur	100%	0.183	162	70	42.39
Arihant Adita III	Jodhpur	100%	0.187	163	71	24.53
Arihant Adita IV	Jodhpur	100%	0.435	336	-	-
Arihant Agrima	Jodhpur	100%	3.500	2,200	20	-
Arihant Ayati	Jodhpur	100%	0.210	90	19	24.3

### Operational Highlights in FY 15

#### Operational Performance

Despite a tough business year, your company booked an area of 0.45 mn square feet during the year. This area booked is spread across our 12 projects that are under construction in different regions. This translates to 580 units that were sold during the year. The company's average realisation improved to INR 4026 per square feet.

From the location perspective, the majority of the bookings resulted from the MMR region which accounts for 50% of the total booking pie. We also booked 26% of our sales in Panvel, followed by Jodhpur, Thane and Navi Mumbai. The company also received occupancy certificate for its ambitious project "Arihant Amodini" at Taloja. The project comprises of 126 units and is a single tower structure.

#### New Launches

During the year we launched another project at Taloja – Arihant Anshula. The project was launched in October 2014 and it is a complex comprising of 25 towers and 480 units. The structure of each tower would be S+4 stories. The saleable area in Square feet is 0.45 mn. Taloja is a CIDCO owned and a planned residential node right next to Kharghar. It is already a station on the Diva-Panvel Railway line and is enriched with basic infrastructure like Schools, Colleges, Playgrounds, Hospital and Local/ General Stores.

We also launched Arihant Alok at Karjat. It is a proposed stilt + 10 storied complex with 408 units. The total saleable area would be 0.45 mn. Karjat produces a large geographical area and is going through a transition from an ideal weekend getaway destination to an urban conglomerate with business and job opportunities for residents.

There are few mega infrastructural developments taking place in this belt that makes Karjat a potential destination for investment:

- The Proposed Mumbai Trans Harbor Link (MTHL) Project, which is a proposed six-lane dual carriageway road bridge connecting Sewri on Mumbai side to Nhava on Navi Mumbai side.

- The Proposed Navi Mumbai International Airport (NMIA) which will support the rapidly growing air travel needs of Mumbai Metropolitan Region, with its increased economic activities such as Jawaharlal Nehru Port Trust expansion and other SEZs, which are being established in this region.
- The proposed Panvel-Neral-Bhima Shankar-Pune road- which will reduce the distance to Karjat from 89 kms to barely 65 kms within the next 2-3 years, thereby reducing travel time to a little above an hour.

### Financial Performance

#### Statement of Assets and Liabilities

Sr. No	Particulars	FY15	FY14	Change
<b>I</b>	<b>Shareholders' funds</b>			
	(a) Share capital	411.6	411.6	0%
	(b) Reserves and surplus	205.6	119.6	72%
		<b>617.2</b>	<b>531.2</b>	<b>16%</b>
<b>2</b>	<b>Minority Interest</b>	26.9	14.6	84%
<b>3</b>	<b>Non-current liabilities</b>			
	(a) Long term Borrowing	990.9	290.6	241%
	(b) Deferred tax liabilities (Net)	2.1	2.9	-29%
		<b>993.0</b>	<b>293.5</b>	<b>238%</b>
<b>4</b>	<b>Current Liabilities</b>			
	(a) Short-term borrowing	469.1	994.9	-53%
	(b) Trade payable	83.5	98.6	-15%
	(c) Other current liabilities	1,624.9	1,100.7	48%
	(d) Short-term provisions	132.5	74.2	78%
		<b>2,310.0</b>	<b>2,268.4</b>	<b>2%</b>
	<b>TOTAL</b>	<b>3,947.0</b>	<b>3,107.7</b>	<b>27%</b>
<b>I</b>	<b>Non-Current Assets</b>			
	(a) Fixed assets			
	Tangible assets	52.6	52.9	-1%
	Intangible assets	0.7	1.2	-47%
	(b) Deferred tax assets (Net)			
	(c) Non-current investment	10.0	54.6	-82%
	(d) Long-term loans and advances	122.1	109.6	11%
		<b>185.4</b>	<b>218.4</b>	<b>-15%</b>
<b>2</b>	<b>Current assets</b>			
	(a) Current investment	0.3	0.7	-52%
	(b) Inventories	1,842.6	1,301.9	42%
	(c) Trade receivables	65.9	32.4	104%
	(d) Cash and cash equivalents	30.8	54.8	-44%
	(e) Short-term loans and advances	294.7	229.5	28%
	(f) Other current assets	1,527.4	1,270.0	20%
		<b>3,761.7</b>	<b>2,889.3</b>	<b>30%</b>
	<b>TOTAL</b>	<b>3,947.1</b>	<b>3,107.7</b>	<b>27%</b>

#### Share capital

There is no change in the share capital of the company. During the year, The Company's reserves went up by 72% on account of profits transferred to the balance sheet.

### Minority Interest

The minority interest reflects an increase of 84% on account of substantial increase in the profitability of the subsidiaries. Debt and Short Term borrowings

There is an increase in the long term borrowings of the company. This is largely on account of finances raised in the form of unsecured loans.

### Current Liabilities

The total short term loans have reduced by 53% and there is also a slight reduction in the trade payables. The increase in the other current liabilities reflect the increase in amount received from sales to customers (Booking amount)

### Fixed and Non-Current Assets

The Company's tangible assets after adjustment of depreciation are INR 52.6 mn against 52.9 mn in the previous year. Inventories

The total inventory has increased from INR 1,302.0 mn in FY 14 to INR 1,842.6 in FY15. The change is on account of additional land bank of 58.6mn and 42% increase in the projects under construction.

### Statement of the profit and loss account

Particulars	FY 15	FY 14	Change
<b>Operating Revenue</b>	<b>1,078.9</b>	<b>1,000.6</b>	<b>8%</b>
<b>Cost of material consumed</b>	<b>1,205.8</b>	<b>1,128.2</b>	<b>7%</b>
<b>Purchases of stock-in-trade</b>	<b>-</b>	<b>-</b>	
<b>Changes in inventories of finished goods, WIP and stock-in-trade</b>	<b>(540.6)</b>	<b>(461.4)</b>	<b>17%</b>
<b>Employee benefits expense</b>	<b>64.6</b>	<b>57.6</b>	<b>12%</b>
<b>Depreciation and amortization expense</b>	<b>11.1</b>	<b>5.5</b>	<b>101%</b>
<b>Other expenses</b>	<b>102.0</b>	<b>75.1</b>	<b>36%</b>
<b>Total Expenditure</b>	<b>843.0</b>	<b>805.0</b>	<b>5%</b>
<b>Profit from Operations before Other Income, Interest &amp; Exceptional Items</b>	<b>235.9</b>	<b>195.6</b>	<b>21%</b>
<b>Other Income</b>	<b>18.7</b>	<b>9.4</b>	<b>98%</b>
<b>Profit before Interest and Exceptional Items</b>	<b>254.6</b>	<b>205.1</b>	<b>24%</b>
<b>Interest</b>	<b>64.3</b>	<b>137.4</b>	
<b>Profit after Interest but before Exceptional Items</b>	<b>190.3</b>	<b>67.7</b>	<b>181%</b>
<b>Tax Expenses</b>	<b>76.7</b>	<b>40.5</b>	<b>90%</b>
<b>Net Profit</b>	<b>113.6</b>	<b>27.2</b>	<b>318%</b>

### Operating Revenue

The Company registered an 8% increase in the operating revenues. The Company made significant gains in Arihant Amodini and Arihant Arshiya projects.

### Expenditure

The other expenditures of the company increased by 36%. An increase of 101% in the depreciation expenses is largely on account of change in policy as per Companies Act, 2013.

### Employee Salary

With the increased remuneration and headcount, the annual employee benefit expenses increased by 12%



**Outlook**

We believe that the industry is going through a cycle which is typical of this sector. After a continuous boom of almost five to six years at a stretch, we have seen some softness in the last two years and we believe that this softness in the market will continue for another year or so. Despite this, we believe that there exists a market for a specific product at a specific price point and if we are able to cater to this demand, the pain and softness that is there in the segment can be alleviated to a great extent. This would ensure that the revenue run rate continues to show a decent trend with an upward bias while profitability margins might not follow the same trajectory.

As far as our projects are concerned, a number of projects have already been launched in the previous two to three years and we would see traction from those launches contributing to the financials of the next two years. We do not see any decline in the units sold compared to last year while the Company is also focussing on innovation in product design so that the customer gets a product that he desires, his requirements are matched and at a budget that he can afford.

The Company going forward would also focus on city centric projects and would lay emphasis on redevelopment projects where the turnaround time as well as other administrative procedures are easier to handle with a quick turnaround time. This is in addition to our core focus on affordable housing. We believe that this strategy of ours would play out in the long run as we believe that the sector still has intrinsic strengths and as long as the developer is able to cater to the specific demand of the buyer, there is a market waiting to be tapped.

## INDEPENDENT AUDITOR'S REPORT

To

**The Members of  
Arihant Superstructures Ltd.**

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

We have audited the accompanying standalone financial statements of M/s **Arihant Superstructures Ltd.** ('the Company'), which comprise the Balance Sheet as at **31<sup>st</sup> March, 2015** 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**

The Company's Board of Directors is responsible for the matter stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone 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 principles generally accepted in India, including the Accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the company and for the preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matter which are required to be included in the audit report under provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. The Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statement is 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the company has in place and adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by company directors, 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 on standalone financial statements.

### **Opinion**

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at **31<sup>st</sup> March, 2015**
- (b) In the case of the Statement of Profit and Loss, of the **profit** for the year ended on that date;

(c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by 'the Companies (Auditor's Report) Order, 2015 ( "the Order" ) issued by the Central Government of India in terms of sub section (11) of section 143 of the Act , we give in the Annexure a statement on the matter specified in the paragraph 3 and 4 of the order , to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the 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 aforesaid standalone financial statements comply with the Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of written representations received from the directors as on 31st March, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of section 164 (2) of the Act; and
  - (f) With respect to the other matters to be included in the Auditor's Reports in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 2.16 to the financial statements.
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Sd/-**  
**Dipesh Mehta**  
**Partner**  
**Mem. No. 134607**

**Place : Mumbai**  
**Date : 28/05/2015**



## ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the Standalone financial statement for the year ended 31st March 2015, we report that:

- (i) a) The company has maintained proper records showing full particulars, including quantities details and situation of fixed assets.
- b) The Company has regular programme of physical verification of its fixed assets. As per information and explanation given to us no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
- (ii) a) According to the information and explanation given to us, the inventory is physically verified during the year by the management of the company. In our opinion, the frequency of such verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of company and nature of its business.
- c) As Per explanation provided by the management the company is maintaining proper records of Inventory and no discrepancies were noticed on verification between physical inventories and books records.
- (iii) The Company has granted unsecured loans, to six companies covered in the register maintained under Section 189 of the Act.
  - a) In respect of the aforesaid loan, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
  - b) In respect of the aforesaid loans, in the cases where the overdue amount is more than Rupees One Lakh, in our opinion, reasonable steps have been taken by the Company for the recovery of the principal amounts and interest.
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and its nature of its business with regard to purchase of material, fixed assets and with regards to sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) The Company has not accepted any deposit from the public within the meaning of section 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- (vi) The Central Government of India has prescribed the maintenance of cost records under section 148 (1) of the Act, however, as per information and explanations given to us, the said provisions are not applicable to the Company.
- (vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Income Tax, Sales Tax, Service Tax, though there has been a slight delay in payment of Professional Tax, with the appropriate authorities.

According to the information and explanations given to us , no undisputed amounts payable in respect of provident fund , income tax , sales tax , wealth tax, service tax duty of customs value added tax, cess and other material statutory dues were in arrears as at 31st March 2015 for the period of more than six months from the date they became payable other than Works Contracts Tax amounting to Rs. 63,366 which was paid beyond the period of 6 months since it became payable.

- b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, wealth-tax, service-tax, duty of excise, value added tax, cess which have not been deposited on account of any dispute. The particulars of dues of income tax as at 28/05/2015 which have not been deposited on account of a dispute, are as follows;

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	32,24,840/-	F.Y. 2011-12	CIT Appeals

- c) Accordingly to the information and explanation given to us the amounts which were required to transferred to the investor protection fund in accordance with the relevant provision of the Companies Act, 1956 and the rules there under has been transferred to such fund within time.
- (viii) The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended as on that date or in the immediately preceding financial year.
- (ix) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date.
- (x) The company has given guarantee of Rs. 16,60,00,000/- for loan taken by associate (Arihant Technoinfra Pvt. Ltd.) from Bank. In our opinion, the terms and conditions whereof are not prejudicial to the interest of the company.
- (xi) In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- (xii) According to the information and explanation given to us, no material fraud on or by the company has been noticed or reported during the course of our audit.

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

**Sd/-**  
**Dipesh Mehta**  
**Partner**  
**Mem. No. 134607**

**Place : Mumbai**  
**Date : 28/05/2015**

## BALANCE SHEET AS AT

(Amount in ₹)

Particulars	Notes	As at 31 March, 2015	As at 31 March, 2014
<b>A EQUITY AND LIABILITIES</b>			
<b>I Shareholders' funds</b>			
(a) Share capital	3	41,15,99,910	41,15,99,910
(b) Reserves and surplus	4	32,81,90,750	24,58,30,330
		<u>73,97,90,660</u>	<u>65,74,30,240</u>
<b>2 Share application money pending allotment</b>		-	-
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	5	30,09,48,648	19,66,86,529
(b) Deferred tax liabilities (net)	27	11,90,773	15,83,463
		<u>30,21,39,421</u>	<u>19,82,69,992</u>
<b>4 Current liabilities</b>			
(a) Short-term borrowings	6	7,04,41,998	21,13,19,725
(b) Trade payables	7	5,24,04,909	6,32,38,960
(c) Other current liabilities	8	77,03,43,064	53,74,44,438
(d) Short Term provisions	9	9,36,40,345	4,86,20,145
		<u>98,68,30,316</u>	<u>86,06,23,268</u>
<b>TOTAL</b>		<u><u>2,02,87,60,397</u></u>	<u><u>1,71,63,23,500</u></u>
<b>B ASSETS</b>			
<b>I Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10.A	2,01,24,479	2,45,70,607
(ii) Intangible assets	10.B	6,00,766	11,56,710
(b) Non-current investments	11	1,06,87,800	1,07,01,000
(c) Loans & Advances	12	35,46,29,770	3,21,29,770
		<u>38,60,42,815</u>	<u>6,85,58,087</u>
<b>2 Current assets</b>			
(a) Current Investment	13	3,24,941	6,70,293
(b) Inventories	14	1,20,70,44,508	80,03,49,916
(c) Trade receivables	15	3,76,00,258	1,87,86,323
(d) Cash and cash equivalents	16	2,03,17,235	2,77,24,937
(e) Short-term loans and advances	17	22,18,31,638	54,31,00,242
(f) Other Current Assets	18	15,55,99,002	25,71,33,702
		<u>1,64,27,17,582</u>	<u>1,64,77,65,413</u>
<b>TOTAL</b>		<u><u>2,02,87,60,397</u></u>	<u><u>1,71,63,23,500</u></u>
See accompanying notes forming part of the financial statements		I & 2	

In terms of our report attached.  
**M/S KAILASH CHAND JAIN & CO.**  
CHARTERED ACCOUNTANTS  
Firm Reg. No.: 112318W

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

Place : Mumbai  
Date : 28/05/2015

For and on behalf of the Board of Directors

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

**Sd/-**  
**Puja Agrawal**  
Company Secretary

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

**Sd/-**  
**Aman Verma**  
CFO



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED**

(Amount in ₹)

