ARIHANT FOUNDATIONS & HOUSING LIMITED

(Incorporated under the Companies Act, 1956)

CIN L70101TN1992PLC022299

CORPORATE STRUCTURE

BOARD OF DIRECTORS		BOARD COMMITTEES
Mr. Kamal Lunawath	Chairman and Managing Director	**Audit Committee**
Mr. Vimal Lunawath	CFO and Whole time Director	Mr. Ravikant Choudhry- Chairman Mr. A. Damodaran*- Member Mr. Karan Bhasin – Member ** Mr. Kamal Lunawath- Member
Mr. Bharat M Jain	Whole time Director	**Stakeholder Relationship Committee**
Mr. A Damodaran *	Director	Mr. Karan Basin – Chairman** Mr. Ravikant Choudhry- Member Mr. Vimal Lunawath- Member Mr. A .Damodaran – Chairman* Mrs. Ann Gonzalvez – Member ^
Mr. Ravikant Choudhry	Director	
		Nomination & Remuneration Committee
Mr. Karan Bhasin	Director	Mr. Ravikant Choudhry- chairman Mr.Karan Bhasin – Member** Mr. A. Damodaran – Chairman * Mrs. Ann Gonsalvez- Member
Mrs. Ann Gonsalvez	Director	

Company Secretary	Auditors
Mr. Sharon Josh	M/s. S. Ramachandra Rao& Associates Chartered Accountants No.11, Porur Gardens Phase-1, Vanagaram, Chennai - 600 095.

Bankers	Legal Advisor
HDFC Limited Kotak Mahindra Bank Vijaya Bank ICICI Bank Ltd Standard Chartered Bank	K Venkatasubramanian 141, Luz Church Road, Mylapore, Chennai- 600005

Registered Office & Administrative Office
No.3, Ganapathy Colony, Off. Cenotaph Road, Teynampet, Chennai- 600018

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

Internal Auditors
Mr. Arun Rajan

**- Mr. A .Damodaran Resigned as independent director of the company wef 01.04.2019. Hence the committees were reconstituted*

*** Mr. Karan Bhasin has been introduced in the committees*

^ Mrs.Ann Gonsalvez doesn't continue in reconstituted SRC pursuant to resignation of Mr. A. Damodaran.

CONTENTS

NOTICE OF 26TH ANNUAL GENERAL MEETING

Notice is hereby given that the 26th Annual General Meeting of the Shareholders of Arihant Foundations and Housing Limited will be held on Monday the 30th day of September, 2019 at "Arihant Tiara", Plot No. 2B, TCNS Gardens, Nandambakkam, Chennai - 34 at 9.30 A.M. to transact, with or without modifications as may be permissible, the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Financial Statements of the Company for the period ended 31.03.2019 together with the Directors' Report and the Auditors' Report and the consolidated financial statements for the period ended 31.03.2019 together with the Auditors' Report.

2. To appoint a Director in place of Mr. Vimal Lunawath (DIN: 00586269), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

3. **TO CONSIDER AND APPROVE MRS. ANN GONZALVES TO CONTINUE AS INDEPENDENT DIRECTOR FOR THE CURRENT TERM AS A SPECIAL RESOLUTION:**

   "RESOLVED that pursuant to Regulation 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, consent of Members be and is hereby accorded to Mrs. Ann Gonsalvez (DIN: 07136630), Director of the Company, to continue to hold office of Independent Director of the Company till her current tenure of appointment which ends on March 24, 2020 notwithstanding that Mrs. Ann Gonsalvez crosses 75 years of age as on 25th November 2019."

4. **APPOINTMENT OF MR. RAVIKANTH CHOUDHRY AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

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

   "RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. RAVIKANT CHOUDHRY (DIN: 00831721), who was appointed as an Independent Director of the Company for a term of five years up to June 29, 2020, by the members at the 20th Annual General Meeting, in terms of Section 149 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing from June 30, 2020 up to June 29, 2025, not liable to retire by rotation."

5. **APPOINTMENT OF MR. KARAN BHASIN AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

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

   "RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies

(Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. KARAN BHASIN (DIN: 02168581), who was appointed as an Independent Director of the Company for a term of five years up to June 29, 2020, by the members at the 20th Annual General Meeting, in terms of Section 149 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing from June 30.2020 up to June 29, 2025, not liable to retire by rotation."

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

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

"RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mrs. ANN GONSALVEZ (DIN: 07136630), who was appointed as an Independent Director of the Company for a term of five years up to June 15, 2020, by the members at the 20th Annual General Meeting, in terms of Section 149 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company for a second term of five consecutive years commencing from 25th March 2020 to 24th March 2025, not liable to retire by rotation."

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

Place: Chennai
Date: 30.05.2019

I. Notes:

1. The explanatory statements pursuant to Section 102 of the Companies Act, 2013 in respect of the business under item Nos. 3, 4, 5 & 6 as set out above are annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

3. Proxy to be valid should be deposited with the company not later than forty eight hours before the time for holding the meeting. No Person can act as a Proxy on behalf of a member not exceeding fifty and holding in the aggregate not more than the 10% of the total Share Capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total Share Capital of the Company carrying voting rights, then such proxy shall not be act as a proxy for any other person or shareholder.

4. Members/Proxies should bring their Attendance slip duly completed for attending the meeting. The signature of the attendance slip should match with the signature(s) registered with the Company. Members holding shares in dematerialised form are requested to bring their Client ID and DP ID numbers for identification.

5. The Register of Members and Share Transfer Books of the Company will remain closed from 24.09.2019 to 30.09.2019(Both days inclusive).

6. Members holding shares in physical form are requested to intimate immediately, changes, if any, in their registered addresses, Bank Mandate and Status, quoting their Folio Numbers, to the Share Transfer Agents of the Company M/s Cameo Corporate Services Limited, “Subramanian Building”, No.1, Club House Road, Chennai – 600 002.

7. Details under Reg. 36(3) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, in respect of the Director seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/ re-appointment.

8. The Register of Directors’ and Key Managerial Personnel and their Shareholding maintained and The Register of Contracts or Arrangements in which Directors are interested maintained will be available for inspection of the members at the Annual General Meeting.

9. Members are requested to bring their copies of Annual Report to the meeting. The Attendance slips duly completed should be handed over at the entrance of the meeting hall.

10. Electronic copy of the Notice of the 26th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form 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 hard copy of the same. For members who have not registered their email addresses, physical copies of the Notice of the 26th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode. Members may also note that the Notice of the 26th Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company’s website www.arihantfoundations.com for their download.

11. Members desiring any clarification on Accounts are requested to write to the Company at an early date so as to enable the Company to keep the information ready.

12. Pursuant to the provisions of sections 107 and 108, read with Companies (Management and Administration) Rules 2014, and in accordance with the requirements of listing agreement the company is pleased to offer e –voting facility to all the members of the company. The company has entered into an agreement with Central Depository services Limited(CDSL) for facilitating e –voting. The Board of Directors has appointed Mrs. G. Subhasree, Practising Company Secretary, Chennai, as the Scrutinizer for conducting the e-voting process for the Twenty Sixth Annual General Meeting in a fair and transparent manner

   • The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

   • The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again

   • The voting period begins on 27th September, 2019 at 9 AM and ends on 29th September, 2019 at 5 PM. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23.09.2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

13. The Procedure and instructions for members for voting through electronic means are as under:

i) The shareholders should log on to the e-voting website www.evotingindia.com.

ii) Click on Shareholders.

iii) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

iv) Next enter the Image Verification as displayed and Click on Login.

v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

vii) After entering these details appropriately, click on "SUBMIT" tab.

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

ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

x) Click on the **EVSN: 190903073** for the relevant ARIHANT FOUNDATIONS AND HOUSING LIMITED on which you choose to vote.

xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

xvi) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile

xvii) Note for Non – Individual Shareholders and Custodians

• Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

• A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

• After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

• The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

• A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

xix) The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than Forty Eight hours of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

xx) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.arihantfoundations.com and on the website of CSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges

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

ITEM NO. 3, & 6

Mrs. Ann Gonsalvez, Independent Director, was appointed on the Board of the Company on March 25, 2015 in terms of Companies Act, 1956. During her continuation as Director, upon implementation of Section 149 of the Companies Act, 2013, her appointment as Independent Director of the Company for a fixed term of 5 years from the date of his appointment, ie., 25/03/2015, was made at the Annual General Meeting held on September 04, 2014. Her current term in the office of Independent Director is up to 24th March 2020. The Securities and Exchange Board of India (SEBI) has amended the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 vide circular dated May 9, 2018 which requires continuance of any Non-Executive Director who has attained the age of 75 years to be approved by the shareholders by way of a Special Resolution in terms of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Though Mrs. Ann Gonsalvez can hold office under the erstwhile resolution, she would be crossing 75 years of age during the term of her first appointment. Hence this Special Resolution is placed before the shareholders in order to comply with the aforesaid circular. The approval of shareholders by way of special resolution for appointment of said director for a second term of five consecutive years is required and same is provided.

ITEM NO.4 & 5

Accordingly, in compliance with the provisions of section 149, 152 and other applicable provisions if any, and the requirements of Listing agreement, of the Act, Mr. Ravikanth Choudhry (DIN: 00831721) & Mr. Karan Bhasin (DIN: 02168581), are proposed to be appointed as Independent Directors (Non – Executive) of the Company for a term of five consecutive years from June 30, 2020 and shall not be liable to retirement by rotation.
All the independent directors have given declaration under Section 149 (7) of the Companies Act, 2013 that they fulfill the conditions specified in sec 149(6) of the Act read with the rules made there under for his appointment as an Independent Director of the company and is independent of the management. Accordingly, your directors recommend the resolution, of appointment of the above mentioned directors as Independent Directors for approval of shareholders of the company by way of Special Resolution.

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

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE TWENTY SECOND ANNUAL GENERAL MEETING

(Pursuant to Clause 49 (VIII) (E) of the Listing Agreement)

Profile of the Independent Directors
Mrs. ANN GONSALVEZ

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

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

Ann Gonsalvez's current interest and focus is mentoring organizations in the areas of financial development, business intuitive consulting and corporate social responsibility. It is proposed to appoint Mrs. Ann Gonsalvez as Independent Director under Section 149 of the Companies Act 2013 and Clause 49 of the listing agreement to hold office for 5 (five) consecutive years for a term up to 24th March 2025.

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

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

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

She holds Nil shares in the Company.

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

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

Mr. RAVIKANT CHOUDHRY

Mr. Ravikant Choudhry, Bsc, Mathematics is a leading stock broker is an Independent Director and has held the position as such for more than 10 years.

He is involved in stock broking activities with 25 years of rich experience in Stock Broking. He is the Managing Director of ASL CAPITAL HOLDINGS PRIVATE LIMITED and ARIHANT'S STOCK BROKERS PRIVATE LIMITED for the last three decades. It is proposed to appoint Mr. Ravikant Choudhry as Independent Director under Section 149 of the Companies Act 2013 and Clause 49 of the listing agreement to hold office for 5 (five) consecutive years for a term up to June 29,2025.

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

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

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

He holds 5111 shares in the Company.

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

S. No.	Name of the Company	Position	Committee Membership/ Chairmanship
1.	ARIHANT'S SECURITIES LIMITED	Director	Nil
2.	ARIHANT'S STOCK BROKERS PRIVATE LIMITED	Managing Director	Chairman
3.	ASL CAPITAL HOLDINGS PRIVATE LIMITED	Managing Director	Nil
4.	DMRR COMMODITIES PRIVATE LIMITED	Director	Nil
5	AR TRAVEL LIMITED	Director	Nil
6	SOUTHERN INDIA RAJASTHANI CHAMBER OF COMMERCE & INDUSTRY	Director	

MR. KARAN BHASIN

Mr. Karan Bhasin, BCOM, aged about 39 years is an Independent Director and has held the position as such for more than 10 years.

He is a Businessman with rich experience of 15 years in the field of Management of a Company. It is proposed to appoint Mr. Karan Bhasin as Independent Director under Section 149 of the Companies Act 2013 and Clause 49 of the listing agreement to hold office for 5 (five) consecutive years for a term up to June 29, 2025.

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

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

He holds Nil shares in the Company.

Details of other Directorships/Committee memberships held by him

S.No.	Name of the Company	Position	Committee Membership/ Chairmanship
1.	EAGLE MEDICAL SYSTEMS PRIVATE LIMITED	Director	Nil

By Order of the Board
For Arihant Foundations & Housing Limited

Sd/-
(Sharon Josh)
Company Secretary

Place: Chennai
Date: 30.05.2019

DIRECTORS' REPORT

Your Directors are pleased to present the Directors' Report of your Company together with the Audited Financial Statements and the Auditors' Report for the period ended 31st March, 2019. The summarized financial results for the Financial Year are as under:

WORKING RESULTS:

FINANCIAL PERFORMANCE:

During the year under review, company has Revenue from operation of Rs. 6295.93 Lakhs (Previous Year: Rs.3931.22 Lakhs) and Other Income of Rs.3205.42 Lakhs (Previous Year: Rs.1975.64 Lakhs), and the Gross Profit of the Company amounted to Rs. 201.52 Lakhs (Previous Year: Profit of Rs.234.18 Lakhs). After providing for Interest & Finance charges, and Depreciation, the Company has performed well during the year under review, despite poor market conditions and without taking up any new project during the year with a Profit after Tax of isRs.146.59 Lakhs as compared to the previous year profit of Rs.42.78 Lakhs).

			(Rs. In Lakhs)
S. No.	**Particulars**	**1st April 2018- 31st March 2019**	**1st April 2017 - 31st March2018**
I.	**Total Revenue**	9501.35	5906.86
II.	**Total Expenses**	9299.83	5672.68
III	**Profit before exceptional and extraordinary items and tax (I-II)**	201.52	234.18
IV	Exceptional items	-	-
V	**Profit before extraordinary items and tax (III - IV)**	201.52	234.18
VI	Tax expense:		
	(1) Current tax	40.19	4.90
	(2) Deferred tax	14.73	186.49
VII	**Profit (Loss) for the period from continuing operations**	146.59	42.788
VIII	Transfer to Capital Redemption Reserve	-	-
IX	**Profit (Loss) for the period (VII- VIII)**	146.59	42.788

DIVIDEND

Your directors do not declare any Dividend for the financial year ended, 31st March 2019 due to inadequate profit and to Conserve reserves.

DEPOSITS

During the year under review, the company didn't raise funds by way of fixed deposits from Public.

Subsidiaries& Joint Ventures / Associates

There are six subsidiaries and one joint venturesof your Company as on 31st March, 2019.

M/s. ArihantGriha Limited, Vaikunt Housing Limited, Varenya Constructions Limited and Transperent Heights Real Estate Limited are the wholly-owned subsidiaries and M/s. Escapade Real Estate Private Limitedis the subsidiary of your Company with 66.67% stake and M/s. North Town Estates Private Limited with 65% stake.M/s. ArihantUnitech Realty Projects Limited is Joint Venture entity of your Company.

Details of financial statements of subsidiaries are given in AoC-1 as **Annexure 1.**

Performance, Plans and Prospects of your Company

ONGOING PROJECTS

Project name	Location	Area (Sqft)
Aira (Residential Complex)	Egmore, Chennai	13,000
ArihantVihaana	Kilpauk Garden Road, Kilpauk, Chennai	**5,242**
	TOTAL	**18,242**

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments made during the year are given in the Note:11 to the Financial Statements.

DIRECTORS:

The Composition of Directors of the Company is in compliance with Section 149 of the Companies Act and Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015.

A) CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the period under review, the following are the changes in directors and Key Managerial Personnel

Sl No	Name	Designation	Appointment/ Resignation	Date
1	Mr. A.L.Jayabhanu	Director	Resignation	20/10/2018
2	Mrs. Meenakshi Jayaraman	Company Secretary	Resignation	14/01/2019
3	Mr. Sharon Josh	Company Secretary	Appointment	25/03/2019
4.	Mr. A. Damodaran	Independent Director	Resignation	01/04/2019

B) DECLARATION BY INDEPENDENT DIRECTORS

A declaration by the Independent Directors that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 was taken on record by the Board in their meeting held on April 28, 2018. The terms and conditions of appointment of the Independent Directors are placed on the website of the Company http://www.arihantfoundations.com/investors-details/code-of-conduct/

The Company has also disclosed the Directors' familiarization programme on its website http://www.arihantfoundations.com/investors-details/code-of-conduct/

The independent directors have met on 28.04.2018 and reviewed the performance of non-executive directors, chairman and executive directors and analyzed the flow of information to the Board. All the Independent directors were present at the meeting. The Board also evaluated its own performance and that of its committees & Independent Directors.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

During the year, 10 (Ten) Board Meetings and 4 (four) Audit Committee Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

AUDIT COMMITTEE:

The **Audit Committee** had a number of meetings, both formal and internal interactions with the management team in reviewing Accounts, Finances, Compliances and Risks, and in ensuring improved internal reporting, analyses and financial performances. Given the increasing complexities presented by the new Companies Act and other Laws, the Audit Committee has also focused on Compliance and Governance to meet the needs of the present and the future. When necessary, external consultants have been brought in to support the Committee and the Management team.

We are happy to report to you that governance of your Company is of a high order as a result. Further improvements are being implemented.

Nomination and Remuneration Committee has been active in its role as stipulated in Section 178 of the Companies Act 2013. The policy of remuneration of the Directors, KMPs and employees are stated elsewhere in the report.

FINANCE

All taxes and statutory dues have been paid. Payment of interest and instalments to the Financial Institutions and Banks are being made as per schedule. Your Company had not collected any Fixed Deposits during the Financial Year.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Indian Accounting Standards (IND-AS) on consolidated financial statements read with Accounting Standard IND-AS-28 on investment in associates and on financial reporting of interest in Joint Venture, Auditors Report on the consolidated financial statements, audited consolidated Balance Sheet, Profit and Loss account and Cash flow statements are provided in the Annual Report.

REPORT ON CORPORATE GOVERNANCE

Your Company ensures good corporate governance by implementing and complying with the policies, standards set out by Securities and Exchange Board of India and other regulatory authorities. The requisite certificate issued by Mrs. G.Subhasree, Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance as stipulated under Regulation 34(3) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, is attached to this Report as **Annexure 2.**

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

The necessary details are furnished in Notes to Financial statements.

PARTICULARS OF EMPLOYEES:

Details of employees covered under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in **Annexure 3** to this annual report. Employees at all levels have performed well.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition &Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up by your Company to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The number of complaints filed during the year was Nil.

RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties (as defined under the Companies Act, 2013) during the financial year were in the ordinary course of business and on an Arm's length pricing basis, and do not attract the provisions of Section 188 of the Companies Act, 2013 and within the ambit of Reg. 23 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website. http://www.arihantfoundations.com/investors-details/code-of-conduct/

Details of transactions with related parties are given in Form AOC - 2 which is attached to this report as **Annexure 4.**

REMUNERATION POLICY OF THE COMPANY

The objective of the remuneration policy of the Company is to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

DIRECTORS RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.

iii) the directors have taken proper and sufficient care to maintain adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

iv) the directors have prepared the annual accounts on a going concern basis.

v) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

vi) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

VIGIL MECHANISM / WHISTLE BLOWER MECHANISM

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of the Policy are explained in the Corporate Governance Report and also posted on the website of the Company.

CORPORATE SOCIAL RESPONSIBILITY

Obligation to incur expenses under Corporate Social Responsibility is not applicable to your Company for the current year. A CSR committee of the Board, however has been constituted and a policy on Corporate Social Responsibility Policy has been uploaded on the Company's website http://www.arihantfoundations.com/investors-details/code-of-conduct/. The Committee has been reconstituted with Mr.Ravikant Chaudry, Mr.Kamal Lunawath and Mr.Vimal Lunawath consequent to resignation of Mr.A.Damodaran.

STATEMENT PURSUANT TO LISTING AGREEMENT

Your Company's shares are listed with the National Stock Exchange of India Ltd and the BSE Ltd. We have paid the respective annual listing fees and there are no arrears.

REPORT ON CORPORATE GOVERNANCE

A Report on Corporate governance is annexed herewith as **Annexure 5**. An extract of Annual Return is attached as **Annexure 6.**

AUDITORS

The Company has appointed S. Ramachandra Rao& Associates, Chennai (Firm Regn. No. 007735S) in the 24th Annual General Meeting held on 22nd September 2017 for a period of 5 years from the 24th Annual General Meeting until the conclusion of the Twenty ninth annual general meeting of the Company on such remuneration as may be fixed by the Board of Directors.

INTERNAL AUDITORS

The Internal Auditors Mr. Arun Rajan has played an important role in strengthening the Systems and internal Controls within the Company.

SECRETARIAL AUDIT

The Board appointed Mrs. G.Subhasree, Practising Company Secretary, Chennai to conduct Secretarial Audit for the Financial Year 2018-19. The Secretarial Audit Report for the Financial Year ended March 31, 2019 is attached to this Report as **Annexure 7.**

PARTICULARS PURSUANT TO SECTION 197(12) AND THE RELEVANT RULES OF THE COMPANIES ACT, 2013:

a) The ratio of the remuneration of each Director to the median employee's remuneration for the financial year and such other details as prescribed is as given below:

S. No.	Name of the Director	Ratio
1.	Mr. Kamal Lunawath	5.3216
2.	Mr.VimalLunawath	5.3216
3.	Mr. Bharat Jain	7.8476

b) The median remuneration for the period from April 2018 to March 2019 Rs. 183414/-

c) The percentage increase in remuneration of the Managing Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year:

Mr. Kamal Lunawath – (Managing Director) : **N.A.**
Mr.VimalLunawath – (Chief Financial Officer) : **N.A.**
Mrs.J.Meenakshi – (Company Secretary) : **N.A.**

d) The percentage increase in the median remuneration of employees in the financial year: **Nil**

e) The number of permanent employees on the rolls of company: **57**

f) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:

Increase in remuneration is based on remuneration policy of the Company.

j) If remuneration is as per the remuneration policy of the company: **Yes**

PERSONNEL

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

ACKNOWLEDGEMENTS

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

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

Sd/-	Sd/-
(KAMAL LUNAWATH)	**(VIMAL LUNAWATH)**
Managing Director	Whole time Director
DIN: 00087324	DIN: 00586269

Place: Chennai
Date: 30.05.2019

ANNEXURE TO DIRECTORS' REPORT:

Board of Directors' explanation for the observations made in the Secretarial Audit report.

Refer observations in the Secretarial Auditors Report regarding each of these points are listed below:

a) M/s North Town Estates Private ltd is in the process of Amalgamation with ArihantUnitech Realty Projects Ltd. The scheme being reviewed by the official liquidator appointed by NCLT, post approval by the creditors and shareholders of the company. Post merger, M/s North Town Estates Private ltd ceases to be a subsidiary of Arihant Foundations & Housing ltd. Hence the company is of the stand not to appoint an Independent director in the board of North Town Estates Private limited.

b) The delay in intimation to Stock Exchanges pursuant to Regulation 33 of Listing Regulations with respect to intimation of financial results was inadvertent due to technical difficulties.

c) The company has inadvertently omitted to state two Board meeting dates (14.01.2019 & 14.02.2019) for Jan – March 19 quarter in the corporate Governance Report. A request is proposed to be made to the stock exchanges to re submit the forms after corrections.

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

Sd/-	Sd/-
(KAMAL LUNAWATH)	**(VIMAL LUNAWATH)**
Managing Director	Whole time Director
DIN: 00087324	DIN: 00586269

Place: Chennai
Date: 30.05.2019

Form AOC-1- ANNEXURE -1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in INR)

Sl. No.	Particulars	Details					
1.	Name of the subsidiary	Arihant Griha Ltd	Varenya Constructions Ltd	Vaikunt Housing Ltd	Transperent Heights Real Estate Ltd	Escapade Real Estate Private Ltd	North Town Estates Private Ltd
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-03-2019	31-03-2019	31-03-2019	31-03-2019	31-03-2019	31-03-2019
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR	INR	INR
4.	Share capital	500,000	500,000	500,000	500,000	16,500,000	500,000
5.	Reserves & surplus	485,055	(69,541,573)	582,393	(2,848,454)	106,668,925	(670,013,956)
6.	Total assets	62,320,525	253,518,887	13,323,979	6,334,770	554,247,720	2,602,414,599
7.	Total Liabilities	61,335,469	322,560,460	12,241,587	8,683,224	431,078,794	2,371,928,555
8.	Investments	Nil	Nil	Nil	Nil	238,000,000	84,736,873
9.	Turnover	5,399,175	59,743,135	463,579	905,574	142,326,928	595,429,548
10.	Profit before taxation	26,917	(66,491,788)	(633,665)	(92,279)	88,074,246	(4,626,680)
11.	Provision for taxation	0	0	0	0	25173750	0
12.	Profit after taxation	26,917	(66,491,788)	(633,665)	(92,279)	64,034,469	(4,471,356)
13.	Proposed Dividend	0	0	0	0	0	0
14.	% of shareholding	100	100	100	100	66.67	65.00

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations : NIL

2. Names of subsidiaries which have been liquidated or sold during the year : NIL

Part "B": Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	Name of associates/Joint Ventures	Arihant Unitech Realty Projects Limited (Joint Venture)
1.	Latest audited Balance Sheet Date	31-03-2019
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	No. of shares	5,00,000
	Amount of Investment in Associates / Joint Venture	
	Extend of Holding%	50%
3.	Description of how there is significant influence	Control of 50%
4.	Reason why the associate/joint venture is not consolidated	NA
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	250209969
6.	Profit/Loss for the year	
i.	Considered in Consolidation	1041476
ii.	Not Considered in Consolidation	-

1. Names of associates or joint ventures which are yet to commence operations: NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year: NIL

For **Ramachandra Rao & Associates,**
Chartered Accountants
Firm's Registration No.: 007735S

sd/-
CA. Ramachandra Rao Suraneni
Proprietor
Membership No. 206003

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

sd/-
Kamal Lunawath
Managing Director
DIN :00087324

sd/-
Vimal Lunawath
Whole Time Director
DIN : 00586269

ANNEXURE 2

REPORT ON CORPORATE GOVERNANCE

(as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company has always focused on the highest levels of fairness, transparency, accountability, ethics and values in all facets of its operations and always adhered to the law in force in the Country. Your Company ensures timely and accurate disclosure on all material matters including the financial situation, performance and regulatory requirements. At Arihant, we constantly promote and enhance the customers' satisfaction and to stakeholders' legitimate interests.

At Arihant, we believe that delivering on promises through a foundation of honesty, built on transparency, finished with integrity is essential for achieving long-term corporate goals of the Company and for meeting the needs and aspirations of its stakeholders, including shareholder.

2. BOARD OF DIRECTORS

(I) COMPOSITION OF BOARD

The Board of Directors of Arihant Foundations & Housing Limited constituted three Executive Directors and fournon Executive Directors as on 31.03.2019.

The breakup of the total composition of the Board as on 31.03.2019 is as follows:

Sl. No.	Name of the Directors	Designation	Executive/ Non- executive/ Independent
1.	Mr. Kamal Lunawath*	Managing Director	Executive
2.	Mr. Vimal Lunawath*	Whole time Director & Chief Financial Officer	Executive
3.	Mr. Bharat M Jain	Whole time Director	Executive
4.	Sri. A. Damodaran**	Director	Non-Executive & Independent
5.	Mr. Ravikant Choudhry	Director	Non-Executive & Independent
6.	Mr. Karan Bhasin	Director	Non-Executive & Independent
7.	Mrs. Ann Amelia Gonsalvez	Director	Non-Executive & Independent

* Represents Promoter Group
** Sri A Damodaran resigned wef 01/04/2019.

(II) ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST AGM AND DETAILS OF OTHER DIRECTORSHIPS AS ON 31.03.2019.

Sl. No.	Name of the Directors	Attendance at		No. of Directorship held in other Public Limited Companies	Board Sub-Committees including in ARIHANT (Audit Committee and Stakeholders Relationship Committee)	
		No. of Board Meetings Attended	Whether Attended last A.G.M		Membership	Chairmanship
1.	Kamal Lunawath	10	Yes	4	1	--
2.	VimalLunawath	10	Yes	4	--	--
3.	Col. A.L Jayabhanu	3	No	--	--	--
4.	A .Damodaran	8	No	1	2	2
5.	Bharat Jain	10	Yes	--	--	--
6.	Ann Gonsalvez	3	No	--	1	--
7.	RavikantChoudhary	4	Yes	1	4	1
8.	Karan Bhasin	1	No	--	--	--

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

During the Financial Year 2018 to 2019 (from 01.04.2018 to 31.03.2019),10(Ten) Board meetings were held on 28.04.2018, 30.05.2018, 14.08.2018, 26.09.2018, 11.10.2018, 14.11.2018, 19.12.2018, 14.01.2019, 14.02.2019 & 25.03.2019

(IV) REMUNERATION OF DIRECTORS

The remuneration paid to the Managing Director/ Whole-time Directors is within the ceiling as per the resolution approved by the shareholders/prescribed under the Schedule V to the Companies Act, 2013 and their terms of appointment are displayed at the company's website http://www.arihantfoundations.com/investors-details/code-of-conduct/

Details of remuneration paid to the Managing Director/ Whole-time Directors during the year ended 31/03/2019 are:

Name	Position	Salary Rs. (Annual)	Commission Rs.	Contribution to P.F. and other Fund Rs.	Perquisites Rs.	Incentives & Bonus In Rs.
Kamal Lunawath	Managing Director	12,00,000	Nil	Nil	Nil	Nil
VimalLunawath	Whole Time Director	12,00,000	Nil	Nil	Nil	Nil
Bharat Jain	Whole Time Director	18,00,000	Nil	Nil	Nil	Nil

Sitting fees is payable to the Non-Executive Directors for attending Board / eligible Committee meetings.

The sitting fees paid to the Non-Executive Directors are as under:

Name of the Director	Sitting Fees Paid (Rs.)
Col. A.L Jayabhanu	6000
A .Damodaran	16000
Ann Gonsalvez	9000
RavikantChoudhary	8000
Karan Bhasin	2000

(V) Details of Shares held by Non-Executive Directors:

Name of the Director	Number of Shares held
Col. A.L Jayabhanu	Nil
A .Damodaran	Nil
Ann Gonsalvez	Nil
RavikantChoudhary	5,111
Karan Bhasin	Nil

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

Notes:

(i) There are no stock options and severance fees.

(ii) No Notice period is specified for Directors' resignation/termination

3. AUDIT COMMITTEE

(I) Composition:

The Audit Committee composition under provisions of section 177 of the Act and as required under Reg. 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is depicted below:

Mr. Ravikant Choudhry,
Chairman of the Committee –I & NE
Mr. A Damodaran,
Member of the Committee- I & NE *
Mr. Karan Bhasin ,
Member of the committee **
Mr. Kamal Lunawath, Managing Director,
Member of the Committee NI &E
Mr . Sharon Josh ,
Secretary of the Committee.

Note: I- Independent, NE- Non Executive,
E- Executive
*- Resigned as on 01.04.2019
** - Appointed as on 29.04.2019

(II) No. of meetings and attendance:

There were four (4) meetings held during the year 2018-19 (from 01.04.2018 to 31.03.2019) on 30.05.2018, 14.08.2018, 14.11.2018 & 14.02.2019. All four meetings were attended by the members..

(III) Brief description of terms of reference:

The Audit committee acts in accordance with the duties specified under section 177(4) of the Act and as required under Reg. 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination & Remuneration Committee consists of Mr. Karan Bhasin*, Independent Director being the Chairman, Mr. Ravikant Choudhry, Independent Director and Mrs. Ann Amelia Gonsalvez, Independent Director. The Company Secretary of the Company, Mr.Sharon Josh acts as the Secretary to the Committee.