Particulars	Notes	31st March 2015	31st March 2014
<b>1</b> Revenue from operations	19	<b>58,76,19,048</b>	48,36,33,170
<b>2</b> Other income	20	<b>6,13,47,327</b>	7,97,92,736
<b>3 Total revenue (1 + 2)</b>		<b>64,89,66,375</b>	56,34,25,906
<b>4 Expenses</b>			
(a) Cost of construction, land and development expenses	21.a	<b>77,71,94,352</b>	55,96,89,300
(b) Purchase of stock in trade		-	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21.b	<b>(40,66,94,592)</b>	(19,26,08,828)
(d) Employee benefits expense	22	<b>2,92,59,674</b>	2,72,92,350
(e) Finance costs	23	<b>4,19,03,152</b>	7,46,14,975
(f) Depreciation expense	10	<b>53,27,237</b>	35,13,556
(g) Other expenses	24	<b>5,87,10,351</b>	4,88,94,012
<b>Total expenses</b>		<b>50,57,00,174</b>	52,13,95,365
<b>5 Profit / (Loss) before tax (3 - 4)</b>		<b>14,32,66,200</b>	4,20,30,541
<b>6 Tax expense:</b>			
(a) Current tax expense		<b>4,64,81,600</b>	1,35,02,960
(b) Deferred tax		<b>(3,92,691)</b>	5,73,841
<b>7 Profit / (Loss) from continuing operations (5-6)</b>		<b>9,71,77,291</b>	2,79,53,740
<b>8 Earnings per share (of Rs.10/- each):</b>			
(a) Basic	26	<b>2.36</b>	0.68
See accompanying notes forming part of the financial statements	I & 2		

In terms of our report attached.  
**M/S KAILASH CHAND JAIN & CO.**  
 CHARTERED ACCOUNTANTS  
 Firm Reg. No.: 112318W

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

Place : Mumbai  
 Date : 28/05/2015

For and on behalf of the Board of Directors

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

**Sd/-**  
**Puja Agrawal**  
 Company Secretary

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

**Sd/-**  
**Aman Verma**  
 CFO

## AUDITED CASH FLOW STATEMENT FOR THE YEAR ENDED

Particulars	(Amount in ₹)	
	31st March 2015	31st March 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and before Extra ordinary Items :	14,32,66,200	4,20,30,541
<b>Adjustment for Non Cash Items</b>		
Depreciation & Amortisation	53,27,237	35,13,556
Interest paid	4,19,03,152	7,46,14,975
Profit on sale of Investment	(4,800)	-
Interest Received	(6,05,14,118)	(7,91,14,982)
	<u>12,99,77,671</u>	<u>4,10,44,090</u>
<b>Changes in Working Capital:-</b>		
(Increase)/ Decrease in Inventories	(40,66,94,592)	(19,26,08,827)
(Increase)/ Decrease in Term Loans & Advances	(12,31,396)	24,01,71,442
(Increase)/ Decrease in Trade & Other Receivable	8,27,20,768	(7,15,08,126)
Increase/ (Decrease) in Current Liabilities & Provision	22,18,31,075	29,66,19,353
Cash flow from operating activities before tax and extraordinary items	<u>2,66,03,526</u>	<u>31,37,17,932</u>
Income tax paid	(40,85,220)	(25,00,000)
Cash flow from operating activities before extraordinary items	<u>2,25,18,306</u>	<u>31,12,17,932</u>
Adjustment for Extraordinary Items	-	-
<b>Cash Generated from Operating Activities</b>	<u>2,25,18,306</u>	<u>31,12,17,932</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Net)	(3,25,165)	(28,44,415)
(Purchase)/Sale of Investments	18,000	(1,00,00,000)
Interest Received	6,05,14,118	7,91,14,982
Profit on sale of Investment	3,45,352	-
<b>Cash Generated from Investment Activities</b>	<u>6,05,52,305</u>	<u>6,62,70,567</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Secured Loans	10,42,62,119	(12,56,44,154)
Increase/(Decrease) in Unsecured Loans	(14,08,77,727)	(13,38,97,691)
Interest paid	(4,19,03,152)	(7,39,20,237)
Dividend and Dividend distribution tax Paid	(1,19,59,551)	(95,67,434)
<b>Cash Generated from Financing Activities</b>	<u>(9,04,78,311)</u>	<u>(34,30,29,515)</u>
Net Increase in Cash & Cash Equivalents	<u>(74,07,700)</u>	<u>3,44,58,984</u>
Opening Balance of Cash & Cash Equivalents	<u>2,77,24,937</u>	<u>(67,34,047)</u>
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<u>2,03,17,237</u>	<u>2,77,24,937</u>

In terms of our report attached.  
**M/S KAILASH CHAND JAIN & CO.**  
CHARTERED ACCOUNTANTS  
Firm Reg. No.: 112318W

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

Place : Mumbai  
Date : 28/05/2015

For and on behalf of the Board of Directors

Sd/-  
**Ashok Chhajjer**  
Chairman & MD

Sd/-  
**Puja Agrawal**  
Company Secretary

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

Sd/-  
**Aman Verma**  
CFO

## NOTES FORMING PART OF THE AUDITED FINANCIAL STATEMENTS

### I Corporate information

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

### 2 Significant accounting policies (Illustrative)

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

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprise mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### 2.2 Use of estimates

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

#### 2.3 Cash flow statement

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

#### 2.4 Inventories

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

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

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

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

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

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

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

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



## NOTES FORMING PART OF THE AUDITED FINANCIAL STATEMENTS

### 2.5 Depreciation and amortisation

Depreciation is provided on straight line basis method over the useful life of asset as prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged.

Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis, commencing from the date the asset is available to the company for its use.

Depreciation and amortization methods, useful lives and residual values are reviewed periodically, including at each financial year end.

### 2.6 Investments

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

### 2.7 Revenue recognition

"Pursuant to issuance of revised Guidance Note on Accounting for Real Estate Transactions (Revised 2012), by The Institute of Chartered Accountants of India (ICAI), the Company revised its Accounting Policy of revenue recognition for all projects commencing on or after April 1, 2012 or project where the revenue is recognised for the first time on or after the above date. For project Arihant Aarohi revenue is recognized during the year due to the fulfilment of conditions of recognizing of revenue as per revised Guidance Note. Whereas projects Arihant Ayati, Remaining Phases of Arihant Adita and Arihant Agrima which came under the purview of the revised guidance note but as at March 31, 2015, the conditions for recognizing revenue for these projects were not met."

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

### 2.8 Other income

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

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

### 2.9 Tangible fixed assets

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

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

### 2.10 Intangible fixed assets

## NOTES FORMING PART OF THE AUDITED FINANCIAL STATEMENTS

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

### 2.11 Borrowing costs

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

### 2.12 Foreign currency transactions and translations

Treatment of exchange differences

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

### 2.13 Taxes on income

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

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

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

### 2.14 Earning Per Share

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

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

### 2.15 Provisions

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

### 2.16 Contingent Liabilities

The Income-Tax Assessments of the company have been completed upto Assessment Year 2012-13. The assessed tax liability exceeds the provisions made, by ₹ 32,24,840/- as on 31 March 2015. Based on the decisions of the Appellate authorities and the Interpretations of other relevant provisions, the Company has been legally advised that the additional demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 3 SHARE CAPITAL

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
6,00,00,000 Equity shares of ₹10 each.	6,00,00,000	60,00,00,000	6,00,00,000	60,00,00,000
1,50,00,000 Preference Shares of ₹10 each.	1,50,00,000	15,00,00,000	1,50,00,000	15,00,00,000
(b) Issued				
Equity shares of ₹10 each with voting rights	4,11,59,991	41,15,99,910	4,11,59,991	41,15,99,910
(c) Subscribed and fully paid up				
Equity shares of ₹10 each with voting rights	4,11,59,991	41,15,99,910	4,11,59,991	41,15,99,910
<b>Total</b>	<b>4,11,59,991</b>	<b>41,15,99,910</b>	<b>4,11,59,991</b>	<b>41,15,99,910</b>

**Notes:**

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

Particulars	Opening Balance	Changes	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2015			
- Number of shares	4,11,59,991	-	4,11,59,991
- Amount (₹)	41,15,99,910	-	41,15,99,910
Year ended 31 March, 2014			
- Number of shares	4,11,59,991	-	4,11,59,991
- Amount (₹)	41,15,99,910	-	41,15,99,910

Class of shares / Name of shareholder (holding more than 5%)	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Ashok B. Chhajer	22151306	53.82	28151306	68.39
Parth A. Chhajer	6000000	14.58	-	-



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**
**4 RESERVES AND SURPLUS**

(Amount in ₹)

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Share Premium		
Opening balance	5,24,39,986	5,24,39,986
Add: addition during the year	-	-
Closing balance	5,24,39,986	5,24,39,986
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	19,33,90,344	17,74,88,323
Add: Profit / (Loss) for the year	9,71,77,291	2,79,53,739
Less: Provision for Dividend	1,23,47,997	1,02,89,998
Less: Provision for Dividend tax	24,68,874	16,69,553
Less: Provision for tax	-	92,167
Closing balance	27,57,50,764	19,33,90,344
<b>Total</b>	<b>32,81,90,750</b>	<b>24,58,30,330</b>

**5 Long-term borrowings**

(Amount in ₹)

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Other loans and advances		
<b>Secured Loans</b>		
Car Loan with Federal Bank Ford-Figo-Jodhpur	26,930	1,79,517
Car Loan with Fedral Bank-Jodhpur(Endever)	10,56,266	15,77,449
Kotak Mahindra Prime Ltd (BMW GT)	5,41,473	17,76,245
Kotak Mahindra Prime Ltd (Mahindra)	10,466	1,37,761
Term Loan A/c Federal Bank -13697100002334 (Ayati)	15,79,16,571	2,13,24,359
Term Loan -HDFC (A/c No-6210177887) ARHAM	-	4,84,89,083
Term Loan ICICI Bank Ltd (Amodini)-A168301001	2,13,96,942	12,32,02,115
<b>Unsecured Loans</b>		
From Others		
Desert Eagle Security Services Pvt. Ltd	7,00,00,000	-
Good Fly Distributors Pvt Ltd	3,00,00,000	-
Viratra Investment Consultants & Trading P. L	2,00,00,000	-
<b>Total</b>	<b>30,09,48,648</b>	<b>19,66,86,529</b>

Note :

1. Term Loan from ICICI Bank is secured against land (with all the buildings and structures thereon) at admeasuring about 3949.41 sq.mtrs. Bearing plot no. 4, sector 24, Village Taloja, Taluka Panvel, District Raigad.
2. Term Loan from HDFC Bank is secured against land bearing (i) survey no. 27, hissa no. 2A/1, (ii) survey no. 27, hissa no. 2A/2, (iii) survey no. 25, hissa no. 2 being at Village Koproli, Taluka Panvel, District Raigad together with construction thereon present and future.
3. Term Loan from Federal Bank is secured against land (with all the buildings and structures thereon) at admeasuring about 192786 sq.mtrs. Bearing plot no. 6, 7, 8 & 9 at Pal Link Road, Dev Nagar, Jodhpur, Rajasthan.
4. Vehicles loans are secured against the vehicle itself.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

**6 SHORT-TERM BORROWINGS**

(Amount in ₹)

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Loans repayable on demand		
(i) Unsecured Loans		
<b>Loans From Directors</b>		
Ashok B Chhajer	4,22,39,256	7,84,19,347
Nimesh Shah	5,90,120	5,19,929
<b>Loan From Others</b>		
Adinath Realty Pvt. Ltd.	2,37,03,751	1,78,30,783
Desert Eagle Security Services Pvt. Ltd.	18,22,396	6,32,79,644
Sarvodaya Refinery Pvt. Ltd.	-	30,00,000
Viratra Investment Consultants & Trading Pvt. Ltd.	-	2,00,00,000
Good Fly Distributors Pvt Ltd	20,86,475	2,82,70,022
<b>Total</b>	<b>7,04,41,998</b>	<b>21,13,19,725</b>

**7 TRADE PAYABLES**

(Amount in ₹)

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Trade payables:		
Sundry creditors	2,23,18,932	4,17,13,044
Retention	3,00,85,977	2,15,25,916
<b>Total</b>	<b>5,24,04,909</b>	<b>6,32,38,960</b>

**8 OTHER CURRENT LIABILITIES**

(Amount in ₹)

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Bookings	72,83,99,302	52,27,12,277
(b) Customer security deposit	21,03,262	19,09,667
(c) Other payables		
(i) Statutory remittances		
VAT Payable	16,01,064	3,09,295
Service tax payable	9,74,941	(61,19,051)
TDS Payable	21,92,213	23,63,915
WCT - Sales Tax	6,08,591	-
(ii) Others		
Gratuity Payable	4,66,718	4,66,718
Bank O/D	2,98,37,674	1,11,78,041
Salary Payable	31,80,106	36,82,152
Other liabilities	9,79,193	9,41,424
<b>Total</b>	<b>77,03,43,064</b>	<b>53,74,44,438</b>

**9 SHORT TERM PROVISIONS**

(Amount in ₹)

Particulars	As at 31 March, 2015	As at 31 March, 2014
Provision for Income Tax	7,87,37,814	3,63,41,434
Provision for Dividend	1,23,47,997	1,02,89,998
Provision for Dividend tax	24,68,874	16,69,553
Provision for Expenses	85,660	3,19,160
<b>Total</b>	<b>9,36,40,345</b>	<b>4,86,20,145</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**
**Note 10 FIXED ASSETS**

A.	Tangible assets	Gross block			Accumulated depreciation and impairment			Net block	
		Balance as at 1 April, 2014	Additions	Disposals	Balance as at 31 March, 2015	Balance as at 1 April, 2014	Depreciation for the year	Balance as at 31 March, 2015	Balance as at 31 March, 2014
		₹	₹	₹	₹	₹	₹	₹	₹
(a)	Building Owned	16,44,720	-	-	16,44,720	98,203	48,808	1,47,011	14,97,709
	Shop (A. Siddhi)								15,46,517
(b)	Computer Owned	24,60,914	2,31,900	-	26,92,814	13,09,958	9,64,741	22,74,699	4,18,115
	Computer	1,66,249	17,934	-	1,84,183	85,827	71,555	1,57,382	26,801
	Printer	1,80,100	-	-	1,80,100	94,202	76,888	1,71,090	80,422
	UPS	1,55,509	-	-	1,55,509	88,297	35,076	1,23,373	9,010
	Scanner								85,898
(c)	Plant and Equipment Owned	6,91,017	-	-	6,91,017	87,403	1,08,724	1,96,127	67,212
	Construction Machinery	2,10,500	-	-	2,10,500	12,245	27,708	39,953	6,03,614
	Container	3,97,007	-	-	3,97,007	29,811	54,112	83,923	1,98,255
	Generator	29,500	-	-	29,500	5,945	5,880	11,825	3,67,196
	Projector								23,555
(d)	Furniture and Fixtures Owned	38,18,227	43,500	-	38,61,727	7,69,066	4,22,997	11,92,063	30,49,161
(e)	Vehicles Owned	1,12,495	-	-	1,12,495	35,829	10,724	46,553	76,666
	Motor Cycle	2,10,90,354	-	-	2,10,90,354	58,28,112	23,86,216	82,14,328	1,52,62,242
	Motor Car								
(f)	Equipment Owned	1,69,879	26,180	-	1,96,059	20,733	59,641	80,374	1,49,146
	Camera	5,43,105	5,651	-	5,48,756	61,105	1,75,433	2,36,538	4,82,000
	Equipment	2,34,650	-	-	2,34,650	32,465	80,596	1,13,061	2,02,185
	Television	4,56,750	-	-	4,56,750	69,687	67,348	1,37,035	3,87,063
	Air Conditioner	3,50,000	-	-	3,50,000	47,922	55,605	1,03,527	3,02,078
	D.G. Set	92,000	-	-	92,000	2,023	18,816	20,839	89,977
	Battery & Inverter	99,750	-	-	99,750	6,711	13,376	20,087	79,663
	Mini Lift	3,28,057	-	-	3,28,057	45,736	54,396	1,00,132	93,039
	Mobile	65,612	-	-	65,612	8,999	26,596	35,595	2,82,321
	Note Counting Machine	17,600	-	-	17,600	3,111	6,056	9,167	56,613
	Refrigerator								14,489
<b>Total</b>		<b>3,33,13,995</b>	<b>3,25,165</b>	-	<b>3,36,39,160</b>	<b>87,43,389</b>	<b>47,71,292</b>	<b>1,35,14,681</b>	<b>2,45,70,606</b>
<b>Previous year</b>		<b>3,05,94,580</b>	<b>27,19,415</b>	-	<b>3,33,13,995</b>	<b>59,76,055</b>	<b>27,67,334</b>	<b>87,43,389</b>	<b>2,46,18,525</b>
B.	Intangible assets	Gross block			Accumulated depreciation and impairment			Net block	
		Balance as at 1 April, 2014	Additions	Disposals	Balance as at 31 March, 2015	Balance as at 1 April, 2014	Depreciation for the year	Balance as at 31 March, 2015	Balance as at 31 March, 2014
		₹	₹	₹	₹	₹	₹	₹	₹
(a)	Computer Software	36,95,586	-	-	36,95,586	25,61,420	5,46,373	31,07,793	11,34,166
(b)	Software JDH	25,357	-	-	25,357	16,312	5,072	21,384	9,045
(c)	Trade Mark	88,500	-	-	88,500	75,000	4,500	79,500	13,500
<b>Total</b>		<b>38,09,443</b>	<b>-</b>	<b>-</b>	<b>38,09,443</b>	<b>26,52,732</b>	<b>5,55,945</b>	<b>32,08,677</b>	<b>11,56,711</b>
<b>Previous year</b>		<b>36,84,443</b>	<b>1,25,000</b>	<b>-</b>	<b>38,09,443</b>	<b>19,06,511</b>	<b>7,46,221</b>	<b>26,52,732</b>	<b>17,77,932</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

**11 Non-current investments** (Amount in ₹)

Particulars	As at 31 March, 2015 Unquoted	As at 31 March, 2014 Unquoted
<b>Investments (At cost):</b>		
A. <u>Trade</u>		
(a) Investment in equity instruments		
(i) of Subsidiaries/Associates		
Arihant Abode Ltd.	3,00,000	3,00,000
Adeshwar Realty Pvt Ltd	1,10,000	1,10,000
Arihant Aashiyana Pvt Ltd	1,05,000	1,05,000
Arihant Gruhnirman Pvt Ltd	60,000	60,000
Arihant Technoinfra Pvt Ltd	52,800	66,000
Arihant Vatika Realty Pvt. Ltd	60,000	60,000
(b) Investment in Properties		
Sai Mahaavir Developers	1,00,00,000	1,00,00,000
<b>Total</b>	<b>1,06,87,800</b>	<b>1,07,01,000</b>

**12 Long term loans and advances** (Amount in ₹)

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>Security Deposits</b>		
Ashok B Chhajer (Deposit Jodhpur Office)	20,00,000	20,00,000
Deposit-JDA	25,00,000	25,00,000
Deposit-Jodhpur Development Authority	50,00,000	50,00,000
J.V.V.N. Ltd Agrima	2,93,949	2,93,949
J.V.V.N. Ltd , Jodhpur	51,380	51,380
Security Deposit-Nagar Nigam Jodhpur-Ayati	10,65,000	10,65,000
Debris Deposit A/c (A-Arohi)	6,10,056	6,10,056
Permission Deposit A/c (A-Arohi)	5,64,302	5,64,302
Registrar City Civil Court	45,083	45,083
Sangeeta Chhajer (Deposit Ag. Office)	2,00,00,000	2,00,00,000
<b>Loan and advances to related parties</b>		
(Unsecured, considered good)		
Arihant Aashiyana Pvt Ltd	7,50,00,000	-
Arihant Technoinfra Pvt.Ltd.	9,00,00,000	-
Arihant Abode Ltd	5,50,00,000	-
Arihant Gruhnirman Pvt. Ltd	5,25,00,000	-
Arihant Vatika Realty Pvt Ltd	5,00,00,000	-
<b>Total</b>	<b>35,46,29,770</b>	<b>3,21,29,770</b>

**13 Current investments** (Amount in ₹)

Particulars	As at 31 March, 2015	As at 31 March, 2014
Investment in LLP		
Arihant Aksh Realty LLP(Current A\c)	3,24,941	6,70,293
<b>Total</b>	<b>3,24,941</b>	<b>6,70,293</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

<b>14 Inventories</b>	(Amount in ₹)	
<b>Particulars</b>	<b>As at 31 March, 2015</b>	<b>As at 31 March, 2014</b>
(a) Finished goods	1,68,88,957	2,24,27,730
(b) Work in Progress	1,15,46,37,443	77,79,22,186
(c) Raw Material	3,55,18,108	-
<b>Total</b>	<b>1,20,70,44,508</b>	<b>80,03,49,916</b>
<b>15 Trade receivables</b>	(Amount in ₹)	
<b>Particulars</b>	<b>As at 31 March, 2015</b>	<b>As at 31 March, 2014</b>
Trade receivables		
Unsecured, considered good	3,76,00,258	1,87,86,323
<b>Total</b>	<b>3,76,00,258</b>	<b>1,87,86,323</b>
<b>16 Cash and cash equivalents</b>	(Amount in ₹)	
<b>Particulars</b>	<b>As at 31 March, 2015</b>	<b>As at 31 March, 2014</b>
(a) Cash on hand	13,46,978	13,70,140
(b) Foreign Currency	2,14,697	1,95,923
(c) Balances with banks		
(i) In current accounts	39,59,222	65,91,374
(ii) In escrow account	-	1,00,000
(iii) In deposit accounts		
Deposits with original maturity for more than 3 months but less than 12 months	22,06,482	56,37,500
Deposits with original maturity within 3 months	1,25,89,856	1,38,30,000
<b>Total</b>	<b>2,03,17,235</b>	<b>2,77,24,937</b>
<b>17 Short-term loans and advances</b>	(Amount in ₹)	
<b>Particulars</b>	<b>As at 31 March, 2015</b>	<b>As at 31 March, 2014</b>
(a) Loans and advances to related parties		
Unsecured, considered good		
Adeshwar Realty Pvt Ltd	-	18,63,12,043
Arihant Aashiyana Pvt Ltd	1,14,191	11,89,54,390
Arihant Abode Ltd	11,46,833	4,52,94,117
Arihant Gruhnirman Pvt.Ltd.	14,22,590	4,69,03,149
Arihant Technoinfra Pvt.Ltd.	3,56,07,432	7,76,52,601
Arihant Vatika Realty Pvt. Ltd.	9,93,80,821	-
	<b>13,76,71,867</b>	<b>47,51,16,300</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>(b) Security deposits</b>		
Unsecured, considered good		
Deposit-Bombay Stock Exchange	-	16,46,400
Security Deposit-Cidco Ltd-Fire	20,000	20,000
Security Deposit - MSEDCL A-Abhilasha	91,300	91,300
Security Deposit-MSEDCL - A.Arham	16,780	16,780
Security Deposit-MSEDCL - Amodini	41,154	41,154
Thane Municipality Corporation-Deposit	40,000	-
Security Deposit-Cidco Ltd - Abhilasha	1,24,000	1,24,000
	<b>3,33,234</b>	<b>19,39,634</b>
<b>(c) Loans and advances to employees</b>	<b>32,500</b>	<b>1,05,510</b>
	<b>32,500</b>	<b>1,05,510</b>
<b>(d) Advance Tax &amp; Tds</b>		
Advance Tax A.Y.2013-14	1,25,00,000	1,25,00,000
Advance Tax A.Y.2014-15	25,00,000	25,00,000
Advance Tax A.Y.2015-16	1,35,00,000	-
TDS Rec. A.Y. 2012-13	1,48,890	1,48,890
TDS Rec. A.Y. 2013-14	1,14,59,285	1,14,59,285
TDS Rec. A.Y. 2014-15	80,23,660	80,23,660
TDS Rec. A.Y. 2015-16	79,78,316	-
Entry Tax	5,10,000	-
Income Tax Refund	54,017	54,017
	<b>5,66,74,168</b>	<b>3,46,85,852</b>
<b>(e) Others</b>		
Advances Against Land	57,00,000	57,00,000
Anil Corporation, Suchit Bachli & Ankohley & Co.	5,93,470	5,93,470
	<b>62,93,470</b>	<b>62,93,470</b>
<b>(f) Advances given to Creditors</b>	<b>2,08,26,399</b>	<b>2,49,59,476</b>
<b>Total</b>	<b>22,18,31,638</b>	<b>54,31,00,242</b>

**18 Other current assets**

(Amount in ₹)

Particulars	As at 31 March, 2015	As at 31 March, 2014
Land -Arihant Aditha(Gangana) Jodhpur	2,21,72,281	2,21,72,281
Land -Arihant Ayati (Devnagar) Jodhpur	12,89,69,356	12,03,17,340
Land - Ghot	20,21,000	-
Land-(Padle) Arohi	-	11,38,78,500
Prepaid expenses - Unsecured, considered good	1,93,245	1,55,185
Interest accrued on fixed deposits	-	5,36,796
Preliminary Expenses	55,200	73,600
CSR Activities	21,87,920	-
<b>Total</b>	<b>15,55,99,002</b>	<b>25,71,33,702</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**
**19 Revenue from operations**

(Amount in ₹)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
(a) Sale of products (Refer Note (i) below)	<b>58,76,19,048</b>	48,36,33,170
<b>Total</b>	<b>58,76,19,048</b>	48,36,33,170

**Note**

## (i) Manufactured finished/unfinished products

Arihant Arham	<b>1,97,01,250</b>	13,73,88,206
Arihant Aarohi	<b>19,91,29,412</b>	-
Arihant Adita	<b>20,85,87,483</b>	22,72,79,968
Arihant Amodini	<b>16,08,04,103</b>	11,55,85,096
Arihant Abhilasha	-	33,79,900
Extra amenities - Arham	<b>(6,03,200)</b>	-
<b>Total - Sale of products</b>	<b>58,76,19,048</b>	48,36,33,170

**20 Other income**

(Amount in ₹)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
(a) Interest income		
Others (Refer note (i) below)	<b>6,05,14,119</b>	7,91,14,982
(b) Other non-operating income (Refer note (ii) below)	<b>8,33,208</b>	6,77,754
<b>Total</b>	<b>6,13,47,327</b>	7,97,92,736

**Note**

## (i) Interest income comprises:

Fixed Deposits	<b>5,84,979</b>	4,76,662
Other balances	<b>5,99,29,140</b>	7,86,38,320
<b>Total - Interest income</b>	<b>6,05,14,119</b>	7,91,14,982

## (ii) Other non-operating income comprises:

Rent Received	-	35,000
Insurance Claim Received	<b>55,542</b>	61,329
Profit on Sale of Share	<b>4,800</b>	-
Share Profit-Arihant Aksh Reality LLP	<b>(2,04,982)</b>	-
Gain on Foreign Exchange Fluctuation	<b>42,076</b>	-
Welfare fund	<b>4,08,620</b>	3,77,509
Discount Received	<b>5,27,152</b>	2,03,916
<b>Total - Other non-operating income</b>	<b>8,33,208</b>	6,77,754

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

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

(Amount in ₹)

	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Purchases (Refer note (i) below)	31,12,05,604	29,60,97,767
Land Cost (Refer note (ii) below)	15,33,87,498	65,35,747
Direct Expenses (Refer note (iii) below)	31,26,01,250	25,70,55,786
<b>Total</b>	<b>77,71,94,352</b>	<b>55,96,89,300</b>

**Notes :**

i) Purchases

Arihant Arham	1,86,168	3,48,40,570
Arihant Adita	19,20,17,982	14,56,24,610
Arihant Arohi	4,90,43,347	1,14,63,724
Arihant Ayati	2,65,65,716	2,65,23,342
Arihant Amodini	2,95,50,808	3,20,02,648
Arihant Abhilasha	-	1,24,98,336
Arihant Agrima	1,38,41,583	3,31,44,537
	<b>31,12,05,604</b>	<b>29,60,97,767</b>

ii) Land Cost

Arihant Arohi	15,33,87,498	-
Arihant Adita	-	65,35,747
	<b>15,33,87,498</b>	<b>65,35,747</b>

iii) Direct Expenses

Arihant Arham	32,47,272	1,08,86,476
Arihant Adita	13,88,68,459	10,60,05,130
Arihant Arohi	5,12,98,992	2,05,41,451
Arihant Ayati	2,90,05,816	1,92,54,633
Arihant Amodini	2,17,25,747	3,34,91,922
Arihant Abhilasha	-	5,03,364
Arihant Agrima	6,84,54,964	6,63,72,810
	<b>31,26,01,250</b>	<b>25,70,55,786</b>

**21. b Changes in inventories of finished goods**

(Amount in ₹)

	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<u>Inventories at the end of the year:</u>		
Traded goods (Refer note (i) below)	1,68,88,957	2,24,27,730
Incomplete projects (WIP) (Refer note (ii) below)	1,15,46,37,443	77,79,22,186
Raw Material at site (Refer note (iii) below)	3,55,18,108	-
	<b>1,20,70,44,508</b>	<b>80,03,49,916</b>
<u>Inventories at the beginning of the year:</u>		
Traded goods (Refer note (iv) below)	2,24,27,730	94,45,578
Incomplete projects (WIP) (Refer note (v) below)	77,79,22,186	59,82,95,510
	<b>80,03,49,916</b>	<b>60,77,41,088</b>
<b>Net (increase) / decrease</b>	<b>(40,66,94,592)</b>	<b>(19,26,08,828)</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>Notes :</b>		
<b>Inventories at the end of the year :</b>		
i) Traded goods		
Arihant Arham	1,68,88,957	2,24,27,730
	<u>1,68,88,957</u>	<u>2,24,27,730</u>
ii) Incomplete projects (WIP)		
Arihant Adita Phase -I	18,62,36,178	14,16,75,637
Arihant Adita Phase -II	8,97,45,810	6,95,84,654
Arihant Adita Phase -III	8,43,35,104	65,79,095
Arihant Adita Phase -IV	65,63,670	
Arihant Arohi	17,96,96,310	5,20,52,664
Arihant Ayati	12,52,23,270	7,06,35,424
Arihant Amodini	11,01,51,748	14,34,30,756
Arihant Agreeema	37,26,85,353	29,39,63,956
	<u>1,15,46,37,443</u>	<u>77,79,22,186</u>
iii) Raw Material at site		
Arihant Arohi	30,45,878	-
Arihant Adita Phase -I	90,46,947	-
Arihant Adita Phase -II	1,33,546	-
Arihant Adita Phase -III	1,79,88,038	-
Arihant Adita Phase -IV	67,228	-
Arihant Agreeema	35,24,911	-
Arihant Ayati	12,04,738	-
Arihant Amodini	5,06,822	-
	<u>3,55,18,108</u>	<u>-</u>
<b>Inventories at the beginning of the year :</b>		
iv) Traded goods		
Arihant Arham	2,24,27,730	94,45,578
	<u>2,24,27,730</u>	<u>94,45,578</u>
v) Incomplete projects (WIP)		
Arihant Arham	-	9,54,04,554
Arihant Adita -I	14,16,75,637	11,29,68,701
Arihant Adita Phase -II	6,95,84,654	1,75,00,000
Arihant Adita Phase -III	65,79,095	-
Arihant Arohi	5,20,52,664	2,00,87,254
Arihant Ayati	7,06,35,424	2,49,55,260
Arihant Amodini	14,34,30,756	14,33,39,174
Arihant Abhilasha	-	-
Arihant Agreeema	29,39,63,956	18,40,40,567
	<u>77,79,22,186</u>	<u>59,82,95,510</u>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