The Committee is formed in accordance with Section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee has coined a Remuneration Policy as under Reg. 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the purpose of determining the Remuneration to the Directors.

During the financial year 2018-19 (from 01.04.2018 to 31.03.2019), 1 (One) meetings of Nomination and Remuneration Committee were held on 04.02.2019. The said meetings were attended by all the members.

5. STAKEHOLDER GRIEVANCE COMMITTEE/ STAKEHOLDER RELATIONSHIP COMMITTEE:

The Stakeholder Grievance committee comprises of Mr. Karan Bhasin, Independent Director Chairman of the Committee, Mr. Ravikant Choudhry, Independent Director and Mr. Vimal Lunawath, Whole Time Director. The Company Secretary of the Company, Mr. Sharon Josh acts as the Secretary to the Committee.

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

During the financial year 2018-19 (from 01.04.2018 to 31.03.2019), four (4) meetings of Share transfer and Shareholders/Investors Grievance Committee were held on 30.05.2018, 14.08.2018, 14.11.2018 & 14.02.2019. The said meetings were attended by all the members.

a) Mr.Sharon, Company Secretary is the Compliance Officer.
b) No. of shareholders' complaints received during the period 01.04.2018 to 31.03.2019: **Nil**
c) No. of complaints not solved to the satisfaction of the Shareholders: **Nil**
d) No. of pending complaints as on 31.03.2019: **Nil**

6. FAMILIARIZATION PROGRAMMES FOR DIRECTORS

A familiarization program is made available to Directors through various reports, codes and internal policies with a view to update them on the company's policies and procedures on a regular basis. The details of the familiarization program carried out for the financial year 2018-19 have been hosted in the website http://www.arihantfoundations.com/investors-details/code-of-conduct/

7. POLICY ON MATERIAL SUBSIDIARY

The details of the policy have been disclosed on the company's website http://www.arihantfoundations.com/investors-details/code-of-conduct/

8. POLICY ON RELATED PARTY TRANSACTIONS & POLICY ON DETERMINATION OF MATERIALITY OF AN EVENT

The policies have been disclosed on the company's website http://www.arihantfoundations.com/investors-details/code-of-conduct/

9. POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration. This Policy is accordingly derived from the said Charter. http://www.arihantfoundations.com/investors-details/code-of-conduct/

10 . VIGIL MECHANISM / WHISTLE BLOWER MECHANISM

Employees are asked to report any practices or actions believed to be inappropriate and against the interests of the Company or its code of conduct adopted or any other illegal acts to their immediate Manager. Report of violation may also be made directly to the Chief Executive Officer. Where appropriate, complaints may be made on a confidential basis to the Chairman of the Audit Committee / Board. The contact details are made available at the Company's website / Notice Board. All complaints received will be properly investigated by the recipients and report the outcome to the Audit Committee in sealed cover for appropriate action. The Company prohibits retaliation against any employee for such complaints made in good faith, while it also protects the rights of the incriminated person. No complaint has been registered during 2018-19. No personnel have been denied access to the Committee/Mechanism. The policy of the Company can be found at the weblinkhttp://www.arihantfoundations.com/investors-details/code-of-conduct/

11. GENERAL BODY MEETINGS

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

A.G.M	Date	Time	Venue
23rd AGM	30.09.2016	9.30 A.M	Arihant Escapade Devaraj Nagar 48, OkkiumThoraipakkam, Chennai- 600097
24th AGM	22.09.2017	9.30 A.M.	“Arihant Tiara”, Plot No. 2B, TCNS Garden, Nandambakkam, Chennai- 600089
25th AGM	28.09.2018	9.00 A.M	“Arihant The Verge” No.282, Old Mahabalipuram Road (Rajiv Gandhi Salai), Kandhanchavadi, Chennai – 600 096

b) Whether any special resolutions passed in the previous 3 AGMs : Yes

c) Whether any special resolutions passed last year through postal ballot : No

d) No resolution is proposed to be conducted through postal ballot

12. DISCLOSURES

a) The Company‘s internal Audit is done by Mr. Arun Rajan. The reports submitted by the Internal Auditors on the operations and financial transactions and the Action Taken Report on the same are placed before the Audit Committee, apart from the Statutory Auditors and the Senior Management of the Company.The Board has the policy of reviewing the non compliance reported, if any.

b) During the year, the material significant transactions with the Directors or their relatives or the other related parties did not have any potential conflict with the interests of the Company. All details relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board, and the interested Directors neither participate in the discussion, nor do they vote on such matters.

c) There were no instances of material non compliance and no penalties or strictures on the Company imposed by Stock Exchanges, SEBI or statutory authorities on any matter related to Capital Market during last three years / period.

d) The Company has devised Whistle Blower mechanism and the same is available in the Company’s website. It is hereby affirmed that, that no personnel has been denied access to the audit committee.

13 . MEANS OF COMMUNICATION

The Company has promptly reported all material information including quarterly results and press releases to the Stock Exchanges where the Company’s securities are listed. The quarterly results were communicated to the shareholders by way of advertisement in an English National Newspaper, normally in The Business Standard or The MINT and in a vernacular language newspaper, normally in the Maalaisudar, Tamil edition. The results and other updates are displayed on the company’s website http://www.arihantfoundations.com

14. CODE OF CONDUCT:

The Company has laid down the Code of Conduct for all Board members and senior management of the Company, which is available on the Company’s Websitehttp://www.arihantfoundations.com/investors-details/code-of-conduct/

All Board members and Senior Management of the Company have affirmed compliance with their Code of Conduct for the financial year ended March 31, 2018. The Managing Director has also confirmed and certified the same. The certification is annexed as **Annexure 1- CG** at the end of this Report.

15. RISK MANAGEMENT:

The Company has well laid down procedures to inform Board members about the risk assessment and adopted suitable forex policy including hedging to contain foreign exchange risk.

16. CEO /CFO CERTIFICATION:

Appropriate certification as required under Reg. 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Kamal Lunawath, Managing Director and Mr. Vimal Lunawath, Chief Financial Officer have certified to the Board regarding Financial Statements for the year ended 31st March, 2019 which is attached as **Annexure 2 to CG.**

17. Details of Transfer of unpaid dividend to Investor Education and Protection Fund:

Financial Year	Date of declaration of dividend	Unpaid dividend Amount as on 31.03.2019	Due date for transfer to IEPF
2010-11	30-03-2012	65,606.00	28-04-2019

18. AFFIRMATION:

The provisions of Reg. 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Reg. 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, wherever applicable to the company, are fully complied with. All the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are disclosed in this report.

Further the company adopted the following discretionary requirements under Reg. 27(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A. The Board

No separate office is maintained by the present Chairman - cum - Managing Director.

B. Shareholder Rights

The company has not circulated a half-yearly declaration of financial performance/summary of significant events in the last six-months.

C. Modified opinion(s) in audit report

Not applicable since there is no qualification in the audit reports.

D. Separate Posts of Chairperson and Chief Executive Officer

Separate persons occupied the position of Chairperson and Managing Director during the financial year.

E. Reporting of internal auditor

The Internal Auditors directly report to the Audit Committee

19. GENERAL SHAREHOLDER INFORMATION

i.	Number of Annual General Meeting	:	26th Annual General Meeting
	Date & Time	:	30.09.2019, 9.30 a.m
	Venue	:	"Arihant Tiara", Plot No. 2B, TCNS Garden, Nandambakkam, Chennai- 600034
ii.	Financial Calendar	:	April 2018 to March 2019
iii.	Book Closure date	:	24.09.2019 to 27.09.2019 (both the days inclusive)
iv.	Listing on Stock Exchanges	:	Bombay Stock Exchange Limited PhirozeJeejeebhoy Towers Dalal Street,Mumbai-400001 Website:-www.bseindia.com National Stock exchange of India Limited Exchange Plaza, BandraKurla Complex Bandra (E), Mumbai- 400051 Website: www.nseindia.com
v.	Listing Fees	:	Paid as per the Listing agreement
vi.	Stock code/ Symbol	:	531381
	BSE Limited	:	arihant found
	NSEIndia Ltd	:	ARIHANT
	ISIN for dematerialised shares	:	INE413D01011
vii.	Registrar & Share Transfer Agent	:	Cameo Corporate Services Ltd "Subramanian Building", No. 1 Club House Road, Chennai- 600 002
viii.	Compliance Officer	:	Mr. Sharon Josh, Company Secretary ARIHANT FOUNDATIONS & HOUSING LIMITED No. 3 Ganapathy Colony, 3rd Street, Teynampet, Chennai- 600 018
ix.	Share Transfer System	:	The Company's shares are traded in the Stock Exchanges which are compulsorily in demat mode.Shares sent for physical transfer are registered promptly within 15 days from the date of receipt of completed and validly executed documents
x.	Dematerialisation of Shares and liquidity	:	The dematerialisation facility exists with both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the convenience of shareholders. As on 31.03.2019, 71,75,520 shares have been dematerialised, representing

83.43% of the Subscribed capital. The Company's shares are actively traded shares on BSE & NSE

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

xii. Stock market price data for the year 2018-19 :

The details of month wise high/low price of the company's share in the Stock Exchanges, where it is listed, along with the comparable indices of the Stock Exchanges for the financial year are tabled below:

Month	Bombay Stock Exchange Ltd				National Stock Exchange Ltd			
	Share Price (INR)		Sensex		Share Price (INR)		CNX Nifty Points	
	High	Low	Points	Low	High	Low	High	Low
April 2018	47.6	40.2	35,213.30	32,972.56	46.5	38	10706	10220
May 2018	43.85	36.55	35,993.53	34,302.89	42.45	36.65	10929	10602
June 2018	40.2	34	35,877.41	34,784.68	39.8	32.25	10888	10558
July 2018	40.2	36.1	37,644.59	35,106.57	39.45	32.20	11311	10605
August 2018	41.9	35.55	38,989.65	37,128.99	44.70	38.75	11745	11360
September 2018	40	35	38,934.35	35,985.63	41.70	30	11752	10850
October 2018	36.8	23.3	36,616.64	33,291.58	36	22.45	10526	10105
November 2018	41.5	25.2	36,389.22	34,303.38	39.80	23.55	10922	10441
December 2018	34.95	28.75	36,554.99	34,426.29	34.50	32.40	10994	10334
January 2019	37	30	36,701.03	35,375.51	39.65	29.35	10924	10613
February 2019	33	27	37,172.18	35,287.16	37.25	26	11118	10586
March 2019	34.85	26.5	38,748.54	35,926.94	33.10	26.20	11630	11168

xiii . Distribution of Shareholding as on 31.03.2019

Share or Debenture holding			Share / Debenture holders		Share / Debenture amount	
Rs.		Rs.	Number	% of total	Rs.	% of total
10	-	5000	1839	82.7632	1786810	2.0776
5001	-	10000	95	4.2754	766270	.08910
10001	-	20000	81	3.6453	1243160	1.4455
20001	-	30000	54	2.4302	1369670	1.5926
30001	-	40000	24	1.0801	855980	0.9953
40001	-	50000	23	1.0351	1098570	1.2774
50001	-	100000	42	1.8901	3384790	3.9358
100001	and	Above	64	2.8802	75494750	87.7845
Total	2222	100	86000000	100	86000000	100

xiv. Shareholding pattern as on 31.03.2019.

Sl. No.	Category	No. of Shares	% of Paid up Capital
1.	Indian Promoter's (including Person acting in concert).	3686700	42.87
2.	Bodies Corporate	1294368	15.05
3.	FPI's	988856	11.50
4	Others	2630076	30.58

xv. Reconciliation of Share Capital Audit Report

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

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

Nil

xvii. Address for correspondence

For matters relating to Company's shares:
Cameo Corporate Services Limited.
Subramanian Building, No.1, Club House Road,
Anna Salai, Chennai-2.
Ph: 28460390.

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

ANNEXURE 1 to CG

DECLARATION BY THE CEO UNDER REGULATION 34(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with Reg. 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and the Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct for the Financial Year ended March 31, 2019

For **Arihant Foundations & Housing Limited**
Sd/-
Kamal Lunawath
Managing Director
DIN: 00087324

Date: 30.05.2018
Place: Chennai

ANNEXURE 2 to CG

DECLARATION BY THE CEO UNDER REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 BY MD/CFO REGARDING COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS.

CERTIFICATION BY MD AND CHIEF FINANCIALOFFICER TO THE BOARD

We, Managing Director (Kamal Lunawath) and (VimalLunawath) Chief Financial Officer of ARIHANT FOUNDATIONS & HOUSING LIMITED, certify that:

A. We have reviewed the financial statements and the cash flow statement for the period ended 31.03.2019 and that to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing Generally Accepted Accounting Principles including 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 overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors, and reports significant issues to the Audit Committee of the Board. The Statutory Auditors and Audit Committee are apprised of any corrective action taken or proposed to be taken with regard to significant deficiencies and material weaknesses.

D. We have indicated to the Auditors, the Audit Committee and to the Practising Company Secretary:

(1) that there are no significant changes in internal control over financial reporting during the year;

(2) that there are no significant changes in accounting policies during the year;

(3) that there are no instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the Company's internal control system over financial reporting.

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

	Sd/-	Sd/-
	(KAMAL LUNAWATH)	(VIMAL LUNAWATH)
Place: Chennai	Managing Director	Whole time Director
Date: 30.05.2019	DIN: 00087324	DIN: 00586269

Annexure –3 to CG

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economic Review

Indian economy started the fiscal year 2018–19 with a healthy 8.2 percent growth in the first quarter on the back of domestic resilience. Growth eased to 7.3 percent in the subsequent quarter due to rising global volatility, largely from financial volatility, normalized monetary policy in advanced economies, externalities from trade disputes, and investment rerouting. Even with this lower growth for 2017-18, GDP growth has averaged 7.3 per cent for the period from 2014-15 to 2018-19, which is the highest among the major economies of the world. That this growth has been achieved in a milieu of lower inflation, improved current account balance and notable reduction in the fiscal deficit to GDP ratio makes it all the more creditable. The economy stabilizing after the introduction of GST last year and adding to the advantages from faster resolution of problems associated with non- performing assets of the banks and liberalization of FDi policies, the economy seems to develop further in the coming years.

Real Estate Overview

The real estate sector is one of the most globally recognized sectors. In India, real estate is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade. The real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

It is also expected that this sector will incur more non-resident Indian (NRI) investments in both the short term and the long term. Bengaluru is expected to be the most favoured property investment destination for NRIs, followed by Ahmedabad, Pune, Chennai, Goa, Delhi and Dehradun.

Opportunities

As compared to last year,the Indian real estate sector has witnessed high growth in recent times with the rise in demand for office as well as residential spaces. Private equity investments in real estate are estimated to grow by 2026 with tier 1 and 2 cities being the prime beneficiaries.

The Securities and Exchange Board of India (SEBI) has given its approval for the Real Estate Investment Trust (REIT) platform which will help in allowing all kinds of investors to invest in the Indian real estate market. It would create an opportunity in the Indian market over the years. Responding to an increasingly well-informed consumer base and, bearing in mind the aspect of globalisation, Indian real estate developers have shifted gears and accepted fresh challenges. One of our projects “The Verge” is a commercial project creating a space for Entrepreneurs.

Threats and Challenges

Interest rates and the economy:

As interest rates rise, commercial and residential real estate markets are seeing several changes, such as decreasing demand for commercial property and higher home mortgage rates. Rate increases are making homes less affordable and are also limiting the value appreciation for commercial real estate. “Lack of wage growth for all but the wealthiest population segment is dampening housing demand, and limiting consumer spending that the economy needs for growth,” the Counselors of Real Estate’s report notes.

Regulatory Hurdles

Politics and political uncertainty:

Tax reform and policies aimed at balancing trade with other countries will have an impact on jobs, incomes, and both commercial and residential property, according to the report. "Congressional action to relax certain bank lending and asset management regulations was also among developing trends that may improve access to capital," the Counselors of Real Estate's report notes.