**22 Employee benefits expense**

(Amount in ₹)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Salaries, wages and bonus (Refer note (i) below)	2,83,82,053	2,62,74,784
Staff welfare expenses	9,41,321	8,26,466
Contribution to provident fund	(63,700)	1,91,100
<b>Total</b>	<b>2,92,59,674</b>	<b>2,72,92,350</b>

**Notes:**

Salary	2,03,52,923	1,78,48,800
Director Remuneration	80,29,130	84,25,984
<b>Total</b>	<b>2,83,82,053</b>	<b>2,62,74,784</b>

**23 Finance costs**

(Amount in ₹)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
(a) Interest expense on:		
Interest on secured loans	1,36,00,042	3,91,61,262
Interest on unsecured loans	2,82,03,110	3,43,27,412
(b) Others		
Loan Processing fees	1,00,000	11,26,300
<b>Total</b>	<b>4,19,03,152</b>	<b>7,46,14,974</b>

**24 Other expenses**

(Amount in ₹)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Selling & Distribution (Refer note (24.i))	1,41,56,706	1,49,42,854
Legal and Professional Fees (Refer note (24.ii))	52,79,744	40,50,471
Rent, Rates & Taxes (Refer note (24.iii))	13,06,737	14,03,825
CSR expenses	34,120	8,81,681
Compensation	2,03,59,810	1,29,28,475
Donation	1,00,000	11,45,600
Directors Sitting Fees	5,90,000	3,55,000
Audit fees	5,75,000	4,29,770
ROC Fees	7,100	45,423
Administrative Expenses (Refer note (24.iv))	1,57,68,599	1,16,24,203
Others (Refer note (24.v))	5,32,535	10,86,710
<b>Total</b>	<b>5,87,10,351</b>	<b>4,88,94,012</b>

**Notes:**

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

As auditors	5,75,000	4,29,770
<b>Total</b>	<b>5,75,000</b>	<b>4,29,770</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**
**24. i) Selling and Distribution Expenses**

(Amount in ₹)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Advertisement Expenses	81,89,128	91,58,791
Branding	-	3,77,640
Brochuer Expenses	-	3,60,360
Business Promotion	32,37,307	19,05,619
Compensation	(37,500)	2,72,500
Customer Delight	1,40,026	3,05,499
Exhibition Expenses	6,51,307	4,49,505
Online Marketing	1,65,500	
Retainer	2,15,000	17,50,000
Sales Incentive	20,000	-
Selling & Distribution	38,138	3,52,940
Seminar Expenses	50,000	10,000
Sponsorship Fees	50,000	-
Vat on flat sales	14,37,800	-
<b>Total</b>	<b>1,41,56,706</b>	<b>1,49,42,854</b>

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

(Amount in ₹)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Consultancy Charges	7,95,613	1,28,000
Legal Expenses	28,360	4,45,316
License & Registration Exp.	10,96,493	-
Professional Fees	28,94,103	30,75,828
Retainership Fees For Legal	3,20,000	-
Stamping, Notrisation & Franking Charges	1,45,175	4,01,327
<b>Total</b>	<b>52,79,744</b>	<b>40,50,471</b>

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

(Amount in ₹)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Firm Tax	1,40,370	-
NMMC Property Tax	77,168	77,168
Office Rent	9,60,000	9,60,000
Penalty (Sales Tax)	(1,80,900)	1,80,900
Registration Charges	3,708	4,000
Society Maintenance Charges	3,08,041	1,66,757
Rent - Software	(1,650)	15,000
<b>Total</b>	<b>13,06,737</b>	<b>14,03,825</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

**24. iv) Administrative Expenses**

<b>Particulars</b>	<b>For the year ended 31 March, 2015</b>	<b>For the year ended 31 March, 2014</b>
AMC Charges	87,300	1,34,458
Business Attire Expenses	1,30,273	1,05,617
Communication	15,48,748	15,89,708
Computer Expenses	8,73,857	7,82,836
Electrical Material	17,333	845
Entertainment Expenses	1,12,985	91,670
General Expenses	2,45,969	1,15,766
Information Update Expenses	50,151	9,630
Miscellaneous Expenses	4,00,019	6,51,263
Office Expenses	36,08,726	1,84,752
Postage and Courier	1,85,747	1,60,103
Power,Fuel & Electricity Exp.	10,32,288	8,83,261
Printing & Stationery	5,34,629	5,26,925
Repairs and Maintenance	50,655	1,11,045
Sundry Balances Written Off	30,211	41,820
Tender Fees (GSIDC-GOA)	10,500	-
Travelling and conveyance	24,63,893	20,69,100
Vehicle Expenses	43,85,315	41,65,405
<b>Total</b>	<b>1,57,68,599</b>	<b>1,16,24,203</b>

**24. v) Others**

<b>Particulars</b>	<b>For the year ended 31 March, 2015</b>	<b>For the year ended 31 March, 2014</b>
Bank Charges	53,977	26,819
Insurance Charges & Exp.	1,09,895	66,439
Interest on Income Tax	-	6,94,738
Interest on Professional Tax	-	4,000
Interest on Service Tax	24,041	1,95,658
Interest on TDS	34,961	74,538
Interest on VAT	4,261	-
Membership Fees	2,87,000	6,118
Preliminary Expenses Written Off	18,400	18,400
<b>Total</b>	<b>5,32,535</b>	<b>10,86,710</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**
**25 Disclosures under Accounting Standards 18**
**Related party transactions**
**Details of related parties:**

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

Note: Related parties have been identified by the Management.

**Details of related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March, 2015:**

	Subsidiaries / Associates	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
<b>I. Transactions during the year :</b>					
<b>Loans &amp; Advances Given</b>					
1. Arihant Abode Ltd.	13,67,00,000	-	-	-	13,67,00,000
2. Arihant Aashiyana Pvt. Ltd.	9,35,00,000	-	-	-	9,35,00,000
3. Adeshwar Realty Pvt. Ltd.	6,48,06,513	-	-	-	6,48,06,513
4. Arihant Gruhnirman Pvt. Ltd.	1,67,50,000	-	-	-	1,67,50,000
5. Arihant Vatika Realty Pvt. Ltd.	17,80,00,000	-	-	-	17,80,00,000
6. Arihant Technoinfra Pvt. Ltd.	8,69,91,203	-	-	-	8,69,91,203
<b>Loan &amp; Advances Given Received</b>					
1. Arihant Abode Ltd.	12,92,00,000	-	-	-	12,92,00,000
2. Arihant Aashiyana Pvt. Ltd.	15,00,00,000	-	-	-	15,00,00,000
3. Adeshwar Realty Pvt. Ltd.	26,62,56,644	-	-	-	26,62,56,644
4. Arihant Gruhnirman Pvt. Ltd.	1,52,00,000	-	-	-	1,52,00,000
5. Arihant Vatika Realty Pvt. Ltd.	3,45,00,000	-	-	-	3,45,00,000
6. Arihant Technoinfra Pvt. Ltd.	5,00,00,000	-	-	-	5,00,00,000
<b>Interest Received</b>					
1. Arihant Abode Ltd.	37,25,241	-	-	-	37,25,241
2. Arihant Aashiyana Pvt. Ltd.	1,40,66,446	-	-	-	1,40,66,446
3. Adeshwar Realty Pvt. Ltd.	1,68,20,098	-	-	-	1,68,20,098
4. Arihant Gruhnirman Pvt. Ltd.	60,77,157	-	-	-	60,77,157
5. Arihant Vatika Realty Pvt. Ltd.	65,34,246	-	-	-	65,34,246
6. Arihant Technoinfra Pvt. Ltd.	1,21,81,809	-	-	-	1,21,81,809

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

**Details of related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March, 2015:**

	<b>Subsidiaries / Associates</b>	<b>KMP</b>	<b>Relatives of KMP</b>	<b>Entities in which KMP / relatives of KMP have significant influence</b>	<b>Total</b>
<b>Loan Taken</b>					
1. Ashok B. Chhajer	-	11,37,25,946	-	-	11,37,25,946
2. Adinath Realty Pvt. Ltd.	-	-	-	1,01,00,000	1,01,00,000
<b>Loan Repaid</b>					
1. Ashok B. Chhajer	-	15,73,28,885	-	-	15,73,28,885
2. Adinath Realty Pvt. Ltd.	-	-	-	70,00,000	70,00,000
<b>Interest Paid</b>					
1. Ashok B. Chhajer	-	82,47,609	-	-	82,47,609
2. Nimesh Shah	-	77,990	-	-	77,990
3. Adinath Realty Pvt. Ltd.	-	-	-	30,81,076	30,81,076
<b>Directors Remuneration</b>					
1. Ashok B. Chhajer	-	24,00,000	-	-	24,00,000
2. Nimesh Shah	-	28,45,357	-	-	28,45,357
3. Dinkar Samant	-	30,01,130	-	-	30,01,130
<b>II. Balance Outstanding at the year end :</b>					
1. Arihant Abode Ltd.					
Closing Balance	5,61,46,833	-	-	-	5,61,46,833
Opening Balance	(4,52,94,117)	-	-	-	(4,52,94,117)
2. Arihant Aashiyana Pvt. Ltd.					
Closing Balance	7,51,14,191	-	-	-	7,51,14,191
Opening Balance	(11,89,54,390)	-	-	-	(11,89,54,390)
3. Arihant Gruhnirman Pvt. Ltd.					
Closing Balance	5,39,22,590	-	-	-	5,39,22,590
Opening Balance	(4,69,03,149)	-	-	-	(4,69,03,149)
4. Arihant Vatika Realty Pvt. Ltd.					
Closing Balance	14,93,80,821	-	-	-	14,93,80,821
Opening Balance	-	-	-	-	-
5. Arihant Technoinfra Pvt. Ltd.					
Closing Balance	12,56,07,432	-	-	-	12,56,07,432
Opening Balance	(7,76,52,601)	-	-	-	(7,76,52,601)
6. Ashok B. Chhajer					
Closing Balance	-	4,22,39,256	-	-	4,22,39,256
Opening Balance	-	(7,84,19,347)	-	-	(7,84,19,347)
7. Nimesh Shah					
Closing Balance	-	5,90,120	-	-	5,90,120
Opening Balance	-	(5,19,929)	-	-	(5,19,929)

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**
**Details of related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March, 2015:**

	Subsidiaries / Associates	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
8. Adinath Realty Pvt. Ltd.					
Closing Balance	-	-	-	2,37,03,751	2,37,03,751
Opening Balance	-	-	-	(1,78,30,783)	(1,78,30,783)
9. Sangeeta A. Chhajer (Deposit)					
Closing Balance	-	-	2,00,00,000	-	2,00,00,000
Opening Balance	-	-	(2,00,00,000)	-	(2,00,00,000)
10. Ashok B. Chhajer (Deposit)					
Closing Balance	-	20,00,000	-	-	20,00,000
Opening Balance	-	(20,00,000)	-	-	(20,00,000)
11. Sai Mahaavir Developers					
Closing Balance	-	-	-	1,00,00,000	1,00,00,000
Opening Balance	-	-	-	(1,00,00,000)	(1,00,00,000)

**26 Disclosures under Accounting Standards 20**

(Amount in ₹)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>Earnings per share</b>		
<u>Basic</u>		
<u>Continuing operations</u>		
Net profit / for the year from continuing operations attributable to the equity shareholders	<b>9,71,77,291</b>	2,79,53,740
Weighted average number of equity shares	<b>4,11,59,991</b>	4,11,59,991
Par value per share	<b>10</b>	10
Earnings per share from continuing operations - Basic	<b>2.36</b>	0.68



## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

### **27 Disclosures under Accounting Standards 22**

(Amount in ₹)

<b>Particulars</b>	<b>For the year ended 31 March, 2015</b>	<b>For the year ended 31 March, 2014</b>
<b>Deferred tax (liability) / asset</b>		
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of fixed assets	<b>13,09,754</b>	20,17,161
Tax effect of items constituting deferred tax liability	<b>13,09,754</b>	20,17,161
<u>Tax effect of items constituting deferred tax assets</u>		
Others	<b>1,18,981</b>	4,33,698
Tax effect of items constituting deferred tax assets	<b>1,18,981</b>	4,33,698
<b>Net deferred tax (liability) / asset</b>	<b>(11,90,773)</b>	(15,83,462)

In terms of our report attached.

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

CHARTERED ACCOUNTANTS

Firm Reg. No.: 112318W

**Sd/-**

**Dipesh Mehta**

Partner

M.No.: 134607

Place : Mumbai

Date : 28/05/2015

For and on behalf of the Board of Directors

**Sd/-**

**Ashok Chhajer**  
Chairman & MD

**Sd/-**

**Puja Agrawal**  
Company Secretary

**Sd/-**

**Nimish Shah**  
Whole Time Director

**Sd/-**

**Aman Verma**  
CFO

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**Arihant Superstructures Ltd.**

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of M/s Arihant Superstructures Ltd., which comprise the consolidated Balance Sheet as at 31st March, 2015 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

The Management is responsible for the preparation and presentation 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 the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conduct our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financials 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial control relevant to the Company's preparation and fair 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 but not for the purpose of expressing an opinion on whether the company has in place and adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by company directors, 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 on consolidated financial statements.