Future Outlook

As far as the real estate's outlook for the year 2019is concerned, Indian real estate is going through a major transformation in the recent years. Some of the big decisions and new policies of the Indian Government have affected the real estate sector in big way, albeit in positive or negative manner. Few of the policy changes introduced by the government, such as demonetization, RERA, and REITs in 2016, followed by GST and FDI in 2017, have made huge impacts on Indian real estate sector. Apart from this, there are various other reforms anticipated by the experts in Indian economy, which may come into force in the coming time. However, the new legislation and trends that have come up in the real estate market have the power to reshape the Indian real estate sector for a long term and year 2019can be a starting point towards the Indian real estate growth story.

Segment wise Performance

The Company has only one segment that is developing and promoting of residential apartments. Hence there is no requirement of segment wise reporting.

Risks and Concerns

The Company has only one segment that is developing and promoting of residential apartments. Hence there is no requirement of segment wise reporting.

Financial Performance

A detailed report about financial performance forms part of Directors Report to the shareholders.

Human resources

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

Internal Control System and their Adequacy

In order to get the best assurance of the Internal Control System the Company has appointed M/s. Ernst & Young LLP, Chartered Accounts,Major international accounting and consulting firm as the Internal Auditors of the Company. There are adequate internal financial controls in place with reference to the financial statements. During the year under review, these controls were evaluated and no significant weakness was identified either in the design or operation of the controls.

Cautionary Statement

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

ANNEXURE 3

Statement showing the name of the top ten employees in terms of remuneration drawn :

Name of the Employee	Designation	Qualification	Experience	Date of Joining	Age	Last Employment & position held	Remuneration Received
HARISH MARLECHA	Head-Marketing	B.Com	24	04.09.2007	46	--	2,400,000
BHARATH JAIN	Whole-Time Director	Indian Certificate Secondary Education	15	30.12.2005	42	--	1,800,000
JAMES BABU L	AGM Projects	B.E. Civil	34	15.11.2006	54	Golden Homes, Senior Engineer	1,395,372
KAMAL LUNAWATH	Whole-Time Director	B.Com	21	04.11.2005	45	--	1,200,000
VIMAL LUNAWATH	Managing Director	B.Com	24	04.11.2005	46	--	1,200,000
SWAROOP KRISHNA D	Manager-Finance	B.Com	13	30.04.2004	35	--	1,080,000
PIYUSH JAGDISH BHATT	Sr Manager - Marketing	Diplomo Civil	25	01.04.1992	47	--	988,039
O P MADHAV	Head-Administration	DFT	25	01.04.1992	61	--	943,920
MARIAPPAN S	Project Manager	MBA	11	30.06.2011	34	Manju Foundations (P) Ltd, Marketing Executive	897,930
P SAKTHIBATHI	Project Manager	Diploma in civil eng., and Construction management	14	10.03.2003	39	--	795,845

Annexure 4
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

A. Details of contracts or arrangements or transactions not at arm's length basis. As All the transactions with related parties have been carried out on ordinary course and arms length: **NIL**

B. Details of material contracts or arrangement or transactions at arm's length basis : **NIL**

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

	Sd/-	Sd/-
	(KAMAL LUNAWATH)	**(VIMAL LUNAWATH)**
Place: Chennai	Managing Director	Whole time Director
Date: 30.05.2019	DIN: 00087324	DIN: 00586269

Annexure 5
CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF
Arihant Foundations & Housing Ltd

1. We have examined the compliance of conditions of corporate governance by Arihant Foundations & Housing Ltd (“the company”), for the period ended on March 31, 2019, as stipulated in as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the “SEBI Listing Regulations”).

2. The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring compliance with the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. We have examined the relevant records of the company, In our opinion and to the best of our information and according to our examination of the relevant records and 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 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the “SEBI Listing Regulations”) for the respective periods of applicability as specified under paragraph 1 above, during the period ended March 31, 2019 except the following:

   a) M/s.North Town Estates Private Limited became a subsidiary during the year 17-18 and a material subsidiary from the FY 2018-19.However Regulations 24 and 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

   b) Belated intimation to Stock Exchanges pursuant to Regulation 33 of Listing Regulations with respect to intimation of financial results for which the Company has paid a penalty of Rs.5,990/- to BSE Limited.

c) Company has inadvertently omitted to state two board meeting dates for Jan – Mar 19 quarter in the CG Report and is in the process of taking steps to refile the CG report with NSE/BSE Limited.

4. 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.

Sd/-
G.Subhasree
Practising Company Secretary
Membership No:21014
Certificate of Practice No:13312

Annexure 6
FORM NO. MGT. 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2018
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L70101TN1992PLC022299
Registration Date	06/03/1992
Name of the Company	ARIHANT FOUNDATIONS & HOUSING LIMITED
Category / Sub-Category of the Company	Indian Non-Government Company/ Company having Share Capital
Address of the Registered office and contact details	No. 3, Ganapathy Colony, 3rd Street, Off. Cenotaph road, Teynampet, Chennai- 600 018
Whether listed company Yes / No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Cameo Corporate Services Limited, V Floor, Subramanian Building, No.1, Club House Road, Anna Salai, Chennai- 600002. Ph: 28460390.

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
1.	Real Estate Development	681	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	Varenya Constructions Limited, New No.3(Old No.25), Ganapathy Colony, 3rd Street Off. Cenotaph Road, Teynampet Chennai TN 600018	U45209TN2006 PLC061200	Subsidiary	100%	Sec 2(87)
2.	Vaikunt Housing Limited, No.3, Ganapathy Colony, 3rd Street, Off. Cenotaph Road, Teynampet, Chennai -600018	U70101TN2005 PLC056345	Subsidiary	100%	Sec 2(87)

3.	Transperent Heights Real Estate Limited, No.3, Ganapathy Colony, 3rd Street, Off. Cenotaph Road, Teynampet, Chennai -600018	U70101TN2006 PLC061223	Subsidiary	100%	Sec 2(87)
4.	ArihantGriha Limited, 271, Poonamallee High Road, Ankur Manor, 1st Floor, Off Mcnichols Road, Kilpauk, Chennai 600010	U45200TN2006 PLC061191	Subsidiary	100%	Sec 2(87)
5.	North Town Estates Private Limited, No.3, Ganapathy Colony, 3rd Street, Off. Cenotaph Road, Teynampet, Chennai -600018.	U74120TN2008 PTC123313	Subsidiary	65%	Section 2(6)
6.	Escapade Real Estates Private Limited, No.3, Ganapathy Colony, 3rd Street, Off. Cenotaph Road, Teynampet, Chennai -600018	U70101TN2007 PTC062236	Subsidiary	66.67%	Section 2(87)
7.	ArihantUnitech realty Projects Limited, No.3, Ganapathy Colony, 3rd Street, Off. Cenotaph Road, Teynampet, Chennai -600018	U74899TN2005 PLC123508	Joint Venture	50%	Section 2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i. Category-wise Share Holding

CATEGORY OF SHAREHOLDERS	NUMBER OF SHARES HELD AT THE BEGINNING OF THE YEAR				NUMBER OF SHARES HELD AT THE END OF THE YEAR			
	DEMAT	PHYSICAL	TOTAL	%	DEMAT	PHYSICAL	TOTAL	%
A. PROMOTERS								
1. INDIAN								
a.Individuals /Hindu undivided Family	3405700	250000	3655700	42.87	3686700	0	3686700	42.87
b. Central Government/ State Government(s)	0	0	0	0	0	0	0	0
c. Financial Institutions/ Banks	0	0	0	0	0	0	0	0
d. Any Other (specify)	0	0	0	0	0	0	0	0
Sub-Total (A)(1)	0	0	0	0	0	0	0	0

2. Foreign	0	0	0	0	0	0	0	0
a. Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0
b. Government	0	0	0	0	0	0	0	0
c. Institutions	0	0	0	0	0	0	0	0
d. Foreign Portfolio Investor	0	0	0	0	0	0	0	0
e. Any Other (specify)	0	0	0	0	0	0	0	0
Sub-Total (A)(2)	0	0	0	0	0	0	0	0
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	3405700	250000	3655700	42.87	3405700	250000	3655700	42.87
B. PUBLIC SHAREHOLDING								
1. INSTITUTIONS								
a. Mutual Funds/	0	0	0	0	0	0	0	0
b. Venture Capital Funds	0	0	0	0	0	0	0	0
c. Alternate Investment Funds	0	0	0	0	0	0	0	0
d. Foreign Venture Capital Investors	0	0	0	0	0	0	0	0
e. Foreign Portfolio Investors	988856	0	988856	11.5	988856	988856	988856	11.5
f. Financial Institutions/ Banks	0	0	0	0	0	0	0	0
g. Insurance Companies	0	0	0	0	0	0	0	0
h. Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0
i Any Other (specify)	0	0	0	0	0	0	0	0
Sub-Total (B)(1)	**988856**	**0**	**988856**	**11.5**	**988856**	**0**	**988856**	**11.5**
2 Central Government/ State Government(s)/ President of India	0	0	0	0	0	0	0	0
Sub-Total (B)(2)	0	0	0	0	0	0	0	0

3. Non-institutions								
a. Individuals -								
i Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	634342	401930	1036272	12.05	653660	400430	1054090	12.26
ii Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	1138142	561100	1699242	19.76	1130602	311100	1441702	16.76
b. NBFCs registered with RBI	0	0	0	0	0	0	0	0
c. Employee Trusts	0	0	0	0	0	0	0	0
d. Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0	0	0	0
e Any Other (specify)								
Bodies Corporate	610431	690550	1300981	15.13	603818	690550	1294368	15.05
Clearing Members	449	0	449	0.01	1870	0	1870	0.02
Directors And Their Relatives	42174	300	42474	0.49	42174	300	42474	0.49
Overseas Corporate Bodies	1	0	1	0.00	1	0	1	0.00
Trusts	0	2000	2000	0.02	0	2000	2000	0.02
Non Resident Indians	13473	0	13473	0.15	13574	0	13574	0.15
HUF	13473	0	13473	0.15	13574	0	13574	0.15
Employees	0	100	100	0.00	0	100	100	0
Sub-Total (B)(3)	2498464	1675980	4174444	48.54	2499964	1424480	3924444	45.61
Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	3487320	1675980	5163300	60.04	3488820	1424480	4913300	57.11
C SHARES HELD BY CUSTODIAN FOR GDR'S& ADR'S	0	0	0	0	0	0	0	0

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

There is no change in the Promoters' shareholding.

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

Sl. No	Name of Shareholder (DP id wise)		Shareholding at the beginning of the year		Cumulative Shareholding during the year		Remarks
1.	S JAYALAKSHMI	No Change	796202	9.258	796202	9.258	No Change
2.	TAJ FOUNDATIONS PRIVATE LTD	No Change	690000	8.023	690000	8.023	No Change
3.	ICG Q LIMITED	No Change	592400	6.888	592400	6.888	No Change
4.	CALEDONIA INVESTMENTS PLC	No Change	231306	2.689	231306	2.689	No Change
5.	SILVER STALLION LIMITED	No Change	165150	1.920	165150	1.920	No Change
6.	HITECH HOUSING PROJECTS (P) LTD	No Change	117880	1.370	117880	1.370	No Change
	HITECH HOUSING PROJECTS PRIVATE LTD		94500	1.098	94500	1.098	
7.	JENNIFER FLORANCE JAMES	No Change	81500	0.947	81500	0.947	No Change
8.	ABHISHEK CHANDAK	No Change	80000	0.930	80000	0.930	No Change
9.	PIONEER INVESTCORP LIMITED	No Change	77974	0.906	77974	0.906	No Change
10	SPI PROPERTIES PRIVATE LIMITED	Purchased during the period	68413	0.0079	68413	.0079	Purchased during the period

(iv) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Shareholding at the end of the year		Reasons for increase/ decrease
A	Directors	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1.	Kamal Lunawath	749100	8.710	749100	8.710	No Change
2.	VimalLunawath	696400	8.097	696400	8.097	No Change
3.	Bharat Jain	11700	0.136	11700	0.136	No Change
4.	RavikantChoudhary	5111	0.059	5111	0.059	No Change

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment In Rs.

	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year				
1.Principal Amount	**730352700**	608886079	-	1339238779
2.Interest due but not paid	-	-	-	-
3.Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	730352700	608886079	-	1339238779
Change in Indebtedness during the financial year				
• Addition	433799077	-	-	528767475
• Reduction	432306439	50194497		538612417
Net Change	1492638	(50194497)		(9844942)
Indebtedness at the end of the financial year				
Principal Amount			-	
Interest due but not paid	-	-	-	-
Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	723236573	579466483	-	802703056

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No.	**Particulars of Remuneration**	**Mr. Kamal Lunawath, Managing Director**	**Mr. Vimal Lunawath, Whole-Time Director**	**Mr. Bharat Jain, Whole-Time Director**	**Total Amount**
1.	Gross salary	12,00,000	12,00,000	18,00,000	42,00,000
	(a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income- tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
5.	Others	-	-	-	-
	TOTAL (A)	**12,00,000**	**12,00,000**	**18,00,000**	**42,00,000**
	Ceiling as per Act				

B. Remuneration to Directors

S. No.	Particulars of Remuneration	Names of Directors				Total Amount
1.	Independent Directors	Mr. Ravikant Choudhry	Mr. Damodaran	Mr. Karan Bhasin	Mrs. Ann Amelia Gonsalvez	
	-Fee for attending Board and Committee Meetings -Commission -Others	28,000	28,000	2000	30,000	88,000
2.	Non Executive Directors	Mr. A.L. Jayabhanu				
	Fee for attending Board and Committee Meetings -Commission -Others	2,000				2,000
	TOTAL B= (1+2)					90,000
	Total Managerial Remuneration					42,90,000
	Ceiling as per Act					

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

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CFO	Company Secretary	
1.	Gross salary (a)Salary as per provisions contained in section 17(1) -of the Income-tax Act, 1961	-	600,000	600,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
5.	Others	-	-	-
	TOTAL			600,000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

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

Sd/-	Sd/-
(KAMAL LUNAWATH	**(VIMAL LUNAWATH)**
Managing Director	Whole time Director
DIN: 00087324	DIN: 00586269

Place: Chennai
Date: 30.05.2019

ANNEXURE 7
Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2019

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

To
The Members,
ARIHANT FOUNDATIONS & HOUSING LIMITED,
No.3, Ganapathy Colony, 3rd Street,
Off. Cenotaph road, Teynampet,
Chennai- 600 018

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s ARIHANT FOUNDATIONS & HOUSING LIMITED bearing CIN L70101TN1992PLC022299 (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that, in my opinion, the company has, during the audit period covering the financial period ended on 31.03.2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2019, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015;

c. 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;

d. The Securities and Exchange Board of India (Listing obligations and Disclosure requirements) Regulations 2015 (with effect from 1st December 2015

We are informed that the company, during the year, was not required to comply with the following regulations and consequently not required to maintain any books, papers, minute books or other records or file any forms/ returns under:

a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

b. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

c. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013 and

d. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018;

(v) Based on the study of the systems and processes in place and a review of the reports of (1) Internal Audit Reports (2) the compliance reports made by the functional heads of various departments which are submitted to the Board of Directors of the Company, (3) test check done on returns filed under other acts, I report that the Company has, in addition to the labour laws, complied with the provisions of the following statutes and the rules made there under to the extent it is applicable to them:

- Transfer of Property Act, 1882.
- Building and Other Construction Workers' (Regulation of Employment and conditions of Services) Act, 1996.