### Opinion

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

- (a) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2015
- (b) In the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date;
- (c) In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

**Sd/-**  
**Dipesh Mehta**  
Partner  
Mem. No. 134607

Place : Mumbai  
Date : 28/05/2015

## CONSOLIDATED BALANCE SHEET AS AT

(Amount in ₹)

Particulars	Notes	As at 31 March, 2015	As at 31 March, 2014
<b>A EQUITY AND LIABILITIES</b>			
<b>I Shareholders' funds</b>			
(a) Share capital	3	41,15,99,910	41,15,99,910
(b) Reserves and surplus	4	20,55,94,600	11,95,54,178
		<u>61,71,94,510</u>	<u>53,11,54,088</u>
<b>2 Minority Interest</b>		2,68,63,745	1,46,15,181
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	5	99,08,68,636	29,06,03,081
(b) Deferred tax liabilities (net)	27	21,04,970	29,46,416
		<u>99,29,73,606</u>	<u>29,35,49,497</u>
<b>4 Current liabilities</b>			
(a) Short-term borrowings	6	46,91,02,624	99,48,52,079
(b) Trade payables	7	8,35,19,030	9,86,38,600
(c) Other current liabilities	8	1,62,48,82,467	1,10,06,65,634
(d) Short Term provisions	9	13,24,87,210	7,42,40,748
		<u>2,30,99,91,331</u>	<u>2,26,83,97,061</u>
<b>TOTAL</b>		<u><u>3,94,70,23,192</u></u>	<u><u>3,10,77,15,827</u></u>
<b>B ASSETS</b>			
<b>I Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10.A	5,25,62,738	5,28,77,298
(ii) Intangible assets	10.B	6,62,577	12,42,151
(b) Non-current investments	11	1,00,00,000	5,46,25,422
(c) Loans & Advances	12	12,21,29,770	10,96,29,770
		<u>18,53,55,084</u>	<u>21,83,74,640</u>
<b>2 Current assets</b>			
(a) Current Investment	13	3,24,941	6,70,293
(b) Inventories	14	1,84,25,46,363	1,30,19,58,135
(c) Trade receivables	15	6,59,45,637	3,23,94,760
(d) Cash and cash equivalents	16	3,07,94,927	5,47,71,016
(e) Short-term loans and advances	17	29,46,71,593	22,94,85,488
(f) Other Current Assets	18	1,52,73,84,647	1,27,00,61,495
		<u>3,76,16,68,108</u>	<u>2,88,93,41,187</u>
<b>TOTAL</b>		<u><u>3,94,70,23,192</u></u>	<u><u>3,10,77,15,827</u></u>

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

In terms of our report attached.  
**M/S KAILASH CHAND JAIN & CO.**  
CHARTERED ACCOUNTANTS  
Firm Reg. No.: 112318W

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

Place : Mumbai  
Date : 28/05/2015

For and on behalf of the Board of Directors

**Sd/-**  
**Ashok Chhajjer**  
Chairman & MD

**Sd/-**  
**Puja Agrawal**  
Company Secretary

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

**Sd/-**  
**Aman Verma**  
CFO



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

(Amount in ₹)

Particulars	Notes	31st March 2015	31st March 2014
<b>1</b> Revenue from operations	19	<b>1,07,89,08,838</b>	1,00,06,13,529
<b>2</b> Other income	20	<b>1,87,08,078</b>	94,48,923
<b>3 Total revenue (1 + 2)</b>		<b>1,09,76,16,916</b>	1,01,00,62,452
<b>4 Expenses</b>			
(a) Cost of construction, land and development expenses	21.a	<b>1,20,58,10,741</b>	1,12,82,39,652
(b) Purchase of stock in trade		-	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21.b	<b>(54,05,88,229)</b>	(46,14,43,038)
(d) Employee benefits expense	22	<b>6,46,60,300</b>	5,75,92,701
(e) Finance costs	23	<b>6,42,79,514</b>	13,73,84,373
(f) Depreciation expense	10	<b>1,11,02,428</b>	55,27,661
(g) Other expenses	24	<b>10,19,98,146</b>	7,50,74,480
<b>Total expenses</b>		<b>90,72,62,900</b>	94,23,75,829
<b>5 Profit / (Loss) before tax (3 - 4)</b>		<b>19,03,54,016</b>	6,76,86,622
<b>6 Tax expense:</b>			
(a) Current tax expense for current year		<b>7,75,76,890</b>	3,86,88,869
(b) Deferred tax		<b>(8,41,448)</b>	18,02,423
		<b>7,67,35,442</b>	4,04,91,292
<b>7 Profit / (Loss) from continuing operations before minority interest</b>		<b>11,36,18,574</b>	2,71,95,330
<b>8 Minority Interest</b>		<b>(1,22,48,565)</b>	(1,40,97,982)
<b>9 Share of loss in Associate</b>		<b>(52,800)</b>	-
<b>10 Profit / (Loss) for the period</b>		<b>10,13,17,209</b>	1,30,97,348
<b>11 Earnings per share (of Rs. 10/- each):</b>			
(a) Basic	26	<b>2.46</b>	0.32
See accompanying notes forming part of the financial statements	I & 2		

In terms of our report attached.  
**M/S KAILASH CHAND JAIN & CO.**  
 CHARTERED ACCOUNTANTS  
 Firm Reg. No.: 112318W

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

Place : Mumbai  
 Date : 28/05/2015

For and on behalf of the Board of Directors

**Sd/-**  
**Ashok Chhajjer**  
 Chairman & MD

**Sd/-**  
**Puja Agrawal**  
 Company Secretary

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

**Sd/-**  
**Aman Verma**  
 CFO

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED

	(Amount in ₹)	
Particulars	31st March 2015	31st March 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and before Extra ordinary Items :	19,03,54,014	6,76,86,624
<b>Adjustment for Non Cash Items</b>		
Depreciation	1,11,02,429	55,27,662
Interest paid	6,42,13,148	13,50,48,820
Profit on sale of Investment	(4,800)	-
Interest Received	(1,76,60,301)	(87,67,609)
Cash flow from operating Activities before working capital changes	24,80,04,490	19,94,95,497
<b>Changes in Working Capital:-</b>		
(Increase)/ Decrease in Trade & Other Receivable	(84,92,54,919)	(27,38,89,860)
Increase/ (Decrease) in Current Liabilities & Provision	50,86,55,150	56,67,27,773
Cash Flow from Operating Activities before Tax & Extraordinary Items	(9,25,95,279)	49,23,33,410
Income tax paid	(1,91,99,728)	(26,42,037)
Cash Flow from Operating Activities Before extraordinary & exceptional items	(11,17,95,007)	48,96,91,373
Exceptional Items :	-	-
<b>Net Cash flow from Operating Activities</b>	(11,17,95,007)	48,96,91,373
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets ( Net )	(1,02,08,294)	(1,52,44,456)
Interest Received	1,76,60,301	87,67,609
Profit on sale of Investment	3,45,352	-
(Purchase)/Sale of Investments	4,45,77,422	(5,45,59,422)
<b>Net Cash flow from Investing Activities</b>	5,23,74,781	(6,10,36,269)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase / (Decrease) in Secured Loans	57,49,91,104	23,37,80,733
Increase / (Decrease) in Unsecured Loans	(46,33,74,268)	(48,85,69,213)
Interest Expenses	(6,42,13,148)	(13,43,54,082)
Dividend and Dividend distribution tax Paid	(1,19,59,551)	(95,67,434)
<b>Net Cash flow from Financing Activities</b>	3,54,44,137	(39,87,09,996)
Net Increase in Cash & Cash Equivalents	(2,39,76,089)	2,99,45,108
Opening Balance of Cash & Cash Equivalents	5,47,71,016	2,48,25,907
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	3,07,94,927	5,47,71,016

In terms of our report attached.  
**M/S KAILASH CHAND JAIN & CO.**  
CHARTERED ACCOUNTANTS  
Firm Reg. No.: 112318W

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

Place : Mumbai  
Date : 28/05/2015

For and on behalf of the Board of Directors

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

Sd/-  
**Puja Agrawal**  
Company Secretary

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

Sd/-  
**Aman Verma**  
CFO

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### I CORPORATE INFORMATION

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

### 2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprise mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard (AS) 21, 'Consolidated Financial Statements'. The consolidated financial statements comprise the financial statements of the Company, its controlled trusts and its subsidiaries, combined on a line by line basis by adding together book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions and resulting unrealized gain/loss. The consolidated financial statements are prepared by applying uniform accounting policies use at the Group. Minority interests have been excluded. Minority interest represent that part of the net profit or loss and net assets of the subsidiaries that are not, directly or indirectly, owned or controlled by the company

Associate is the entity over which the Group has significant influence but not control. Investment in the associate is accounted for using the equity method of accounting as laid down under Accounting Standard (AS) 23, 'Accounting for Investment in Associate in Consolidated Financial Statement'. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognize the investor's share of profit or loss of the investee after the acquisition date. The Group's investment in associate includes goodwill identified on acquisition.

#### 2.1 Summary of significant accounting policies

##### a. Principles of Consolidation

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

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

- i) Consolidated Financial Statement normally includes Consolidated Balance Sheet, Consolidated Statement of Profit & Loss, Consolidated Statement of Cash Flows and Notes to the Consolidated Financial Statement and Explanatory Statements that form an integral part thereof. The Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the parent for Standalone Financial Statements.
- ii) The Consolidated Financial Statements include the Financial Statements of the Company and all its subsidiaries, which are more than 50 percent owned or controlled as at March 31, 2015.
- iii) The Financial Statements of the parent company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances / transactions and resulting unrealised profits in full. The amounts shown in respect of reserves comprise the amount of relevant reserves as per the balance sheet of the parent company and its share in the post acquisition increase in the relevant reserves of the subsidiaries.

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

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

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

##### b. Investments

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

##### c. Other Significant Accounting Policy

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



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 3 SHARE CAPITAL

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	₹	Number of shares	₹
<b>(a) Authorised</b>				
6,00,00,000 Equity shares of ₹10 each.	<b>6,00,00,000</b>	<b>60,00,00,000</b>	6,00,00,000	60,00,00,000
1,50,00,000 Preference Shares of ₹10 each.	<b>1,50,00,000</b>	<b>15,00,00,000</b>	1,50,00,000	15,00,00,000
<b>(b) Issued</b>				
Equity shares of ₹10 each with voting rights	<b>4,11,59,991</b>	<b>41,15,99,910</b>	4,11,59,991	41,15,99,910
<b>(c) Subscribed and fully paid up</b>				
Equity shares of ₹10 each with voting rights	<b>4,11,59,991</b>	<b>41,15,99,910</b>	4,11,59,991	41,15,99,910
<b>Total</b>	<b>4,11,59,991</b>	<b>41,15,99,910</b>	<b>4,11,59,991</b>	<b>41,15,99,910</b>

#### Notes:

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

Particulars	Opening Balance	Other changes (give details)	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2015			
- Number of shares	4,11,59,991	-	4,11,59,991
- Amount (₹)	41,15,99,910	-	41,15,99,910
Year ended 31 March, 2014			
- Number of shares	4,11,59,991	-	4,11,59,991
- Amount (₹)	41,15,99,910	-	41,15,99,910

### 4 RESERVES AND SURPLUS

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>(a) Capital Reserve</b>	<b>79,358</b>	79,358
	<b>79,358</b>	79,358
<b>(b) Share Premium</b>		
Opening balance	<b>5,24,39,986</b>	5,24,39,986
Add: addition during the year	-	-
Closing balance	<b>5,24,39,986</b>	5,24,39,986
<b>(c) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	<b>6,70,34,834</b>	6,59,89,202
Add: Profit / (Loss) for the year	<b>10,13,17,209</b>	1,30,97,348
Less: Provision for Dividend	<b>(1,23,47,997)</b>	(1,02,89,997)
Less: Provision for Dividend tax	<b>(24,68,874)</b>	(16,69,553)
Less: Provision for tax	<b>(4,59,915)</b>	(92,167)
Closing balance	<b>15,30,75,256</b>	6,70,34,834
<b>Total</b>	<b>20,55,94,600</b>	11,95,54,178

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**
**5 LONG-TERM BORROWINGS**

Particulars	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
(a) Other loans and advances		
<b>Secured Loans</b>		
Car Loan with Federal Bank Ford-Figo-Jodhpur	26,930	179,517
Car Loan with Fedral Bank-Jodhpur(Endever)	1,056,266	1,577,449
Car Loan with ICICI Bank (Mercedes)	5,282,050	-
Car Loan with ICICI Bank (Jaguar)	3,609,588	3,611,633
Kotak Mahindra Prime Ltd (BMW GT)	541,473	1,776,245
Kotak Mahindra Prime Ltd (Mahindra)	10,466	137,761
Kotak Mahindra Prime Ltd (Santro Car)	-	124,304
Sundaram Finance- (Tata Viger)	-	180,615
Term Loan A\c Federal Bank -I3697100002334 (Ayati)	157,916,571	21,324,359
Term Loan -HDFC (Arshiya)	208,528,350	90,000,000
Term Loan -HDFC (A\c No-6210177887) (Arham)	-	48,489,083
Term Loan ICICI Bank Ltd (Amodini)-A168301001	21,396,942	123,202,115
<b>Unsecured Loans</b>		
From Others		
Desert Eagle Security Services Pvt. Ltd	70,000,000	-
Good Fly Distributors Pvt Ltd	30,000,000	-
Viratra Investment Consultants & Trading P. L	20,000,000	-
Marnite Shoppe Pvt. Ltd.	13,000,000	-
Arihant Universal Realty Pvt. Ltd.	265,000,000	-
Akshay Agarwal	80,000,000	-
Kritika Akshay Agarwal	20,000,000	-
Sujata Agarwal	47,000,000	-
Sangeeta Chhajjer	27,500,000	-
From Directors		
Ashok B Chhajjer	20,000,000	-
<b>Total</b>	<b>990,868,636</b>	<b>290,603,081</b>

**Note :**

- Term Loan from ICICI Bank is secured against land (with all the buildings and structures thereon) at admeasuring about 3949.41 sq.mtrs. Bearing plot no. 4, sector 24, Village Taloja, Taluka Panvel, District Raigad.
- Term Loan from HDFC Bank (Arham) is secured against land bearing (i) survey no. 27, hissa no. 2A/I, (ii) survey no. 27, hissa no. 2A/2, (iii) survey no. 25, hissa no. 2 being at Village Koproli, Taluka Panvel, District Raigad together with construction thereon present and future.
- Term Loan from Federal Bank is secured against land (with all the buildings and structures thereon) at admeasuring about 192786 sq.mtrs. Bearing plot no. 6, 7, 8 & 9 at Pal link Road, Dev Nagar, Jodhpur, Rajasthan.
- Term loan from HDFC Bank Ltd. Is secured against mortgage of 851971 sq. ft approx. of project land located at survey no. 20/1, 20/2, 20/3, 25/11, 22/4, 22/1, 21/2B, 22/2, 23/2, 25/9 and 22/3, Pen road, adjacent to Khalapur toll naka, Dahivali, Khopoli - 410203, Maharashtra.
- Vehicles loans are secured against the vehicle itself.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 6 SHORT-TERM BORROWINGS

Particulars	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
(a) Loans repayable on demand		
<b>Loans From Directors</b>		
Ashok B Chhajer	229,816,252	122,950,968
Nimesh Shah	590,120	519,929
<b>Loan From Others</b>		
Adinath Realty Pvt. Ltd	23,703,751	17,830,783
Desert Eagle Security Services Pvt. Ltd	1,822,396	63,279,644
Good Fly Distributors Pvt Ltd	2,086,475	28,270,022
Sarvodaya Refinery Pvt Ltd	-	3,000,000
Viratra Investment Consultants & Trading P. L	-	20,000,000
Akshay Agarwal	17,904,329	99,666,965
Sangeeta A Chhajer	7,550,856	2,908,657
Shree Bhairavnath Garment Pvt Ltd	-	113,087,888
Kirtika Agarwal	858,308	16,627,287
Arihant Universal Realty Pvt. Ltd	119,133,047	393,233,800
Sujata Agarwal	22,263,080	66,618,724
Marnite Enterprises Pvt. Ltd.	15,671,787	13,807,743
Marnite Shoppe Pvt. Ltd.	22,699,044	29,016,424
Marnite Steel Pvt. Ltd.	5,003,179	4,033,245
<b>Total</b>	<b>469,102,624</b>	<b>994,852,079</b>

### 7 TRADE PAYABLES

	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
(a) Trade payables:		
Sundry creditors	48,554,434	73,234,501
Retention	34,964,596	25,404,099
<b>Total</b>	<b>83,519,030</b>	<b>98,638,600</b>



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**
**8 OTHER CURRENT LIABILITIES**

Particulars	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
(a) Bookings	1,563,476,156	1,068,960,709
(b) Customer security deposit	2,103,262	1,909,667
(c) Book O/D	29,837,674	11,178,041
(d) Other payables		
(i) Statutory remittances		
VAT Payable	2,620,191	2,615,015
Service tax payable	8,436,455	(1,347,063)
TDS Payable	7,783,367	6,999,827
WCT Payable	608,591	(1)
Professional Tax	242,150	113,675
(ii) Others		
Gratuity Payable	716,322	716,322
Audit Fees Payable	85,000	85,000
Salary Payable	7,312,994	7,145,520
Other liabilities	1,660,305	2,288,922
<b>Total</b>	<b>1,624,882,467</b>	<b>1,100,665,634</b>