Housing Board Act, 1965 is stated to be not applicable to the Company as the company has not undertaken any government projects. The company has confirmed that they didn't undertake any new projects during the year and hence were not required to comply with RERA regulations.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following

a) M/s.North Town Estates Private Limited became a subsidiary during the year 17-18 and a material subsidiary from the FY 2018-19.However Regulations 24 and 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b) Belated intimation to Stock Exchanges pursuant to Regulation 33 of Listing Regulations with respect to intimation of financial results for which the Company has paid a penalty of Rs.5,990/- to BSE Limited.

c) Company has not filed IEPF-2 as stipulated under the Act & rules. Further the Company has not taken any steps, till the date of signing this report, to transfer the shares required to be transferred to IEPF on or before 28th May 2019.

d) Company has inadvertently omitted to state two board meeting dates for Jan – Mar 19 quarter in the CG Report and is in the process of taking steps to refile the CG report with NSE/BSE Limited.

I 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. There were changes in the composition of Board of Directors that took place during the period 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 at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Based on the minutes made available to us, I report that Majority decision is carried through and that there were no dissenting votes from any Board members that are required to be captured and recorded as part of the minutes.
- The Company has complied with the provisions relating to maintenance of cost records as required u/s.148 read with rules framed thereunder; however, statutory auditor has been stating in his audit

report that provisions of sec.148 is not applicable to the Company.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor, report deviations, if any, to the Board, take corrective actions and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Chennai
Date : 30.05.2019

Sd/-
Name of Company Secretary in Practice : G.SUBHASREE
ACS No.: 21014
C P No.: 13312

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ARIHANT FOUNDATIONS AND HOUSING LIMITED
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Arihant Foundations and Housing Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr.No	Key Audit Matter	Auditor's Respons
1.	*Recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with customers" (new revenue accounting standard)*	**Key audit matter description** The application of new revenue standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period.

		Refer Note No: 2(g) to Standalone financial statements. **Principal Audit Procedures** We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach is as follows: • Testing of the design and implementation of controls involved for the determination of the estimates used as well as their operating effectiveness. • Testing the relevant information technology system's access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new accounting standard. • Testing a sample of contracts for appropriate identification of performance obligations; • Engaging technical experts to review estimates of costs to complete for sample contracts and • Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.
2.	*Evaluation of uncertain tax positions*	**Key audit matter description** The company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes Refer Note no: 2(o) & (p) to Standalone Financial Statements. **Principal Audit Procedures** Our procedures included the following : • Obtained understanding of key uncertain tax positions. • Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from the management; • We along with our internal tax experts discussed with appropriated senior management and evaluated the Management's underlying key assumptions in estimating the tax provision. • Additionally, we considered the effect of new information in respect to uncertain tax positions as at April 01, 2018 to evaluate whether any change was required to management's position on these uncertainties.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **S RAMACHANDRA RAO & ASSOCIATES**
Chartered Accountants
Firm's Registration No.007735S

RAMACHANDRA RAO SURANENI
Proprietor
(Membership No: 206003).

Place: Chennai
Date : 30-05-2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Arihant Foundations and Housing Limited of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of ARIHANT FOUNDATIONS AND HOUSING LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

i. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

iii. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **S RAMACHANDRA RAO & ASSOCIATES**
Chartered Accountants
Firm's Registration No.007735S

RAMACHANDRA RAO SURANENI
Proprietor
(Membership No: 206003).

Place: Chennai
Date : 30-05-2019

"ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal & Regulatory Requirement' of our report to the Members of Arihant Foundations and Housing Limited of even date)

1. In respect of the Company's fixed assets :

   a. The company has maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

   b. The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   c. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

2. As explained to us, the stock of construction materials has been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification and if so, and the same have been properly dealt with in the books of account.

3. According to the information and explanations given to us, the Company has granted unsecured loans to four body corporates covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

   a. In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the body corporates listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the company.

   b. During the year, in respect of the aforesaid loans, in some of the loans, there has been no recovery towards principal. In absence of any terms, we are unable to comment on the regularity of recovery of principal amount.

c. Since, there was no repayment schedules, we are unable to comment whether the amount was overdue for more than ninety days.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and I86 of the Ac in respect of grant of loans, making investments and providing guarantees and securities as applicable.

5. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

6.The maintenance of cost records has been specified by the Central Government under section 148 (1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central government under sub-section (1) of Section 148 of the Act, and are of the opinion that,prima facie, the prescribed cost records have been made and maintained by the company. We have, however, not made a detailedexamination of the cost records with a view to determine whether they are accurate or complete.

7. According to the information and explanations given to us, in respect of statutory dues:
(a). The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, duty of Customs duty, Excise Duty, Cess and any other material statutory dues applicable to it with the appropriate authorities except on certain occasions irregularities were noticed.

(b). There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax, Service tax which have not been deposited as at March 31, 2019 on account of dispute are given below:

Name of the statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount (Rs.)
The Income Tax Act,1961	Income Tax	Appellate Authority upto Commissioner's level	A.Y. 1999-2000	76,38,692
The Income Tax Act,1961	Income Tax	Appellate Authority upto Commissioner's level	A.Y. 2011-12	71,83,310
The Income Tax Act,1961	Income Tax	High Court of Madras	A.Y. 2004-05	13,71,638
The Income Tax Act,1961	Income Tax	High Court of Madras	A.Y. 2005-06	53,23,956
The Income Tax Act,1961	Income Tax	High Court of Madras	A.Y. 2005-06	95,58,275
The Income Tax Act,1961	Income Tax	High Court of Madras	A.Y. 2007-08	5,57,61,612
Finance Act, 1994	Service Tax	CESTAT, Chennai	June-2005 to March 2007.	23,16,081

8. The Company has not defaulted in repayment of loans to banks, financial institutions, government and to debenture holders.

9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

11. In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

13. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **S RAMACHANDRA RAO & ASSOCIATES**
Chartered Accountants
Firm's Registration No.007735S

Place: Chennai
Date : 30-05-2019

RAMACHANDRA RAO SURANENI
Proprietor
(Membership No: 206003).

Standalone Balance Sheet as at 31 March 2019

(All amounts are in Indian Rupees (₹), unless otherwise stated)

	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	83,375,728	101,179,014
Intangible assets	3	1,375,320	1,871,082
Financial assets			
- Investments	4	121,774,327	236,461,600
- Trade receivables	5	289,191,282	324,637,684
- Loans	6	313,789,820	345,386,369
- Other financial assets	7	493,993,615	529,827,593
Deferred tax assets (net)	8	85,289,481	87,479,954
		1,388,789,573	**1,626,843,296**
Current assets			
Inventories	9	881,138,686	757,287,293
Financial assets			
- Trade receivables	5	771,584,313	756,513,014
- Cash and cash equivalents	10	8,902,401	60,907,069
- Bank balances other than those mentioned in cash and cash equivalents”	10	6,389,003	12,468,305
- Loans	11	106,604,091	114,368,113
- Other financial assets	7	75,974,205	92,293,185
Current tax asset (Net)	12	19,293,373	23,292,443
Other current assets	13	**319,751,663**	**270,399,748**
		2,189,637,735	**2,087,529,170**
Total assets		**3,578,427,307**	**3,714,372,466**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	86,000,000	86,000,000
Other equity	15	1,438,570,573	1,418,511,680
Total equity		**1,524,570,573**	**1,504,511,680**
Non-current liabilities			
Financial liabilities			
-Borrowings	16	1,096,702,046	990,676,178
Provisions	17	6,072,324	7,446,404
		1,102,774,370	**998,122,582**
CURRENT LIABILITIES			
Financial liabilities			
- Trade payables	18	228,695,864	261,675,337
- Other financial liabilities	19	243,895,804	382,626,254
Other current liabilities	20	478,490,696	567,436,613
		951,082,364	**1,211,738,204**
Total liabilities		**2,053,856,734**	**2,209,860,786**
Total equity and liabilities		**3,578,427,307**	**3,714,372,466**

In terms of our report attached

For **Ramachandra Rao & Associates,**
Chartered Accountants
Firm’s Registration No.: 007735S

sd/-
CA. Ramachandra Rao Suraneni
Proprietor
Membership No. 206003

PLACE : CHENNAI
DATE : 30.05.2019

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

sd/-
Kamal Lunawath
Managing Director
DIN :00087324

sd/-
Vimal Lunawath
Whole Time Director
DIN : 00586269

sd/-
Sharon Josh
Company Secretary

PLACE : CHENNAI
DATE : 30.05.2019

ARIHANT FOUNDATIONS AND HOUSING LIMITED
Standalone statement of profit and loss for the year ended 31 March 2019
(All amounts are in Indian Rupees (₹), unless otherwise stated)

	Note	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from operations	22	629,593,341	393,122,241
Other income	23	320,542,051	197,564,170
Total revenue		**950,135,392**	**590,686,411**
Expenses			
Construction and project expenses	24	734,092,488	303,141,122
Changes in inventories of finished goods, work in progress and stock-in-trade	25	(123,851,393)	36,588,254
Employee benefits expense	26	24,423,528	24,794,832
Finance costs	27	210,996,100	128,006,800
Depreciation and amortization expense	28	4,463,061	6,811,639
Other expenses	29	79,859,887	67,925,441
Total expenses		**929,983,671**	**567,268,088**
Profit before tax		**20,151,721**	**23,418,323**
Tax expense			
Current tax		4,019,360	490,117
Deferred tax		1,472,927	18,649,378
Profit for the year		**14,659,434**	**4,278,828**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
- Re-measurement (losses) on defined benefit plans		2,533,395	420,282
- Net (loss)/gain on FVOCI equity securities		4,091,708	1,468,153
- Income tax relating to items that will not be reclassified to profit and loss		1,225,644	508,098
Other comprehensive income for the year, net of tax		**5,399,459**	**2,396,533**
Total comprehensive income for the year		**20,058,893**	**6,675,361**
Earnings per equity share			
Basic (in ₹)		1.70	0.50
Diluted (in ₹)		1.70	0.50

In terms of our report attached

For **Ramachandra Rao & Associates,**
Chartered Accountants
Firm's Registration No.: 007735S
sd/-
CA. Ramachandra Rao Suraneni
Proprietor
Membership No. 206003

PLACE : CHENNAI
DATE : 30.05.2019

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

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Managing Director
DIN :00087324

sd/-
Vimal Lunawath
Whole Time Director
DIN : 00586269

sd/-
Sharon Josh
Company Secretary

PLACE : CHENNAI
DATE : 30.05.2019

ARIHANT FOUNDATIONS AND HOUSING LIMITED
Standalone statement of cash flows for the year ended 31 March 2019
(All amounts are in Indian Rupees (₹), unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
A.CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	20,151,721	23,418,323
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization expense	4,463,061	6,811,639
(Gain)/loss on sale of investments	(2,045,726)	-
Financial guarantee expense	3,831,141	7,620,523
Interest expenses	210,956,902	124,106,898
Share of loss	-	9,229
(Gain) /Loss on sale of fixed assets	(102,489,571)	185,648
Other non operating income	(169,064,468)	(142,696,685)
Financial guarantee income	-	(11,451,664)
Interest and dividend income	(38,824,327)	(43,347,284)
Operating profit before working capital changes	**(73,021,267)**	**(35,343,373)**
Changes in assets and liabilities		
Adjustments for working capital changes		
(Increase) /Decrease in inventories	(123,851,393)	51,267,664
(Increase) in trade receivables	(8,179,919)	(20,426,918)
Decrease in Other financial assets	52,152,958	9,620,643
Decrease in Other current assets	(43,272,613)	73,916,232
(Decrease) / Increase in Trade Payables	(32,979,473)	(308,559,026)
Increase in Long Term Provisions	(1,374,080)	1,957,863
Increase / (Decrease) in Other financial liabilities	(142,561,591)	215,861,667
Increase / (Decrease) in Other current liabilities	(88,945,917)	309,066,862
Cash generated from operating activities	**(389,012,028)**	**332,704,987**
Direct taxes paid, net	(11,681,830)	(82,037,347)
Net cash generated from operating activities	**(400,693,858)**	**250,667,640**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(2,655,602)	(229,362)
Sale of fixed assets	118,981,160	49,998
Interest/Dividend received	38,824,327	43,347,284
Share of loss	-	(9,229)
Other non - operating income	143,064,468	84,990,502
Purchase of investment	(263,700,000)	(115,000,000)
Proceeds from sale of investment	379,745,300	-
Net cash generated from investing activities	**414,259,653**	**13,149,193**

	Year ended 31 March 2019	Year ended 31 March 2018
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Loans repaid) / Fresh loans taken	106,025,868	(254,520,158)
Loans received back / (given)	39,360,571	160,501,742
Interest & finance charges	(210,956,902)	(124,106,898)
NET CASH (USED) IN FINANCING ACTIVITIES	**(65,570,463)**	**(218,125,314)**
D. NET CHANGE IN CASH AND CASH EQUIVALENTS	**(52,004,668)**	**45,691,519**
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING	60,907,069	15,215,550
F. CASH AND CASH EQUIVALENTS AT THE END	**8,902,401**	**60,907,069**
Cash and cash equivalents include		
Cash on hand	759,444	1,065,295
Balances with banks		
- in current accounts	8,142,957	59,841,774
Cash and cash equivalents as per note 10	**8,902,401**	**60,907,069**

In terms of our report attached
For **Ramachandra Rao & Associates,**
Chartered Accountants
Firm's Registration No.: 007735S

sd/-
CA. Ramachandra Rao Suraneni
Proprietor
Membership No. 206003

PLACE : CHENNAI
DATE : 30.05.2019

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

sd/-
Kamal Lunawath
Managing Director
DIN :00087324

sd/-
Vimal Lunawath
Whole Time Director
DIN : 00586269

sd/-
Sharon Josh
Company Secretary

PLACE : CHENNAI
DATE : 30.05.2019

ARIHANT FOUNDATIONS AND HOUSING LIMITED
Standalone statement of changes in equity for the period ended 31 March 2019
(All amounts are in Indian Rupees (₹), unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	Amount
Balance as at 31 March 2018	**86,000,000**
Changes in equity share capital during the year	-
Balance as at 31 March 2019	86,000,000

B. OTHER EQUITY

Particulars	Reserves and surplus			Total	Accumulated other comprehensive income	Total
	General reserve	Securities premium	Retained earnings			
Balances at March 31, 2018	**88,308,752**	**570,650,000**	**748,446,775**	**1,407,405,527**	**11,106,153**	**11,106,153**
Transfer from statement of profit and loss	-	-	14,659,434	14,659,434	-	-
Other comprehensive income for the year (net of tax)	-	-	-	-	5,399,459	5,399,459
Balances at March 31, 2019	**88,308,752**	**570,650,000**	**763,106,209**	**1,422,064,961**	**16,505,612**	**16,505,612**

In terms of our report attached
For **Ramachandra Rao & Associates,**
Chartered Accountants
Firm's Registration No.: 007735S

sd/-
CA. Ramachandra Rao Suraneni
Proprietor
Membership No. 206003

PLACE : CHENNAI
DATE : 30.05.2019

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

sd/-
Kamal Lunawath
Managing Director
DIN :00087324

sd/-
Vimal Lunawath
Whole Time Director
DIN : 00586269

sd/-
Sharon Josh
Company Secretary

PLACE : CHENNAI
DATE : 30.05.2019

ARIHANT FOUNDATIONS AND HOUSING LIMITED
Notes to standalone financial statements
(All amounts are in Indian Rupees (₹), unless otherwise stated)

1. Background
Arihant Foundations & Housing Limited (“the company”) was incorporated on 6th March, 1992 as a limited company. The company engaged in the business of constructions of residential,commercial complexes and IT parks.

2. Summary of significant accounting policies

a) Basis of preparation and presentation of financial statements

i) Accounting convention
The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016.

All amounts included in the financial statements are reported in Indian Rupees (₹).

ii) Basis of measurement
The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realisation/ settlement within twelve months period from the balance sheet date.

b) Use of estimates
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant management judgements
The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Classification of leases
The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee’s option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset’s economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

Recognition of deferred tax assets
The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions

Evaluation of indicators for impairment of assets
The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Recoverability of advances / receivables
At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable / amortisable assets
Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

b) Use of estimates (Continued)

Defined benefit obligation (DBO)
Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements
Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

c) Current versus non-current classification
The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period"

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months.

d) Property, plant and equipment
Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are

capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under ‘Capital work-in-progress’. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Property, plant and equipment [other than freehold land and lease hold land (perpetual lease)] are depreciated under straight line method (“SLM method”) over the estimated useful lives of the assets, which are prescribed under Schedule II to the Companies Act, 2013.