**9 SHORT TERM PROVISIONS**

Particulars	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
Provision for Tax	117,418,304	61,587,052
Provision for Dividend	12,347,997	10,289,998
Provision for Dividend tax	2,468,874	1,669,553
Provision for Expenses	252,035	694,145
<b>Total</b>	<b>132,487,210</b>	<b>74,240,748</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 10 Fixed assets

A.	Tangible assets	Gross block			Accumulated depreciation and impairment				Net block		
		Balance as at 1 April, 2014	Additions	Disposals	Balance as at 31 March, 2015	Balance as at 1 April, 2014	Depreciation for the year	Eliminated on disposal of assets	Balance as at 31 March, 2015	Balance as at 31 March, 2015	Balance as at 31 March, 2014
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
(a)	Building Owned										
	Shop (A. Siddhi)	1,644,720	-	-	1,644,720	98,203	48,808	-	147,011	1,497,709	1,546,517
(b)	Computer Owned										
	Computer	4,738,775	393,613	-	5,132,388	1,715,791	1,962,281	-	3,678,072	1,454,316	3,022,984
	Printer	280,236	35,868	-	316,104	109,432	128,831	-	238,262	77,842	170,804
	UPS	441,509	-	-	441,509	131,933	176,722	-	308,654	132,855	309,576
	Plotter	80,000	-	-	80,000	11,121	30,282	-	41,403	38,597	68,879
	Scanner	155,509	-	-	155,509	88,297	35,076	-	123,373	32,136	67,212
(c)	Plant and Equipment Owned										
	Construction Machinery	691,017	-	-	691,017	87,403	108,724	-	196,127	494,890	603,614
	Container	763,687	-	-	763,687	25,736	140,299	-	166,035	597,652	737,951
	Generator	1,223,007	-	-	1,223,007	58,403	194,617	-	253,020	969,987	1,164,604
	Bar Bending & Cutting Machine	307,825	-	-	307,825	13,860	39,525	-	53,385	254,440	293,965
	Concrete Batching Plant	1,700,000	-	-	1,700,000	60,617	214,418	-	275,035	1,424,965	1,639,383
	Concrete Pump	1,893,569	-	-	1,893,569	67,520	238,832	-	306,352	1,587,217	1,826,049
	Tough Rider Machine	461,882	-	-	461,882	16,229	58,201	-	74,431	387,451	445,653
	Tower Crane	1,389,132	-	-	1,389,132	22,055	169,275	-	191,330	1,197,802	1,367,077
	Weigh Scale	913,125	73,438	-	986,563	29,112	116,111	-	145,223	841,340	884,013
	Projector	29,500	-	-	29,500	5,945	5,880	-	11,825	17,675	23,555
(d)	Furniture and Fixtures Owned										
	Owned	12,300,677	117,413	-	12,418,090	1,495,676	1,280,072	-	2,775,747	9,642,343	10,805,001
(e)	Vehicles Owned										
	Motor Cycle	112,495	-	-	112,495	35,829	10,724	-	46,553	65,942	76,666
	Motor Car	28,939,895	9,242,896	-	38,182,791	6,761,447	3,916,774	-	10,678,221	27,504,570	22,178,448
(f)	Equipment Owned										
	Camera	211,498	26,180	-	237,678	27,423	84,965	-	112,388	125,290	184,075
	Equipment	1,086,145	41,681	-	1,127,826	75,172	296,266	-	371,438	756,388	1,010,973
	Television	260,500	-	-	260,500	32,781	85,708	-	118,489	142,011	227,719
	Air Conditioner	1,568,729	149,817	-	1,718,546	127,491	366,864	-	494,354	1,224,192	1,441,238
	D.G. Set	746,000	-	-	746,000	68,896	107,200	-	176,096	569,904	677,104
	Battery & Inverter	1,119,762	127,388	-	1,247,150	97,828	449,848	-	547,676	699,474	1,021,934
	Mini Lift	99,750	-	-	99,750	6,711	13,376	-	20,087	79,663	93,039
	Mobile	371,457	-	-	371,457	47,955	64,332	-	112,287	259,170	323,502
	Note Counting Machine	65,612	-	-	65,612	8,999	26,596	-	35,595	30,017	56,613
	Refrigerator	44,241	-	-	44,241	5,545	15,759	-	21,304	22,937	38,696
	Kitchen Appliances	15,800	-	-	15,800	1,490	6,579	-	8,069	7,731	14,310
	Microwave Oven	4,150	-	-	4,150	778	2,559	-	3,336	814	3,372
	Tea Coffee Vending Machine	21,263	-	-	21,263	884	4,684	-	5,568	15,695	20,379
	Water Coller	29,500	-	-	29,500	1,182	6,458	-	7,641	21,859	28,318
	Water Dispenser	10,300	-	-	10,300	448	2,286	-	2,734	7,566	9,852
	Security Cabin	505,125	-	-	505,125	21,458	111,654	-	133,112	372,013	483,667
	Finger Print Machine	10,856	-	-	10,856	302	2,268	-	2,570	8,286	10,554
	<b>Total</b>	<b>64,237,248</b>	<b>10,208,294</b>	<b>-</b>	<b>74,445,542</b>	<b>11,359,950</b>	<b>10,522,854</b>	<b>-</b>	<b>21,882,804</b>	<b>52,562,738</b>	<b>52,877,298</b>

B.	Intangible assets	Gross block			Accumulated depreciation and impairment				Net block		
		Balance as at 1 April, 2014	Additions	Disposals	Balance as at 31 March, 2015	Balance as at 1 April, 2014	Depreciation for the year	Eliminated on disposal of assets	Balance as at 31 March, 2015	Balance as at 31 March, 2015	Balance as at 31 March, 2014
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
	Computer Software	3,838,932	-	-	3,838,932	2,610,281	575,074	-	3,185,355	653,577	1,228,651
	Trade Mark	88,500	-	-	88,500	75,000	4,500	-	79,500	9,000	13,500
	<b>Total</b>	<b>3,927,432</b>	<b>-</b>	<b>-</b>	<b>3,927,432</b>	<b>2,685,281</b>	<b>579,574</b>	<b>-</b>	<b>3,264,855</b>	<b>662,577</b>	<b>1,242,151</b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**
**11 NON-CURRENT INVESTMENTS**

(Amount in ₹)

Particulars	As at 31 March, 2015 Unquoted	As at 31 March, 2014 Unquoted
Investments (At cost):		
<b>A. Trade</b>		
(a) Investment in equity instruments Mahaavir Universal Homes Pvt. Ltd.	-	1,000
(b) Investment in equity instruments of Subsidiary/Associate Arihant Technoinfra Pvt. Ltd.	-	66,000
(c) Investment in Properties Sai Mahaavir Developers	10,000,000	10,000,000
Arihant Paradise Realty Pvt. Ltd.	-	44,558,422
<b>Total</b>	<b>10,000,000</b>	<b>54,625,422</b>

**12 LONG TERM LOANS AND ADVANCES**

(Amount in ₹)

Particulars	As at 31 March, 2015	As at 31 March, 2014
Security Deposits		
Ashok B Chhajer (Deposit Jodhpur Office)	2,000,000	2,000,000
Deposit-JDA (Harvesting)	2,500,000	2,500,000
Deposit-Jodhpur Development Authority	5,000,000	5,000,000
J.V.V.N. Ltd Agrima	293,949	293,949
J.V.V.N. Ltd , Jodhpur	51,380	51,380
Security Deposit-Nagar Nigam Jodhpur-Ayati	1,065,000	1,065,000
Debris Deposit A/c (A-Arohi)	610,056	610,056
Permission Deposit A/c (A-Arohi)	564,302	564,302
Registrar City Civil Court	45,083	45,083
Sangeeta Chhajer (Deposit Ag. Office)	20,000,000	20,000,000
Loan and advances to related parties (Unsecured, considered good)		
Arihant Technoinfra Pvt.Ltd.	90,000,000	77,500,000
<b>Total</b>	<b>122,129,770</b>	<b>109,629,770</b>

**13 CURRENT INVESTMENTS**

(Amount in ₹)

Particulars	As at 31 March, 2015	As at 31 March, 2014
Interest in LLP		
Arihant Aksh Realty LLP (Current A/c)	324,941	670,293
<b>Total</b>	<b>324,941</b>	<b>670,293</b>



**14 INVENTORIES**

(Amount in ₹)

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Raw Material	58,728,357	-
(b) Finished Goods	127,040,705	165,858,486
(c) Work in Progress	1,656,777,301	1,136,099,648
<b>Total</b>	<b>1,842,546,363</b>	<b>1,301,958,134</b>

**15 TRADE RECEIVABLES**

(Amount in ₹)

Particulars	As at 31 March, 2015	As at 31 March, 2014
Trade receivables		
Unsecured, considered good	65,945,637	32,394,760
<b>Total</b>	<b>65,945,637</b>	<b>32,394,760</b>

**16 CASH AND CASH EQUIVALENTS**

(Amount in ₹)

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Cash in hand	5,222,241	4,809,000
(b) Foreign Currency	214,696	195,923
(c) Balances with banks		
(i) In current accounts	(1,252,388)	526,437
(ii) In deposit accounts		
Deposits with original maturity for more than 3 months but less than 12 months	5,688,522	20,826,500
Deposits with original maturity within 3 months	20,921,856	28,413,156
<b>Total</b>	<b>30,794,927</b>	<b>54,771,016</b>

**17 SHORT-TERM LOANS AND ADVANCES**

(Amount in ₹)

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Security deposits		
Unsecured, considered good		
Deposit-Bombay Stock Exchange	-	1,646,400
Security Deposit-Cidco Ltd-Fire	20,000	20,000
Security Deposit - MSEDCL A-Abhilasha	91,300	91,300
Security Deposit-MSEDCL-A.Arham	16,780	16,780
Security Deposit-MSEDCL-Amodini	41,154	41,154
Security Deposit-Thane Municipal Corporation	40,000	-
Security Deposit-Cidco Ltd (Abhilasha)	124,000	124,000
Security Deposit-Diesel	50,000	50,000
Kalpana Maruti Patil - Shop Deposit	-	250,000
MSEDCL Deposit	172,383	172,383
Deposits-Kulgaon Badlapur Municipal Council	90,000	90,000
Other Deposits	716,100	350,000

Particulars	As at 31 March, 2015	As at 31 March, 2014
	1,361,717	2,852,017
(b) Loans and advances to employees	2,979,500	1,865,178
	2,979,500	1,865,178
(c) Advance Tax & Tds		
Advance Tax A.Y.2013-14	12,500,000	12,500,000
Advance Tax A.Y.2014-15	11,500,000	14,500,000
Advance Tax A.Y.2015-16	32,500,000	-
TDS Rec. A.Y. 2012-13	148,890	148,890
TDS Rec. A.Y. 2013-14	11,987,660	12,016,715
TDS Rec. A.Y. 2014-15	8,156,379	8,913,601
TDS Rec. A.Y. 2015-16	8,424,151	-
Income Tax Refund	54,250	54,243
CENVAT Credit	12,360	-
Entry Tax	510,000	-
	85,793,690	48,133,449
(d) Others		
Advances Against Land	128,187,278	100,929,297
Arihant Technoinfra Pvt. Ltd.	35,607,432	152,601
Anil Corporation, Suchit Bachlli & Ankohley & Co.	593,470	593,470
Mahaavir Universal Homes Pvt. Ltd.	-	50,000,000
	164,388,180	151,675,368
(e) Advances given to Creditors	40,148,506	24,959,476
<b>Total</b>	<b>294,671,593</b>	<b>229,485,488</b>

**18 OTHER CURRENT ASSETS**

(Amount in ₹)

Particulars	As at 31 March, 2015	As at 31 March, 2014
Land -Arihant Aditha(Gangana) Jodhpur	22,172,281	22,172,281
Land -Arihant Ayati (Devnagar) Jodhpur	128,969,356	120,317,340
Land-(Padle) Arohi	-	113,878,500
Land Cost - Mahodar	72,788,045	138,031,732
Land Cost-Karjat	66,656,207	59,181,392
Land Cost- Ghot, Taloja	230,528,796	171,274,863
Land Cost- Palaspe	483,533,050	421,311,264
Land Cost- Dahivali	213,528,587	200,699,381
Land Cost- Juveli	12,750,930	22,230,580
Land Cost- Koynavele	293,153,768	-
Prepaid expenses - Unsecured, considered good	1,057,096	353,765
Interest accrued on fixed deposits	-	536,796
CSR	2,191,331	-
Preliminary Expenses	55,200	73,600
<b>Total</b>	<b>1,527,384,647</b>	<b>1,270,061,495</b>

**19 REVENUE FROM OPERATIONS**

(Amount in ₹)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
(a) Sale of products (Refer Note (i) below)	1,078,908,838	1,000,613,529
<b>Total</b>	<b>1,078,908,838</b>	<b>1,000,613,529</b>
<b>Note</b>		
(i) Manufactured Finished / Unfinished Goods Sold		
Arihant Arham	19,701,250	137,548,996
Arihant Aarohi	199,129,412	-
Arihant Adita	208,587,483	227,279,968
Arihant Amodini	160,804,103	115,585,096
Arihant Abhilasha	-	3,500,000
Arihant Amisha	57,934,906	-
Arihant Anmol	214,741,124	340,527,052
Arihant Arshiya	218,613,760	176,453,307
(ii) Other operating revenue		
Extra Amenities Abhilasha	-	(120,100)
Extra Amenities Arham	(603,200)	(160,791)
<b>Total - Sale of products</b>	<b>1,078,908,838</b>	<b>1,000,613,529</b>

**20 OTHER INCOME**

(Amount in ₹)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
(a) Interest income		
From banks (Refer note (i) below)	17,660,301	8,767,610
(b) Other non-operating income (Refer note (ii) below)	1,047,777	681,313
<b>Total</b>	<b>18,708,078</b>	<b>9,448,923</b>
<b>Note</b>		
(i) Interest income comprises:		
Interest on Fixed Deposits	3,111,541	1,049,904
Interest on Current Investments	12,705,953	7,080,463
Interest on Other Balance	1,842,807	637,243
<b>Total - Interest income</b>	<b>17,660,301</b>	<b>8,767,610</b>
(ii) Other non-operating income comprises:		
Rent Received	-	35,000
Insurance Claim Received	55,542	61,329
Share Profit-Arihant Aksh Reality LLP	(204,982)	-
Profit on Sale of Shares	4,800	-
Welfare fund	408,620	377,509
Foreign Exchange Gain	47,821	-
Professional Fees	150,000	-
Discount Received	585,976	207,475
<b>Total - Other non-operating income</b>	<b>1,047,777</b>	<b>681,313</b>