Useful life adopted by the Company for various class of assets is as follows:

Assets	Useful Lives
Vehicles	
Motor cycle / Two Wheelers	8 Years
Motor cars	10 Years
On Furniture and fixtures	10 Years
On Office equipments	5 Years
On Computers & Accessories	3 years

The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives.

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

e) Intangible assets

The Company has elected to continue with the carrying value for all of its intangible assets as recognized in its Previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortisation and impairment. Advances paid towards the acquisition of intangible assets outstanding at each balance sheet date are disclosed as other non-current assets and the cost of intangible assets not ready for their intended use before such date are disclosed as intangible assets under development.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

f) Impairment of property, plant and equipment and intangible assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

g) Revenue recognition

Revenue from projects

“The Company has adopted Ind AS 115 “Revenue from Contracts with Customers” effective April 1, 2018. Ind AS 115 supersedes

Ind AS 11 “Construction Contracts” and Ind AS 18 “Revenue”. The Company has applied Ind AS 115 using the modified retrospective method and the cumulative impact of transition to Ind AS 115 has been adjusted against the Retained earnings as at April 1, 2018.

Accordingly, the figures of the previous year are not restated under Ind AS 115. The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price. C osts to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Profit & Loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Significant judgments are used in:

1. Determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

2. Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

Revenue from construction / project related activity is recognised as follows:

1. C ost plus contracts: Revenue from cost plus contracts is recognized over time and is determined with reference to the extent performance obligations have been satisfied. The amount of transaction price allocated to the performance obligations satisfied

represents the recoverable costs incurred during the period plus the margin as agreed with the customer.

2. Fixed price contracts: Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs."

Rental income
Income from rentals are recognized as an income in the statement of profit and loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the Company with expected inflationary costs.

Interest income
Interest income is reported on an accrual basis using the effective interest method and is included under the head "other income" in the statement of profit and loss.

Dividend income
Income from dividends are recognized when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

h) Inventories

Raw materials
Inventory includes raw materials used for the construction activity of the Company. Raw materials are valued at the lower of cost and net realizable value with the cost being determined on a 'First In First Out' basis.

Properties under development

Properties under development represents construction work in progress which are stated at the lower of cost and net realizable value. This comprises of cost of land, construction related overhead expenditure, borrowing costs and other net costs incurred during the period of development.

Properties held for sale
"Completed properties held for sale are stated at the lower of cost and net realizable value. Cost includes cost of land, construction related overhead expenditure, borrowing costs and other costs incurred during the period of development. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale."

Properties held for development
Properties held for development represents land acquired for future development and construction, and is stated at cost including the cost of land, the related costs of acquisition and other costs incurred to get the properties ready for their intended use.

i) Employee benefits
Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan
The Company's contribution to provident fund is charged to the statement of profit and loss or inventorized as a part of project under development, as the case may be. The Company's contributions towards provident fund are deposited with a government administered fund, in accordance with Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

Defined benefit plan
"(i) Gratuity : The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method."

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

“Service cost on the Company’s defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs. Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period. “

i) Employee benefits (Continued)
“Short-term employee benefits : Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee”

j) Leases
“The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2016 (date of transition to Ind AS), the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.”

“Finance Lease A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.”

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease period.

“Operating Lease : Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases.”

k) Foreign currency transactions

Functional and presentation currency
The functional currency of the Company is the Indian Rupee (₹). These financial statements are presented in Indian Rupees (₹)

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss.

-Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

-Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

l) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

m) Investments in subsidiaries

The Company's investment in equity instruments in subsidiaries are accounted for at cost. Where the carrying amount of an investment in greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the statement of profit and loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit and loss.

n) Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is adjusted against the cost of the depreciable asset, to which the grant relates to, on receipt of such subsidy.

o) Income taxes

"Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date."

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

p) Provisions and contingencies

"Provisions : A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense."

"Contingent liabilities A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements."

"Contingent assets : Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised."

q) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets (other than trade receivables) are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through statement of profit and loss which are measured initially at fair value. Subsequent measurement of financial assets is described below. Trade receivables are recognized at their transaction price as the same do not contain significant financing component.

Subsequent measurement

"For the purpose of subsequent measurement, financial assets are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

a. Amortized cost
b. Fair Value Through Other Comprehensive Income (FVTOCI) or
c. Fair Value Through Profit or Loss (FVTPL)"

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

q) Financial instruments (Continued)

(i) Financial asset at amortised cost

"Includes assets that are held within a business model where the objective is to hold the financial assets to collect contractual cash flows and the contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are measured subsequently at amortized cost using the effective interest method. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. "

(ii) Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

Includes assets that are held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, the Company, based on its assessment, makes an irrevocable election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading. These elections are made on an instrument-by instrument (i.e. share-by-share) basis. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in other comprehensive income. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. The dividends from such instruments are recognized in statement of profit and loss.

The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognized in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

(iii) Financial assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortized cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognized in statement of profit and loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognized in the statement of profit and loss.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's standalone balance sheet) when:

"a. The rights to receive cash flows from the asset have expired, or

b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.”

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company’s continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company’s financial liabilities include trade and other payables, loans and borrowings including, financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

“This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

r) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

The Company tracks credit risk and changes thereon for each customer. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

-All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity uses the remaining contractual term of the financial instrument.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company uses default rate for credit risk to determine impairment loss allowance on portfolio of its trade receivables.

"*Trade receivables*

The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables."

"Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided."

s) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

t) Cash and cash equivalents

"Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management."

u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is primarily engaged in the business of real estate development and related activities including construction which constitutes its single reportable segment.

v) Earnings/ (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

w) Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and other short- term deposits with original maturities of 3 months or less, as applicable.

ARIHANT FOUNDATIONS AND HOUSING LIMITED
Notes to standalone financial statements
(All amounts are in Indian Rupees (₹), unless otherwise stated)

3 Property, plant and equipment and Intangible assets

Particulars	Property, plant and equipment								Intangible assets
	Land	Freehold Buildings	Leasehold Buildings	Furnitures and Fixtures	Plant and Equipment	Office Equipment	Vehicles	Total	Computer software
Balance as at 31 March 2018	17,931,721	90,762,170	5,795,307	23,015,530	12,104,969	7,795,666	21,769,462	179,174,825	4,377,815
Additions	-	-	-	-	403,176	517,767	1,671,173	2,592,116	36,000
Disposals	(1,318,856)	(19,891,044)	-	-	-	-	(4,301,933)	(25,511,833)	-
Balance as at 31 March 2019	**16,612,865**	**70,871,126**	**5,795,307**	**23,015,530**	**12,508,145**	**8,313,433**	**19,138,702**	**156,255,108**	**4,413,815**
Accumulated depreciation /amortization									
Balance as at 31 March 2018	**-**	**23,034,627**	**1,265,357**	**21,733,006**	**8,827,978**	**7,183,370**	**15,951,473**	**77,995,811**	**2,506,733**
Depreciation/ amortization charge during the year	-	147,173	93,185	213,283	888,015	348,351	2,241,292	3,931,299	531,762
Reversal on disposal of assets	-	5,470,137	-	-	-	-	3,577,593	9,047,730	-
Balance as at 31 March 2019	**-**	**17,711,663**	**1,358,542**	**21,946,289**	**9,715,993**	**7,531,721**	**14,615,172**	**72,879,380**	**3,038,495**
NET BLOCK									
Balance as at 31 March 2018	**17,931,721**	**67,727,543**	**4,529,950**	**1,282,524**	**3,276,991**	**612,296**	**5,817,989**	**101,179,014**	**1,871,082**
Balance as at 31 March 2019	**16,612,865**	**53,159,463**	**4,436,765**	**1,069,241**	**2,792,152**	**781,712**	**4,523,530**	**83,375,728**	**1,375,320**

ARIHANT FOUNDATIONS AND HOUSING LIMITED
Notes to standalone financial statements
(All amounts are in Indian Rupees (₹), unless otherwise stated)

	As at 31-Mar-19 ₹	As at 31-Mar-18 ₹
FINANCIALS ASSETS		
4 NON - CURRENT INVESTMENT		
Investment in equity instruments(fully paid-up)		
Unquoted		
i) Wholly Owned Subsidiaries		
Arihant Griha Limited (50,000 Equity shares of ₹ 10/- Each fully paid)	500,000	500,000
Varenya Construction Limited (50,000 Equity shares of ₹ 10/- Each fully paid)	500,000	500,000
Transperent Heights Real Estate Limited (50,000 Equity shares of ₹ 10/- Each fully paid)	500,000	500,000
Vaikunt Housing Limited (5,00,000 Equity shares of ₹ 1/- Each fully paid)	500,000	500,000
ii) Partly Owned Subsidiaries		
Escapade Real Estate Pvt Ltd (11,00,000 Equity Shares of ₹ 10/- Each Fully Paid Up)	11,000,000	11,000,000
North Town Estates Pvt Ltd (32,500 Equity shares of ₹ 10/- Each Fully Paid Up)	325,000	325,000
iii) Joint Ventures / Associates		
Arihant Unitech Realty Projects Ltd. (5,00,000 Equity shares of ₹ 10/- Each Fully Paid Up)	5,000,000	5,000,000
	18,325,000	**18,325,000**
Investment in Debentures		
Mangalagiri Realty Projects Pvt Ltd "(1,77,394 Optionally Redeemable Convertible Debentures of ₹ 100/- Each)"	17,739,400	17,739,400
Investment in Partnership Firms		
Arihant Heirloom	67,361,960	72,142,941
Investment in LLP		
KR Wind Energy LLP	2,000	-
	103,428,360	**108,207,341**
Investments carried at fair value through other comprehensive income		
Investments in other companies (fully paid-up)		
Quoted- Non Trade		
Happy Homes Profin Ltd (44,800 Equity shares of ₹ 10/- each Fully Paid Up)	1	1
Hindustan Construction Company Ltd (500 Shares of ₹ 45.53 Each Fully Paid Up: Market Value is Rs.7,505)	7,505	11,100
IDBI Bank Ltd (500 Shares of ₹ 156.20 Each Fully Paid Up: Market Value is Rs.23,325))	23,325	36,125

	As at 31-Mar-19 ₹	As at 31-Mar-18 ₹
FINANCIALS ASSETS		
Indotech Transformers (691 Equity Shares of ₹ 130.19 Each Fully Paid up: Market value is Rs.72,210)	72,210	118,506
Tata Consultancy Servies Ltd (7200 Shares of ₹.250.65 Each Fully Paid up: Market value is Rs.1,44,11,880)	14,411,880	10,257,480
Birla Sunlife Mutual Fund	-	115,000,000
TVS Shriram Growth Fund 3	1,000,000	-
	15,514,921	**125,423,212**
Non - Current investment (Contd.)		
Unquoted- Non Trade		
National Savings Certificate	5,000	5,000
Mangalagiri Realty Projects Pvt Ltd	2,826,047	2,826,047
(2,72,210 Equity shares of R.10/- Each Fully Paid Up)		
	18,345,967	**128,254,259**
Grand Total (A+B)	121,774,327	236,461,600
Aggregate amount of:		
-Quoted investments and market value thereof;	15,514,921	125,423,212
-Unquoted investments	106,254,407	111,033,388
-Provision for diminution in value of investments other than temporary	-	-
5 TRADE RECEIVABLES		
(Unsecured considered good, unless stated otherwise)		
Non-current		
Trade receivables	289,191,282	324,637,684
	289,191,282	**324,637,684**
Current		
Trade receivables		
- exceeding six months	151,390,575	174,655,043
- less than six months	218,201,007	212,945,640
Debts due by private companies in which directors are directors	401,992,731	368,912,331
	771,584,313	**756,513,014**

The carrying amount of the current trade receivable is considered a reasonable approximation of fair value as is expected to be collected within twelve months, such that the effect of any difference between the effective interest rate applied and the estimated current market rate is not significant.

Customer credit risk is managed based on the Company's established policy, procedures and control relating to customer credit risk management, pursuant to which outstanding customer receivables are regularly monitored by the management. Outstanding customer receivables are regularly monitored by the management to ensure the risk of credit loss is minimal. Credit quality of a customer is assessed based on historical information in relation to pattern of collections, defaults and credit worthiness of the customer.

	As at 31-Mar-19 ₹	As at 31-Mar-18 ₹
FINANCIALS ASSETS		
6 LOAN		
Non Current		
(Unsecured, considered good)		
Loans to related parties (refer note 34)	313,789,820	345,386,369
	313,789,820	**345,386,369**
7 OTHER FINANCIAL ASSETS		
Fair Value through Profit and Loss		
(Unsecured, considered good)		
Non-current		
Security deposits	377,292,070	529,827,593
Prepaid Finance Cost	116,701,545	-
	493,993,615	529,827,593
Current		
Other deposits	75,755,789	92,074,769
Reimbursement Receivable	218,416	218,416
	75,974,205	**92,293,185**

There are no other financial assets due from directors or other officers of the Company. The carrying amount of the other financial assets are considered as a reasonable approximation of fair value.

8 DEFERRED TAX ASSETS (NET)			
The breakup of net deferred tax asset is as follows:			
Opening Balance		87,988,052	
Deferred tax asset arising on account of :			
- Adjustments on account of fair valuation of Security Deposits		-	67,890,971
- Adjustments on account of recognition of premium in the guruantees given by the Company			11,766,044
- Others		(1,472,927)	37,980,180
Total deferred tax asset	**A**	**86,515,125**	**117,637,195**
Less: Deferred tax liability arising on account of :			
- Adjustments on account of fair valuation of Security Depoaits		-	(26,892,283)
- Adjustments on account of fair valuation of Investments		-	(3,264,957)
Total deferred tax liability	**B**	**(1,225,644)**	**(30,157,241)**
Net deferred tax assets	**(A-B)**	**85,289,481**	**87,479,954**

Deferred tax recognized in statement of profit and loss and in other comprehensive income for the year ended 31 March 2019:

Particulars	**Recognized in other comprehensive income**	**Recognized in statement of profit and loss**
Deferred tax asset arising on account of :		
- Adjustments on account of fair valuation of Investments	1,225,644	-
Reversal of deferred tax asset created earlier :		
- Adjustments on account of fair valuation of Security Depoaits	-	-
- Adjustments on account of recognition of premium in the guruantees given by the Company	-	-
Reversal of deferred tax liability created earlier :		
- Adjustments on account of fair valuation of Security Depoaits	-	
- Others		1,472,927
TOTAL	**1,225,644**	**1,472,927**

In assessing the recoverability of deferred income tax assets, management considers whether it is more likely than not that some portion or all of the deferred income tax assets will be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

All deferred tax assets have been recognized in the balance sheet.

	As at 31-Mar-19 ₹	**As at 31-Mar-18 ₹**
FINANCIALS ASSETS		
9 INVENTORIES		
(valued at lower of cost and net realizable value)		
Raw materials	-	-
Work in progress	880,864,726	757,013,333
Finished goods	-	-
Project under development	273,960	273,960
	881,138,686	**757,287,293**
10 CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash on hand	759,444	1,065,295
Balances with banks in current accounts	8,142,957	59,841,774
(A)	**8,902,401**	**60,907,069**
Bank balances other than mentioned in cash and cash equivalents		
Unpaid dividend account	65,606	65,606
Deposit accounts	6,323,397	12,402,699
(B)	**6,389,003**	**12,468,305**
Total (A+B)	**15,291,404**	**73,375,374**
11 LOAN		
CURRENT		
Loans to related parties (Also, refer note 34)	4,288,236	256,990
Other loans	102,315,855	114,111,123
	106,604,091	**114,368,113**
12 CURRENT TAX ASSET (NET)		
Income Tax Assets (Net)	19,293,373	23,292,443
	19,293,373	**23,292,443**
13 OTHER CURRENT ASSETS		
(Unsecured, considered good)		
Advance for Land	32,965,685	32,965,685
Balances with government authorities	60,829,298	50,484,024
Advance given to suppliers and others	219,696,732	180,834,278
Staff Advance	3,587,318	3,411,327
Prepaid expenses	1,745,327	1,777,131
Other Receivables	134,668	134,668
Land owner share receivable	792,634	792,635
	319,751,663	**270,399,748**

ARIHANT FOUNDATIONS AND HOUSING LIMITED
Notes to standalone financial statements
(All amounts are in Indian Rupees (₹), unless otherwise stated)

	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
14 EQUITY SHARE CAPITAL				
Authorized				
1,00,00,000 equity shares of Rs.10/- each	10,000,000	100,000,000	10,000,000	100,000,000
Issued, subscribed and fully paid up				
86,00,000 equity shares of R.10/- each fully paid up	8,600,000	86,000,000	8,600,000	86,000,000
	8,600,000	86,000,000	8,600,000	86,000,000

a) **There is no change in issued and subscribed share capital during the year.**

b) **Terms/right attached to equity shares**
"The Company has issued only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, which can be approved by the Board of Directors. In the event of liquidation, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders."

c) **Shareholders holding more than 5% of the aggregate shares in the Company**

	Nos.	% holding	Nos.	% holding
Equity Shares of ₹ 10 each				
Smt. Snehalatha Lunawath	1,407,000	16.36%	1,407,000	16.36%
Smt. S. Jayalakshmi	796,202	9.26%	796,202	9.26%
Mr. Kamal Lunawath	749,100	8.71%	749,100	8.71%
Mr. Vimal Lunawath	696,400	8.10%	696,400	8.10%
Taj Foundation Private Limited	690,000	8.02%	690,000	8.02%
Ocean Dial Asset Management Ltd A/c ICGQ Ltd	592,400	6.89%	592,400	6.89%

d) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and buy back of shares during the last 5 years immediately preceding 31 March 2019.

e) **Capital management policies and procedures**
For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders plus its borrowings and cash credit facility, if any, less cash and cash equivalents as presented on the face of the balance sheet.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The amounts managed as capital by the Company for the reporting periods under review are summarized as follows:

	As at 31-Mar-19 ₹	As at 31-Mar-18 ₹
Borrowings	1,096,702,046	990,676,178
Cash and bank balances	15,291,404	73,375,374
Net debt (A)	**1,081,410,642**	**917,300,804**
Total equity (B)	**1,524,570,573**	**1,504,511,680**
Overall financing (A+B)	**2,605,981,215**	**2,421,812,484**
Gearing ratio	**41%**	**38%**
15 OTHER EQUITY		
Securities premium account	**570,650,000**	**570,650,000**

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

	As at 31-Mar-19 ₹	As at 31-Mar-18 ₹
General reserve	**88,308,752**	**88,308,752**
Retained earnings		
Balance at the beginning of the year	748,446,775	744,167,947
Add : Transfer from statement of profit and loss	14,659,434	4,278,828
Balance at the end of the year	**763,106,209**	**748,446,775**
Accumulated other comprehensive income		
Balance at the beginning of the year	11,106,153	8,709,620
Add : Movement during the year	5,399,459	2,396,533
Balance at the end of the year	**16,505,612**	**11,106,153**
16 BORROWINGS		
Non-current		
Secured		
Term Loan		
- from bank	87,382,773	270,011,030
- from others	635,853,800	460,341,670
	723,236,573	**730,352,700**
Less: Current maturities of long-term debt (Also, refer note 19)	(119,052,919)	(213,115,203)
(A)	**604,183,654**	**517,237,497**
Unsecured		
From others		
Loans from related parties	458,047,636	444,181,818
Deposits	1,914,854	89,802,692
Other Loan	68,830,231	74,901,569
Deferred Income on Loans	50,673,762	-
	579,466,483	**608,886,079**
Less: Current maturities of long-term debt (Also, refer note 19)	(86,948,091)	**(135,447,398)**
(B)	**492,518,392**	**473,438,681**
TOTAL (A+B)	**1,096,702,046**	**990,676,178**

LONG TERM BORROWINGS
(I) Secured
A. From Banks - Term Loans

Particulars	Interest Rate	Amount Outstanding	
		31 March 2019 ₹	31 March 2018 ₹
“ICICI BANK -5.25 CR Loan: Secured by way of equitable mortgage on certain immovable properties, owned by company and on receivables from the project. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - 180 instalment of ₹ 2,60,861/- “	8.63%	-	26,170,962
“KOTAK MAHINDRA BANK: Secured by way of equitable mortgage on certain immovable properties, owned by company. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. The date of commencement of loan is 27-03-2017. Repayment - 120 instalment of Rs.12,93,976/-. 97 instalment is outstanding as on the balance sheet date”	9.50%	87,382,773	94,250,606
“HDFC LTD: Secured by way of equitable mortgage on certain immovable properties, owned by company. Further the loan has been guaranteed by way of personal guarantee of the managing director of the company. Sanctioned loan amount ₹ ,24,00,00,000/- Repayment - Six instalment of ₹ 4,00,00,000/- starting from 30-06-2018. “	10.75%	-	130,066,100
“HDFC LTD: Secured by way of equitable mortgage on certain immovable properties, owned by company. Further the loan has been guaranteed by way of personal guarantee of the managing director of the company. Repayment - 60 variable monthly instalment starting from 31-07-2016. Thirty nine installments are outstanding as on the balance sheet date.”	10.75%	-	19,523,362
Total	**(A)**	**87,382,773**	**270,011,030**

B. Others - Term Loans
from others

"Bajaj Finance Ltd: Secured by way of equitable mortgage on certain immovable properties, owned by the company Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - one hundred and forty nine instalment of varing EMI. EMI starting 02-08-2015. One hundred and five instalment are outstanding as on the balance sheet date"	12.55%	14,953,882	18,642,263
“Bajaj Finance Ltd: 7 cr Secured by way of equitable mortgage on certain immovable properties, owned by the company Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - one hundred and eighty instalment Rs. 862766/-. EMI starting 02-08-2017.	12.50%	-	60,735,067

Particulars	Interest Rate	Amount Outstanding	
		31 March 2019 ₹	31 March 2018 ₹
"Bajaj Finance Ltd 1.25 cr: Secured by way of equitable mortgage on certain immovable properties, owned by the company Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - one hundred and forty two instalment of ₹ 1,66,075/. EMI starting 02-09-2015. Ninety nine instalments are outstanding as on the balance sheet date"	12.55%	10,372,550	11,060,814
"Bajaj Finance Ltd -20cr Secured by way of equitable mortgage on certain immovable properties, owned by the company Further the loan has been guaranteed by way of personal guarantee of the directors of the company. One hundred and eighty instalment of ₹ 2088450/- "	9.50%	-	194,765,033
"Piramal Capital & Housing Finance pvt ltd : Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothecation of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the managing director of the company. Repayment -Variable instalment of every quarter."	13.75%	142,347,969	52,000,000
Sundaram BNP Paribas Home Finance Ltd Secured by way of equitable mortgage on certain immovable properties, owned by the company Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment -	9.20%	23,000,000	-
Tata Capital Housing Finance Ltd Secured by way of equitable mortgage on certain immovable properties, owned by the companyand and hypothication of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment - Sanctioned amount of Rs.51,00,00,000/- repayable in Twenty four monthly instalment of Rs.2,12,50,000/- from Octo 2020. Rs.35,00,00,00/- drawn as on balance sheet date	14.10%	349,583,036	-
Tata Capital Housing Finance Ltd Secured by way of equitable mortgage on certain immovable properties, owned by the companyand and hypothication of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment - Fifteen monthly installmants of ₹ 1,44,71,301/-.	12.50%	-	55,092,856

Bajaj Housing Finance Ltd (Overdraft) Secured by way of equitable mortgage on certain immovable properties, owned by the company. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment - Sanctioned amount of Rs.4,47,00,000/- repayable in one hundred and forty two instalment of Rs.5,30,417/- from 15 June 2019. EMI commences when the money completely withdrawn from overdraft	9.70%	6,069,199	-
Bajaj Housing Finance Ltd (Overdraft) Secured by way of equitable mortgage on certain immovable properties, owned by the company. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment - Sanctioned amount of Rs.9,42,00,000/- repayable in one hundred and twenty instalment of Rs.122926/- from 15 November 2018. EMI commences when the money completely withdrawn from overdraft	9.70%	1,400,000	-
Bajaj Housing Finance Ltd (Overdraft) Secured by way of equitable mortgage on certain immovable properties, owned by the company. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment - Sanctioned amount of Rs.7,00,00,000/- repayable in one hundred and eighty instalment of Rs.885670/- from 2 August 2017. EMI commences when the money completely withdrawn from overdraft	13.00%	714,266	-
“Others: Secured against the asset/ property for which the loan has been obtained”	12% to 15%	82,116,228	62,453,222
Total	**(B)**	**635,853,800**	**460,341,670**
Grand Total		**723,236,573**	**730,352,700**

	As at 31-Mar-19 ₹	**As at 31-Mar-18** ₹
17 PROVISIONS		
Non-current		
Provisions for employee benefits		
Gratuity	6,072,324	7,446,404
	6,072,324	**7,446,404**

a) Provision for employee benefits

i) Gratuity

Gratuity is payable to all the members at the rate of 15 days salary for each year of service. In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (“the Gratuity Plan”) covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date.

The following table sets out the funded status of the Gratuity Plan and the amounts recognized in the financial statement :

	As at 31-Mar-19 ₹	As at 31-Mar-18 ₹
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	7,446,404	5,488,541
Interest cost	580,075	423,715
Current service cost	579,240	579,186
Past service cost	-	1,375,244
Benefits paid	-	-
Actuarial (gain) / loss	(2,533,395)	(420,282)
Projected benefit obligation at the end of the year	**6,072,324**	**7,446,404**
Thereof		
Unfunded	6,072,324	7,446,404
Components of net gratuity costs are:		
Current service cost	579,240	579,186
Past service ccost	-	1,375,244
Interest cost	580,075	423,715
Net amount recognised in the income statement	**1,159,315**	**2,378,145**
Remeasurements		
Net actuarial (gain)/ loss	(2,533,395)	(420,282)
Net amount recognised in other comprehensive income	**(2,533,395)**	**(420,282)**
Principal actuarial assumptions used:		
a) Discount rate	7.79%	7.72%
b) Long-term rate of compensation increase	12%	12%
c) Attrition rate	1%	1%
d) Mortality table	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

The estimates of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Employee benefits - Maturity profile

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2019					
Defined benefit obligation	45,536	53,083	389,716	21,408,840	21,851,639
31 March 2018					
Defined benefit obligation	59,384	67,885	1,984,442	21,191,875	23,244,202

17 Provisions (Continued)

The significant actuarial assumptions for the determination of the defined benefit obligation are the attrition rate, discount rate and the long-term rate of compensation increase. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability at 31 March 2018.

	Attrition rate		Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
31 March 2019						
> Sensitivity Level	-3.20%	3.66%	-11.67%	14.16%	8.10%	-8.08%
> Impact on defined benefit obligation	5,878,309	6,294,564	5,363,718	6,931,991	6,564,075	5,581,893
31 March 2018						
> Sensitivity Level	-2.95%	3.37%	-10.55%	12.63%	7.77%	-7.12%
> Impact on defined benefit obligation	7,226,622	7,697,349	6,660,821	8,386,592	8,024,675	6,916,245

	As at 31-Mar-19 ₹	As at 31-Mar-18 ₹
18 TRADE PAYABLES		
Current		
Dues to micro and small enterprises*	-	-
Dues to others	228,695,864	259,675,337
Capital Creditors	-	2,000,000
	228,695,864	**261,675,337**

* There are no micro and small enterprises, as defined under the provisions of Micro, Small and Medium Enterprises Development Act 2006, to whom the Company owes dues as at the reporting date. The micro and small enterprises have been identified by the management on the basis of information available with the Company and have been relied upon by the auditors.

19 OTHER FINANCIAL LIABILITIES		
Current		
Current maturities of long-term debt (Also, refer note 16)	206,001,010	348,562,601
Unpaid Dividend	65,606	65,606
Financial Guarantee- Liability	37,829,188	33,998,047
	243,895,804	**382,626,254**
20 OTHER CURRENT LIABILITIES		
Statutory dues	3,641,613	2,566,596
Advance from customers and for projects	217,613,699	295,181,848
Revenue received in advance	71,632	109,119
Other Payables	257,163,752	269,579,050
	478,490,696	**567,436,613**

21 Financial assets and liabilities
Categories of financial assets and financial liabilities

Particulars	Financial assets at fair value through profit and loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
As at 31 March 2019				
Financial assets				
Investments	-	36,080,367	85,691,960	121,772,327
Loans	420,393,911	-	-	420,393,911
Trade receivables	-	-	1,060,775,595	1,060,775,595
Cash and bank balances	-	-	8,902,401	8,902,401
Other bank balances	-	-	6,389,003	6,389,003
Other financial assets	493,993,615	-	75,974,205	569,967,820
	914,387,526	**36,080,367**	**1,237,733,164**	**2,188,201,057**

Particulars	Financial assets at fair value through profit and loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
As at 31 March 2019				
Financial liabilities				
Trade payables	-	-	228,695,864	228,695,864
Borrowings	459,962,490	-	636,739,556	1,096,702,046
Other financial liabilities	37,829,188	-	206,066,616	243,895,804
	497,791,678	**-**	**1,071,502,036**	**1,569,293,714**
As at 31 March 2018				
Financial assets				
Investments	-	145,988,659	90,472,941	236,461,600
Loans	345,386,369	-	114,368,113	459,754,482
Trade receivables	-	-	1,081,150,698	1,081,150,698
Cash and bank balances	-	-	60,907,069	60,907,069
Other bank balances	-	-	12,468,305	12,468,305
Other financial assets	529,827,593	-	92,293,185	622,120,778
	875,213,962	**145,988,659**	**1,451,660,311**	**2,472,862,932**
As at 31 March 2018				
Financial liabilities				
Trade payables	-	-	261,675,337	261,675,337
Borrowings	533,984,510	-	456,691,668	990,676,178
Other financial liabilities	33,998,047	-	348,628,207	382,626,254
	567,982,557	**-**	**1,066,995,212**	**1,634,977,769**

			As at 31-Mar-19 ₹	**As at 31-Mar-18 ₹**
22	**REVENUE FROM OPERATIONS**			
	Sales		535,840,310	309,045,688
	Marketing fees received		16,001,915	18,053,401
	Project management fees received		436,535	986,972
		(A)	**552,278,760**	**328,086,061**
	Other Operating Revenues			
	Lease rentals		43,861,581	35,793,598
	Maintenance charges received		32,444,994	28,803,466
	Other operating income		1,008,006	439,116
		(B)	**77,314,581**	**65,036,180**
	TOTAL (A+B)		**629,593,341**	**393,122,241**
23	**OTHER INCOME**			
	Interest received		38,614,945	43,172,684
	Dividend income		209,382	174,600
	Profit on Sale of Investment		2,045,726	-
	Profit on Sale of Fixed Asset		102,760,072	
	Financial Guarantee- Income		-	11,451,664
	Commission Received		7,847,458	-
	Liability no longer required		26,000,000	57,706,183
	Miscellaneous income		143,064,468	85,059,039
			320,542,051	**197,564,170**