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

(Amount in ₹)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Purchases (Refer note (i) below)	472,332,345	504,044,794
Land Cost (Refer note (ii) below)	232,921,423	148,985,653
Direct Expenses (Refer note (iii) below)	500,556,973	475,209,205
<b>Total</b>	<b>1,205,810,741</b>	<b>1,128,239,652</b>
<b>Notes :</b>		
i) Purchases		
Arihant Arham	186,168	35,150,629
Arihant Adita	192,017,982	145,624,610
Arihant Arohi	49,043,347	11,463,724
Arihant Ayati	26,565,716	26,523,342
Arihant Amodini	29,550,808	32,026,517
Arihant Abhilasha	-	12,526,868
Arihant Agrima	13,841,583	33,144,537
Arihant Anmol	53,194,911	83,673,623
Arihant Arshiya	68,547,742	89,809,959
Arihant Anshula	8,183,265	600,230
Arihant Amisha	21,559,000	28,999,624
Arihant Alok	7,257,257	1,153,933
Arihant Anaika	1,780,206	-
Arihant Akanksha	604,360	3,347,198
	<b>472,332,345</b>	<b>504,044,794</b>
ii) Land Cost		
Arihant Anmol	14,262,750	52,582,361
Arihant Arshiya	-	89,867,545
Arihant Aarohi	153,387,498	-
Arihant Amisha	65,271,175	-
Arihant Adita	-	6,535,747
	<b>232,921,423</b>	<b>148,985,653</b>
iii) Direct Expenses		
Arihant Arham	3,247,272	10,576,417
Arihant Adita	138,868,459	106,005,130
Arihant Arohi	51,298,992	20,541,451
Arihant Ayati	29,005,816	19,254,633
Arihant Amodini	21,725,747	33,468,053
Arihant Abhilasha	-	474,832
Arihant Agrima	68,454,964	66,372,810
Arihant Anmol	60,410,476	88,909,015
Arihant Arshiya	63,389,718	72,060,574
Arihant Alok	27,163,026	15,684,522
Arihant Amisha	19,022,108	16,779,244
Arihant Anshula	10,741,570	994,236
Arihant Anaika	1,963,274	-
Arihant Akanksha	5,265,551	24,088,287
	<b>500,556,973</b>	<b>475,209,204</b>

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

(Amount in ₹)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<u>Inventories at the end of the year:</u>		
Ram Material (Refer note (i) below)	58,728,357	-
Traded goods (Refer note (ii) below)	127,040,705	165,858,486
Incomplete projects (WIP) (Refer note (iii) below)	1,656,777,301	1,136,099,648
	<u>1,842,546,363</u>	<u>1,301,958,134</u>
<u>Inventories at the beginning of the year:</u>		
Traded goods (Refer note (iv) below)	22,427,730	9,445,578
Incomplete projects (WIP) (Refer note (v) below)	1,279,530,404	831,069,518
	<u>1,301,958,134</u>	<u>840,515,096</u>
<b>Net (increase) / decrease</b>	<u>(540,588,229)</u>	<u>(461,443,038)</u>

**Notes :**

Inventories at the end of the year :

i) Raw Material

Arihant Adita phase I	9,046,947	-
Arihant Adita phase II	133,546	-
Arihant Adita phase III	17,988,038	-
Arihant Adita phase IV	67,228	-
Arihant Arohi	3,045,878	-
Arihant Ayati	1,204,738	-
Arihant Amodini	506,822	-
Arihant Agreeema	3,524,911	-
Arihant Anmol	6,442,918	-
Arihant Arshiya	7,432,151	-
Arihant Amisha	4,438,496	-
Arihant Anshula	2,307,671	-
Ariahnt Alok	2,589,013	-
	<u>58,728,357</u>	<u>-</u>

ii) Traded goods

Arihant Arham	16,888,957	22,427,730
Arihant Amodini	110,151,748	143,430,756
	<u>127,040,705</u>	<u>165,858,486</u>

iii) Incomplete projects (WIP)

Arihant Adita phase I	186,236,178	141,675,637
Arihant Adita phase II	89,745,810	69,584,654
Arihant Adita phase III	84,335,104	6,579,095
Arihant Adita phase IV	6,563,670	-
Arihant Arohi	179,696,310	52,052,664
Arihant Ayati	125,223,270	70,635,424
Arihant Anaika	3,743,480	-
Arihant Agreeema	372,685,353	293,963,956
Arihant Anmol	63,091,747	89,070,607
Arihant Arshiya phase I	147,429,931	162,824,789

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Arihant Arshiya phase II	468,325	-
Arihant Amisha	86,635,442	74,393,433
Arihant Amisha - Land	49,386,625	-
Arihant Anshula	30,909,801	3,871,590
Arihant Alok	62,233,763	22,567,053
Arihant Akanksha	168,392,492	148,880,746
	<u>1,656,777,301</u>	<u>1,136,099,648</u>
Inventories at the beginning of the year :		
iv) Traded goods		
Arihant Arham	22,427,730	9,445,578
	<u>22,427,730</u>	<u>9,445,578</u>
v) Incomplete projects (WIP)		
Arihant Arham	-	95,404,554
Arihant Adita phase I	141,675,637	112,968,701
Arihant Adita phase II	69,584,654	17,500,000
Arihant Adita phase III	6,579,095	-
Arihant Arohi	52,052,664	20,087,254
Arihant Ayati	70,635,424	24,955,260
Arihant Amodini	143,430,756	143,339,174
Arihant Agreema	293,963,956	184,040,567
Arihant Anmol	89,070,607	129,991,580
Arihant Arshiya I	162,824,789	26,588,026
Arihant Amisha	74,393,433	10,557,517
Arihant Anshula	3,871,590	2,277,124
Arihant Alok	22,567,053	2,621,863
Arihant Akanksha	148,880,746	60,737,898
	<u>1,279,530,404</u>	<u>831,069,518</u>

**22 EMPLOYEE BENEFITS EXPENSE**

(Amount in ₹)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Salaries, wages and bonus (Refer note (i) below)	62,736,596	55,542,269
Staff welfare expenses	1,987,404	1,859,332
Contribution to provident & other funds	(63,700)	191,100
<b>Total</b>	<u><b>64,660,300</b></u>	<u><b>57,592,701</b></u>

**Note (i) :**

Salary	54,707,466	47,116,285
Director Remuneration	8,029,130	8,425,984
<b>Total</b>	<u><b>62,736,596</b></u>	<u><b>55,542,269</b></u>

## 23 FINANCE COSTS

(Amount in ₹)

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
(a) Interest expense on:		
Interest on secured loans	19,364,217	41,618,499
Interest on unsecured loans	44,748,931	92,304,022
(b) Others		
Loan Processing fees	166,366	3,461,852
<b>Total</b>	<b>64,279,514</b>	<b>137,384,373</b>

## 24 OTHER EXPENSES

(Amount in ₹)

Particulars	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
Selling & Distribution (Refer note (24.i))	38,916,131	28,686,291
Legal and Professional Fees (Refer note (24.ii))	8,599,190	5,839,262
Rent, Rates & Taxes (Refer note (24.iii))	4,455,543	3,800,034
CSR expenses	104,120	1,675,387
Compensation	22,355,856	13,563,475
Directors Sitting Fees	810,000	355,000
Donation	100,000	1,219,100
Audit fees	750,000	573,870
ROC Fees	66,800	62,323
Administrative Expenses (Refer note (24.iv))	25,173,943	17,971,689
Others (Refer note (24.v))	666,563	1,328,049
<b>Total</b>	<b>101,998,146</b>	<b>75,074,480</b>

### Notes:

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

As auditors	750,000	573,870
<b>Total</b>	<b>750,000</b>	<b>573,870</b>

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

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Advertisement Expenses	22,482,655	18,246,623
Branding	-	3,098,023
Brochuer Expenses	-	360,360
Brokerage	-	75,000
Business Promotion	6,609,705	2,765,009
Compensation	(37,500)	272,500



Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Customer Delight	193,276	418,249
Exhibition Expenses	5,654,360	488,075
Online Marketing	1,745,500	-
Rent for Hoarding	167,500	-
Retainer	215,000	1,750,000
Sales Incentive	160,000	-
Selling & Distribution	187,835	1,202,452
Seminar Expenses	50,000	10,000
Sponsorship Fees	50,000	-
Vat on flat sales	1,437,800	-
<b>Total</b>	<b>38,916,131</b>	<b>28,686,291</b>

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

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Consultancy Charges	1,258,113	665,500
Legal Expenses	772,445	816,666
License & Registration Exp.	1,154,413	82,110
Professional Fees	4,219,888	3,725,580
Retainership Fees For Legal	320,000	-
Stamping, Notrisation & Franking Charges	874,331	549,406
<b>Total</b>	<b>8,599,190</b>	<b>5,839,262</b>

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

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Firm Tax	140,370	-
NMMC Property Tax	83,965	77,168
Office Rent	4,056,050	3,155,550
Penalty (Sales Tax)	(180,900)	180,900
Registration Charges	3,708	12,040
Society Maintenance Charges	317,650	208,776
Rent for Equipments	28,000	-
Rent - Software	6,700	165,600
<b>Total</b>	<b>4,455,543</b>	<b>3,800,034</b>

**Note 24.iv) Administrative Expenses**

<b>Particulars</b>	<b>For the year ended 31 March, 2015</b>	<b>For the year ended 31 March, 2014</b>
AMC Charges	115,200	155,083
Business Attire Expenses	442,063	240,342
Communication	1,828,004	1,823,578
Computer Expenses	1,368,585	1,163,626
Electrical Material	17,333	845
Entertainment Expenses	383,340	212,096
General Expenses	346,489	250,228
Information Update Expenses	113,759	79,232
Miscellaneous Expenses	648,454	697,033
Office Expenses	3,936,286	355,689
Postage and Courier	267,610	217,973
Power, Fuel & Electricity Exp.	1,566,393	1,365,726
Printing & Stationery	2,173,998	2,035,467
Repairs and Maintenance	75,035	131,349
Sundry Balances Written Off	27,145	41,820
Tender Fees (GSIDC-GOA)	10,500	-
Travelling and conveyance	3,374,421	2,702,397
Vehicle Expenses	8,479,328	6,499,206
<b>Total</b>	<b>25,173,943</b>	<b>17,971,689</b>

**Note 24.v) Others**

<b>Particulars</b>	<b>For the year ended 31 March, 2015</b>	<b>For the year ended 31 March, 2014</b>
Bank Charges	88,337	46,790
Insurance Charges & Exp.	147,546	72,361
Interest on Income Tax	-	694,738
Interest on Professional Tax	-	4,000
Interest on Service Tax	37,150	204,313
Interest on TDS	40,041	134,593
Interest on VAT	18,285	-
Late Filing Fees	5,000	-
Membership Fees	311,804	152,854
Preliminary Expenses Written Off	18,400	18,400
<b>Total</b>	<b>666,563</b>	<b>1,328,049</b>

**25 Disclosures under Accounting Standards 18****Related party transactions****Details of related parties:**

Description of relationship	Names of related parties
Key Management Personnel (KMP)	1. Ashok B. Chhajer 2. Nimesh Shah 3. Dinkar Samant
Relatives of KMP	1. Sangeeta A. Chhajer
Company in which KMP / Relatives of KMP can exercise significant influence	1. Adinath Realty Pvt. Ltd. 2. Arihant Universal Realty Pvt. Ltd. 3. Arihant Paradise Realty Pvt. Ltd. 4. Mahaavir Universal Homes Pvt. Ltd. 5. Arihant Technoinfra Pvt. Ltd. 6. Sai Mahaavir Developers
Other Related Parties	-

Note: Related parties have been identified by the Management.

**Details of related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March, 2015:**

	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Other Related Parties	Total
<b>I. Transactions during the year :</b>					
<b>Loan Taken</b>					
1. Ashok B. Chhajer	369,975,946	-	-	-	369,975,946
2. Adinath Realty Pvt. Ltd.	-	-	10,100,000	-	10,100,000
3. Arihant Universal Realty Pvt. Ltd.	-	-	45,800,000	-	45,800,000
4. Sangeeta A. Chhajer	-	34,400,000	-	-	34,400,000
<b>Loan Repaid</b>					
1. Ashok B. Chhajer	258,628,885	-	-	-	258,628,885
2. Adinath Realty Pvt. Ltd.	-	-	7,000,000	-	7,000,000
3. Arihant Universal Realty Pvt. Ltd.	-	-	108,000,000	-	108,000,000
4. Sangeeta A. Chhajer	-	10,275,032	-	-	10,275,032
<b>Interest Paid</b>					
1. Ashok B. Chhajer	17,242,470	-	-	-	17,242,470
2. Nimesh Shah	77,990	-	-	-	77,990
3. Adinath Realty Pvt. Ltd.	-	-	3,081,076	-	3,081,076
4. Arihant Universal Realty Pvt. Ltd.	-	-	58,999,163	-	58,999,163
5. Sangeeta A. Chhajer	-	574,702	-	-	574,702
<b>Loan Given</b>					
1. Arihant Technoinfra Pvt. Ltd.	-	-	86,991,203	-	86,991,203
<b>Loan Advance Given Repaid</b>					
1. Arihant Technoinfra Pvt. Ltd.	-	-	50,000,000	-	50,000,000
2. Mahaavir universal Homes Pvt. Ltd.	-	-	50,000,000	-	50,000,000
<b>Investment Sold</b>					
1. Mahaavir universal Homes Pvt. Ltd.	-	-	1,000	-	1,000

	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Other Related Parties	Total
<b>Interest Received</b>					
1. Mahaavir universal Homes Pvt. Ltd.	-	-	1,806,575	-	1,806,575
2. Arihant Technoinfra Pvt. Ltd.	-	-	12,181,809	-	12,181,809
<b>Directors Remuneration</b>					
1. Ashok B. Chhajer	2,400,000	-	-	-	2,400,000
2. Nimesh Shah	2,845,357	-	-	-	2,845,357
3. Dinkar Samant	3,001,130	-	-	-	3,001,130
4. Sangeeta A. Chhajer	-	1,890,000	-	-	1,890,000
<b>II. Balance Outstanding at the year end :</b>					
1. Ashok B. Chhajer					
Closing Balance	249,816,252	-	-	-	249,816,252
Opening Balance	(122,950,968)	-	-	-	(122,950,968)
2. Nimesh Shah					
Closing Balance	590,120	-	-	-	590,120
Opening Balance	(519,929)	-	-	-	(519,929)
3. Arihant Universal Realty Pvt. Ltd.					
Closing Balance	-	-	384,133,047	-	384,133,047
Opening Balance	-	-	(393,233,800)	-	(393,233,800)
4. Sangeeta A. Chhajer					
Closing Balance	-	27,550,856	-	-	27,550,856
Opening Balance	-	(2,908,657)	-	-	(2,908,657)
5. Adinath Realty Pvt. Ltd.					
Closing Balance	-	-	23,703,751	-	23,703,751
Opening Balance	-	-	(17,830,783)	-	(17,830,783)
6. Ashok B. Chhajer (Deposit)					
Closing Balance	2,000,000	-	-	-	2,000,000
Opening Balance	(2,000,000)	-	-	-	(2,000,000)
7. Sangeeta A. Chhajer (Deposit)					
Closing Balance	-	20,000,000	-	-	20,000,000
Opening Balance	-	(20,000,000)	-	-	(20,000,000)
8. Sai Mahaavir Developers					
Closing Balance	-	-	-	10,000,000	10,000,000
Opening Balance	-	-	-	(10,000,000)	(10,000,000)



**26 Disclosures under Accounting Standards 20**

Particulars	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
<b>Earnings per share</b>		
<u>Basic</u>		
<u>Continuing operations</u>		
Net profit / for the year from continuing operations attributable to the equity shareholders	101,317,209	13,097,348
Weighted average number of equity shares	41,159,991	41,159,991
Par value per share	10	10
Earnings per share from continuing operations - Basic	2.46	0.32

**27 Disclosures under Accounting Standards 22**

Particulars	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
<b>Deferred tax liability / (asset)</b>		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	2,564,199	3,428,044
Tax effect of items constituting deferred tax liability	2,564,199	3,428,044
Tax effect of items constituting deferred tax assets		
Others	459,229	481,628
Tax effect of items constituting deferred tax assets	459,229	481,628
<b>Net deferred tax liability / (asset)</b>	<b>2,104,970</b>	<b>2,946,416</b>

In terms of our report attached.  
**M/S KAILASH CHAND JAIN & CO.**  
 CHARTERED ACCOUNTANTS  
 Firm Reg. No.: 112318W

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

Place : Mumbai  
 Date : 28/05/2015

For and on behalf of the Board of Directors

**Sd/-**  
**Ashok Chhajjer**  
 Chairman & MD

**Sd/-**  
**Puja Agrawal**  
 Company Secretary

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

**Sd/-**  
**Aman Verma**  
 CFO

Particulars of subsidiaries as at 31st March 2015 pursuant to first proviso to sub section (3) of section 129 of the Companies Act 2013, read with rule 5 of the Companies (Accounts) Rules, 2014 - AOC - I.

(₹ in Lakhs)

Sr. No.	Particulars	Name of Subsidiary				
		Arihant Abode Limited	Arihant Vatika Realty Pvt. Ltd.	Adeshwar Realty Pvt. Ltd.	Arihant Gruhnirman Pvt. Ltd.	Arihant Aashiyana Pvt. Ltd.
		As on 31st March, 2015	As on 31st March, 2015	As on 31st March, 2015	As on 31st March, 2015	As on 31st March, 2015
1	Capital	5.00	1.00	1.00	1.00	1.00
2	Reserves	6.50	659.08	512.12	(16.39)	(146.17)
3	Total Assets	7,735.04	4,403.36	4,599.86	103.63	6735.18
4	Total Liabilities	7,735.04	4,403.36	4,599.86	103.63	6735.18
5	Details of Investment	-	-	-	-	-
6	Turnover / Other Income	6.55	2,180.40	2,187.61	1.51	582.65
7	Profit / (Loss) before taxation	5.35	444.52	505.77	(0.21)	(143.81)
8	Provision for taxation	0.08	143.57	163.80	0.02	(1.02)
9	Profit / (Loss) after taxation	5.27	300.94	341.97	(0.23)	(142.79)
10	Proposed Dividend	-	-	-	-	-

In terms of our report attached.

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

CHARTERED ACCOUNTANTS

Firm Reg. No.: 112318W

**Sd/-**

**Dipesh Mehta**

Partner

M.No.: 134607

Place : Mumbai

Date : 28/05/2015

For and on behalf of the Board of Directors

**Sd/-**

**Ashok Chhajjer**

Chairman & MD

**Sd/-**

**Puja Agrawal**

Company Secretary

**Sd/-**

**Nimish Shah**

Whole Time Director

**Sd/-**

**Aman Verma**

CFO

Statement in accordance with the first proviso to sub section (3) of section 129 of the Companies Act 2013, read with rule 5 of the Companies (Accounts) Rules, 2014 - AOC - I.

Sr. No.	Particulars	Name of Subsidiary				
		Arihant Abode Limited	Arihant Vatika Realty Pvt. Ltd.	Adeshwar Realty Pvt. Ltd.	Arihant Gruhnirman Pvt. Ltd.	Arihant Aashiyana Pvt. Ltd.
1	Date from which they became Subsidiary Company	26/3/2010	26/3/2010	21/8/2010	29/11/2011	17/9/2012
2	Financial Year of the Subsidiary ended on	31/3/2015	31/3/2015	31/3/2015	31/3/2015	31/3/2015
3	Extent of interest of the Holding Company in Subsidiary Company at the end of the financial year					
(i)	Numbers of share held	30,000	6,000	10,000	6,000	6,000
(ii)	Extent of holding	60%	60%	100%	60%	60%
4	Net aggregate amount of profit / losses so far as it concerns to the members of the Holding Company					
(i)	not dealt with in the companys account					
	a) for the financial year ended 31/03/2015.	316,208	18,056,640	33,736,669	(23,061)	(14,279,433)
	b) for the previous financial year since it became a subsidiary	65,192	21,480,106	17,464,880	(1,575,972)	(404,176)
(ii)	dealt with in the companys account					
	a) for the financial year ended 31/03/2015.	-	-	-	-	-
	b) for the previous financial year since it became a subsidiary	-	-	-	-	-

In terms of our report attached.

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

CHARTERED ACCOUNTANTS

Firm Reg. No.: 112318W

**Sd/-**

**Dipesh Mehta**

Partner

M.No.: 134607

Place : Mumbai

Date : 28/05/2015

For and on behalf of the Board of Directors

**Sd/-**

**Ashok Chhajjer**

Chairman & MD

**Sd/-**

**Puja Agrawal**

Company Secretary

**Sd/-**

**Nimish Shah**

Whole Time Director

**Sd/-**

**Aman Verma**

CFO

Particulars of associate company as at 31st March 2015 pursuant to first proviso to sub section (3) of section 129 of the Companies Act 2013, read with rule 5 of the Companies (Accounts) Rules, 2014 - AOC - I.

(₹ in Lakhs)

Sr. No.	Particulars	Arihant Technoinfra Pvt. Ltd.
		As on 31st March, 2015
1	Latest Audited Balance Sheet Date	31/3/2015
2	Amount of investment by company as on 31/03/15	0.48
3	Extent of holding in %	48.00%
4	Description as to how there is significant influence	There is a significant influence as holding is more than 25% and company.
5	Reason why the associate is not consolidated	The share of losses of the company is more than the carrying amount of the investment
6	Networth attributable to shareholding as per latest audited balance sheet	(324.00)
7	Profit / (Loss) for the year	(545.82)
	(i) Considered in consolidation	(0.53)
	(ii) Not consideration in consolidated	(545.29)

In terms of our report attached.

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

CHARTERED ACCOUNTANTS

Firm Reg. No.: 112318W

**Sd/-**

**Dipesh Mehta**

Partner

M.No.: 134607

Place : Mumbai

Date : 28/05/2015

For and on behalf of the Board of Directors

**Sd/-**

**Ashok Chhajer**

Chairman & MD

**Sd/-**

**Puja Agrawal**

Company Secretary

**Sd/-**

**Nimish Shah**

Whole Time Director

**Sd/-**

**Aman Verma**

CFO



## **ARIHANT SUPERSTRUCTURES LIMITED**

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

Dear Shareholders,

### **Re: Green Initiative in Corporate Governance**

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

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

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

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

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

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

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

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

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

**Ashok Chhajer**  
**Chairman & Managing Director**

[illegible]

# ARIHANT SUPERSTRUCTURE LIMITED

CIN NOS: L51900MH1983PLC029643

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

## ATTENDANCE SLIP

NAME AND ADDRESS OF THE REGISTERED SHAREHOLDER

D.P Id:

Client Id/Folio No:

No of shares:

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

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company at Hotel The Regenza by Tunga, Plot No. 37, Sector 30A, Vashi, Navi Mumbai – 400703 on Friday, 25th September, 2015 at 11.00 a.m.

\_\_\_\_\_  
Signature

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





# ARIHANT SUPERSTRUCTURE LIMITED

CIN NOS: L51900MH1983PLC029643

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

## FORM NO. MGT-I I

### PROXY FORM

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

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

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

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

Address : \_\_\_\_\_

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

Signature : \_\_\_\_\_

(or failing him)

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

Address : \_\_\_\_\_

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

Signature : \_\_\_\_\_

(or failing him)

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

Address : \_\_\_\_\_

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

Signature : \_\_\_\_\_

(or failing him)

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the company, to be held on the Friday, 25th September, 2015 at 11:00 a.m.. at Hotel The Regenza by Tunga, Plot No. 37, Sector 30A, Vashi, Navi Mumbai - 400703, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt the Audited Financial Statements (including consolidated financial statements) of the Company for the financial year ended 31st March, 2015, the Reports of Directors and Auditors thereon.
2. To declare a final dividend on equity shares.
3. To appoint a Director in place of Mr. Dinkar Samant (DIN: 00023459), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Statutory Auditors for the Financial Year 2015-2016 and fix their remuneration in this regard.
5. To consider the increase in the Remuneration of Mr. Dinkar Samant (DIN: 00023459), Whole Time Executive Director
6. To consider reappointment of Mr. Nimish Shah (DIN:03036904) as the Whole Time Executive Director of the Company
7. To appoint Mrs. Kamini Shroff (DIN: 07141404) as an Independent Director of the Company

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

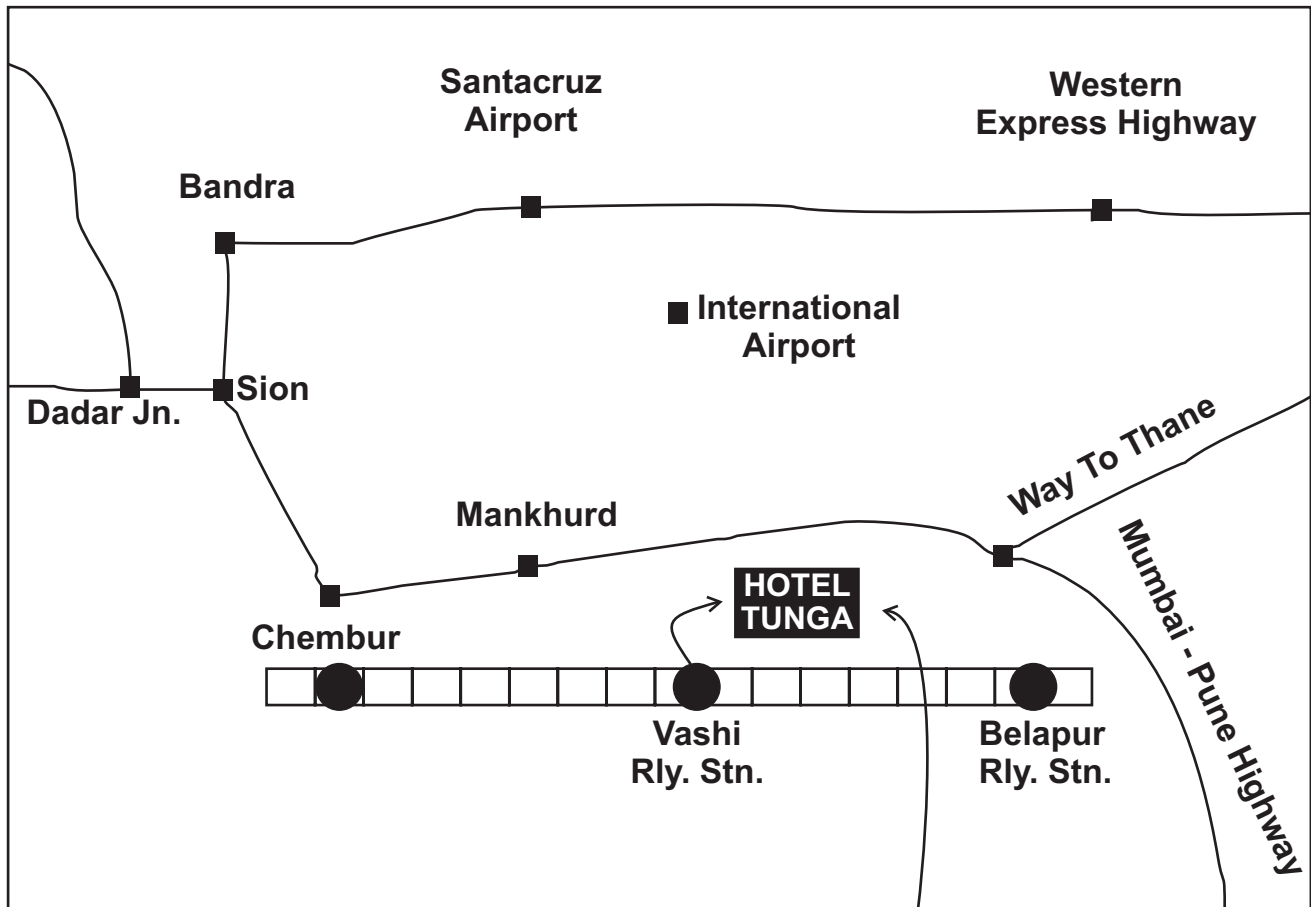
Signature of Member

Affix  
Revenue  
Stamp

Signature of Proxy Holder(s)

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

# Route Map to the Venue of the AGM



Hotel The Regenza by Tunga,  
Plot No. 37, Sector 30A, Vashi,  
Navi Mumbai - 400703



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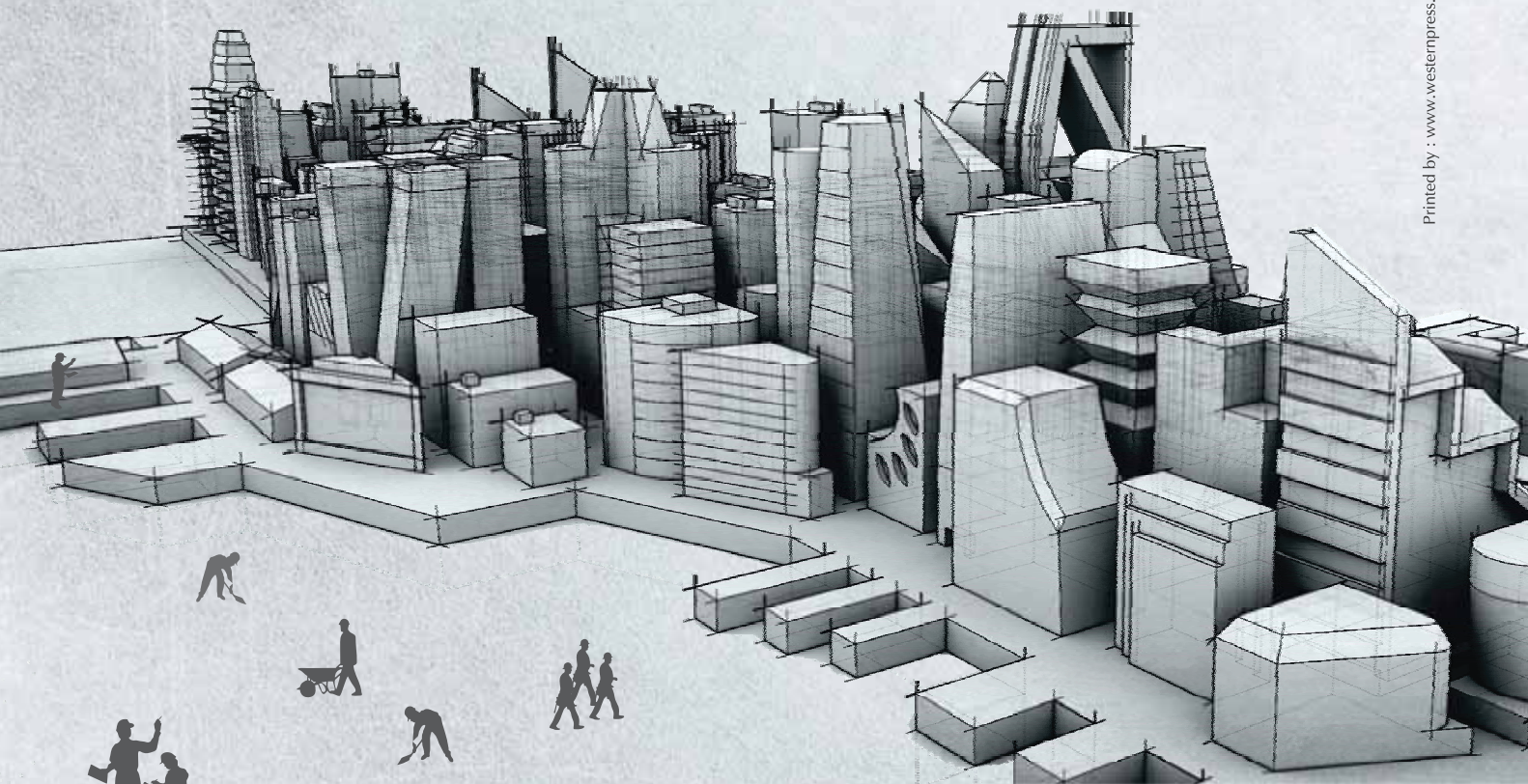
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