	As at 31-Mar-19 ₹	As at 31-Mar-18 ₹
24 CONSTRUCTION AND PROJECT EXPENSES		
Cost of land	536,841,504	31,268,639
Materials	34,963,719	94,000,772
Labour & sub-contract expenses	66,508,995	100,662,150
Legal expenses	-	34,706
Marketing Expenses	14,294,651	4,160,436
Consultancy charges	1,563,603	1,820,686
Interest charges and other finance costs related to projects	59,485,456	44,787,486
Other Project Expenses	20,434,560	26,406,247
	734,092,488	**303,141,122**
25 CHANGES IN INVENTORIES OF MATERIALS, WORK- IN-PROGESS AND FINISHED GOODS		
a. Inventories at the beginning of the year		
i. Raw Materials	-	-
ii. Work-in-progress	757,013,333	793,601,587
iii. Finished goods	-	-
	757,013,333	**793,601,587**
b. Inventories at the end of the year		
i. Raw Materials	-	-
ii. Work-in-progress	880,864,726	757,013,333
iii. Finished goods	-	-
	880,864,726	**757,013,333**
Net (increase) / decrease	**(123,851,393)**	**36,588,254**
26 EMPLOYEES BENEFIT EXPENSES		
Salaries & Wages	19,549,184	19,744,576
Contribution to provident and other funds	996,615	996,293
Staff Welfare	760,550	1,675,818
Other Employee benefit expenses (Also, refer note 17)	3,117,179	2,378,145
	24,423,528	**24,794,832**
27 FINANCE COSTS		
Interest expenses	210,956,902	124,106,898
Bank Charges	39,198	3,899,902
	210,996,100	**128,006,800**
28 DEPRECIATION AND AMORTIZATION		
Depreciation of tangible assets (Also, refer note 3)	4,463,061	6,271,975
Amortisation of intangible assets (Also, refer note 3)	-	539,664
	4,463,061	**6,811,639**
29 OTHER EXPENSES		
Power & Fuel	3,093,567	2,525,479
Rent	18,756,400	6,932,700
Rates & Taxes	850,955	853,312
Advertisement & Business Promotion	709,175	5,615,465
Legal, Professional & Consultancy Charges	6,697,625	7,176,675
Travelling & Conveyance	1,827,272	2,125,046
Repairs and maintenance:		
-Repairs & Office Maintenance	36,897,870	28,101,174

	As at 31-Mar-19 ₹	As at 31-Mar-18 ₹
-Vehicle Maintenance	799,642	1,005,154
Telephone, Postage, Printing & Stationery	1,820,767	1,806,432
Financial Guarantee- Expense	3,831,141	7,620,523
Donation	193,000	177,000
Audit Fees		
- For Statutory Audit (Also, refer note 32)	600,000	622,500
Loss on sale of fixed assets	270,501	185,648
Share of Loss	-	9,229
Miscellaneous expense	3,511,972	3,169,104
	79,859,887	**67,925,441**
30 EARNINGS PER EQUITY SHARE (EPS)		
For profit for the year		
Nominal value of equity shares	10	10
Profit attributable to equity shareholders (A)	14,659,434	4,278,828
Weighted average number of equity shares outstanding during the year (B)	8,600,000	8,600,000
Basic earnings per equity share (A/B) (in ₹)	**1.70**	**0.50**
Diluted earnings per equity share (A/B) (in ₹)	**1.70**	**0.50**
For total comprehensive income		
Nominal value of equity shares	10	10
Total comprehensive income attributable to equity shareholders (A)	20,058,893	6,675,361
Weighted average number of equity shares outstanding during the year (B)	8,600,000	8,600,000
Basic earnings per equity share (A/B) (in ₹)	**2.33**	**0.78**
Diluted earnings per equity share (A/B) (in ₹)	**2.33**	**0.78**
31 Leases		
Operating lease commitments - as lessee		
Total lease payments charged off to the statement of profit and loss	18,756,400	6,932,700
Operating lease commitments - as lessor		
Total lease receipts charged off to the statement of profit and loss	43,861,581	35,793,598
32 Remuneration to auditors		
As auditor		
Statutory audit	600,000	622,500
Total	**600,000**	**622,500**

33 Related parties
a) Names of related parties and nature of relationship:

Nature of relationship	Name of related party
Wholly owned subsidiaries	Vaikunt Housing Limited Arihant Griha Limited Trasperent Heights Real Estate Limited Varenya Constructions Limited
Subsidiaries	Escapade Real Estates Private Limited Northtown Estates Private Limited
Associates	Heirloom Real Estate Pvt Ltd
Joint Venture Entities	Arihant Unitech Realty Projects limited
Partnership Firms	Arihant Foundations Arihant Foundations & Housing Arihant Heirloom
Key Management Personnel	Mr. Kamal Lunawath (Chairman and Managing Director) Mr. Vimal Lunawath (Whole time Director) Mr. Bharat Jain (Whole time Director)
Relatives of Directors	Mrs. Snehalatha Lunawath Mrs. Preethi Lunawath Mrs. Kavita Lunawath

33 Related parties (Continued)
b) Transactions with related parties

Transaction	Related Party	"Year ended 31 March 2019"	"Year ended 31 March 2018"
Remuneration to Key Managerial Personnel	Kamal Lunawath Vimal Lunawath Bharat Jain	1,200,000 1,200,000 1,800,000	1,200,000 1,200,000 1,800,000
Interest expense on loan received	Kamal Lunawath Vimal Lunawath	29,426,165 18,227,034	31,187,833 12,386,649
Interest income on loan given	Varenya Constructions Ltd	32,770,680	35,397,185
Loan received	Kamal Lunawath Vimal Lunawath Escapade Real Estate P Ltd	39,988,506 182,990,477 7,752,753	30,769,050 44,524,566 1,153,143
Loan repaid	Kamal Lunawath Vimal Lunawath Escapade Real Estate P Ltd	55,224,320 136,004,078 8,440,361	36,069,414 45,303,880 800,000
Loan given	Arihant Griha Ltd Varenya Constructions Ltd Vaikunt Housing Limited North Town Estates P Ltd	180,908 56,003,439 248,320 18,033,371	168,652 91,543,263 17,000 270,371

Transaction	Related Party	“Year ended 31 March 2019”	“Year ended 31 March 2018”
Loans repaid-- repayments received	Varenya Constructions Ltd North Town Estates P Ltd	55,782,574 14,002,125	214,032,120 198,571
Advances made	Transperent Heights Real Estate Ltd Escapade Real Estate P Ltd Arihant Unitech Realty Projects Ltd	309,720 2,649,448 17,034,234	297,000 1,707,711 1,471,778
Advances - repayment received from	Arihant Unitech Realty Projects Ltd Escapade Real Estate P Ltd	507,950 622,500	348,267 6,300,000
Marketing fee Received	Escapade Real Estate P Ltd Arihant Unitech Realty Projects Ltd	698,394 15,303,521	374,765 17,678,636
Project management fee paid	Escapade Real Estate P Ltd	436,535	566,972

c) Balances with related parties

Borrowings	Escapade Real Estates Pvt Ltd Varenya Constructions Ltd Directors	167,533,159 86,948,091 269,402,508	153,996,160 54,398,276 235,787,382
Loans	North Town Estates Pvt Ltd Vaikunt Housing Limited Heirloom Real Estate Pvt Ltd Arihant Griha Limited	4,288,236 10,220,442 81,189,892 48,644,476	256,990 9,161,012 90,826,239 44,298,344
Trade Receivables	Varenya Constructions Ltd Arihant Griha Limited Transperent Heights Real Estate Ltd	375,066,533 18,010,050 8,916,148	342,295,853 18,010,050 8,606,428

34. Fair value measurement
Fair value measurement hierarchy

The Company records certain financial assets and financial liabilities at fair value on a recurring basis. The Company determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The Company holds certain fixed income investments and other financial assets such as loans, deposits etc. which must be measured using the fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company’s assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three Levels of fair value hierarchy. These levels are based on the observability of significant inputs to the measurement, as follows:

> **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities

> **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly”

> **Level 3:** Unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy of financial and non-financial assets and liabilities measured at fair value on a recurring basis at 31 March 2019, 31 March 2018.:

			Fair value measurement using		
			Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	Date of valuation	Total	(Level 1)	(Level 2)	(Level 3)
i) Assets measured at fair value: Fair value through other comprehensive income					
Investments					
2019	31 March 2019	36,080,367	15,514,921	20,565,447	-
2018	31 March 2018	145,988,659	125,423,212	20,565,447	-

Investment in mutual funds are valued based on the Net Asset Value (NAV) of the funds as at the year end. The NAV of the funds are provided by the fund management company at the end of each reporting year.

ii) Liabilities measured at fair value: Financial guarantees					
2019	31 March 2019	37,829,188	-	-	37,829,188
2018	31 March 2018	33,998,047	-	-	33,998,047

The fair value of the financial guarantees are based on the credit risk associated with the guarantees extended and the maximum exposure that is expected to have on the event of default by the debtor.

There have been no transfers between Level 1 and Level 2 during the year.

ii) Liabilities measured at amortised cost: a) Interest-bearing loans and borrowings:					
Floating rate borrowings			Nil	Nil	Nil
Fixed rate borrowings			792,066,804	805,254,269	-

The fair values of the Company’s interest-bearing borrowings and loans are determined under amortised cost method using discount rate that reflects the issuer’s borrowing rate as at the end of the reporting period. These rates are considered to reflect the market rate of interest and hence the carrying value are considered to be at fair value.

Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies

The Company’s principal financial liabilities comprise of loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company’s operations and to provide guarantees to support its and group companies operations. The Company’s principal financial assets include loans, trade and other receivables, cash and short-term deposits that derive directly from its operations.

Nature and extent of risks arising from financial instruments and respective financial risk management

objectives and policies (Continued)
The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by the Group treasury team that advises on financial risks and the appropriate financial risk governance framework in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by Group Treasury Team that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors review and agree on policies for managing each of these risks, which are summarised below.

a) Market risk : The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

b) Interest rate risk : Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates are managed by borrowing at fixed interest rates. During the year Company did not have any floating rate borrowings.

c) Credit risk : Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example trade receivables, placing deposits, investment in mutual funds etc. the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at 31 March 2018, as summarised below:

	31 March 2019	31 March 2018
Classes of financial assets		
Investments	121,774,327	236,461,600
Trade receivables	1,060,775,595	1,081,150,698
Loan	420,393,911	459,754,482
Cash and bank balances	15,291,404	73,375,374
Other financial assets	569,967,820	622,120,778

The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. The Company's policy is to transact only with counterparties who are highly creditworthy which are assessed based on internal due diligence parameters.

In respect of trade receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents, fixed deposits are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Other financial assets mainly comprises of security deposits which are given to land owners or other governmental agencies in relation to contracts executed and are assessed by the Company for credit risk on a continous basis.

d) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on a monthly, quarterly, and yearly basis depending on the business needs. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Company's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from trade receivables are all contractually due within six months except for retention and long term trade receivables which are governed by the relevant contract conditions.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, and short-term borrowings. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

36. Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date (31 March 2019) and the date of authorization..

3.7 Contingent liabilities, commitments and guarantees

Contingent liabilities

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

	As at 31-Mar-19 ₹	**As at 31-Mar-18** ₹
ii) The cases pending before the CIT Appeals of Income tax are as follows		
AY 1999-2000	7,638,692	76,38,692
AY 2011-2012	7,183,310	71,83,310

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

iv) The company has given corporate guarantee of Rs.205 Crores to its joint venture companies

v) In continuation to inspection made u/s. 209A of the Companies Act, 1956; the proceedings filed u/s. 58A, 299 and 295 are under process. The Company has applied for compounding application for the same on 19.01.2015.

38. Segment reporting

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

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

In terms of our report attached
For **Ramachandra Rao & Associates,**
Chartered Accountant
Firm's Registration No.: 007735S

sd/-
CA. Ramachandra Rao Suraneni
Proprietor
Membership No. 206003

PLACE : CHENNAI
DATE : 30.05.2019

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

sd/-
Kamal Lunawath
Managing Director
DIN :00087324

sd/-
Vimal Lunawath
Whole Time Director
DIN : 00586269

sd/-
Sharon Josh
Company Secretary

PLACE : CHENNAI
DATE : 30.05.2019

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ARIHANT FOUNDATIONS AND HOUSING LIMITED
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Arihant Foundations and Housing Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which includes Group's share of profit/ loss of its joint ventures , which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2019, the consolidated profit and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr.No	Key Audit Matter	Auditor's Respons
1.	*Recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with customers" (new revenue accounting standard)*	**Key audit matter description** The application of new revenue standard involves certain key judgements relating to identification of distinct performance obligations , determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period.

<table>
<tr><th>Sr.No</th><th>Key Audit Matter</th><th>Auditor’s Respons</th></tr>
<tr><td></td><td></td><td>Refer Note No: 2(g) to Consolidated financial statements.

Principal Audit Procedures
We assessed the Group’s process to identify the impact of adoption of the new revenue accounting standard. Our audit approach is as follows:
• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.
• Testing of the design and implementation of controls involved for the determination of the estimates used as well as their operating effectiveness.
• Testing the relevant information technology system’s access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new accounting standard.
• Testing a sample of contracts for appropriate identification of performance obligations;
• Engaging technical experts to review estimates of costs to complete for sample contracts and
• Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</td></tr>
<tr><td>2.</td><td>Evaluation of uncertain tax positions</td><td>Key audit matter description

The Group has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes

Refer Note no: 2(o) & (n) to Consolidated Financial Statements.

Principal Audit Procedures
Our procedures included the following :
• Obtained understanding of key uncertain tax positions.
• Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from the management;
• We along with our internal tax experts discussed with appropriated senior management and evaluated the Management’s underlying key assumptions in estimating the tax provision.
• Additionally, we considered the effect of new information in respect to uncertain tax positions as at April 01, 2018 to evaluate whether any change was required to management’s position on these uncertainties.</td></tr>
</table>

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, joint ventures, is traced from their financial statements approved by the management and in doing so, considerwhether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained duringthe course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Group's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its joint ventures, in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group, its joint ventures, are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group, and its joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

• Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group , its joint ventures and associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Other Matters

The consolidated financial statements includes the financial information of subsidiaries and Joint ventures, whose financial information reflect the total assets of Rs.89,07,87,358/- as at March 31, 2019, total revenue of Rs. 20,88,38,391/- and net cash flows amounting of Rs.39,15,929/- for the year ended on that date, as considered in the respective standalone financial statements of the companies included in the Group. The financial information of these subsidiaries and joint ventures has been unaudited and has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as its relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, is based solely on such unaudited financial information which is certified by the management.

Our opinion on the consolidated financial statements in not modified in respect of the above matters with respect to our reliance on the financial information certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been keptso far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Group as on March 31, 2019 taken on record by the Board of Directors of the Group and its joint ventures, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Grouo and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of its Group and joint ventures.

ii. Provision has been made in consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

For **S RAMACHANDRA RAO & ASSOCIATES**
Chartered Accountants
Firm's Registration No.007735S

RAMACHANDRA RAO SURANENI
Proprietor
(Membership No: 206003).

Place: Chennai
Date : 30-05-2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Arihant Foundations and Housing Limited of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019 , we have audited the internal financial controls over financial reporting of ARIHANT FOUNDATIONS AND HOUSING LIMITED ("the Company") and its subsidiary companies and joint ventures, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (" the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

i. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

iii. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **S RAMACHANDRA RAO & ASSOCIATES**
Chartered Accountants
Firm's Registration No.007735S

RAMACHANDRA RAO SURANENI
Proprietor
(Membership No: 206003).

Place: Chennai
Date : 30-05-2019

Consolidated Balance Sheet as at 31 March 2019

(All amounts are in Indian Rupees (₹), unless otherwise stated)

	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	89,963,334	108,923,365
Intangible assets	3	1,375,320	1,871,082
Financial assets			
- Investments	4	347,813,804	434,673,223
- Trade receivables	5	344,656,257	357,134,316
- Loans	6	269,428,407	295,486,069
- Other financial assets	7	377,292,070	529,827,593
Deferred tax assets (net)	8	86,238,353	96,886,071
Other non current assts	9	131,932,224	32,017,020
		1,648,699,769	**1,856,818,739**
Current assets			
Inventories	10	1,083,695,578	1,048,782,036
Financial assets			
- Trade receivables	5	436,904,428	819,764,466
- Cash and cash equivalents	11	22,068,598	77,989,195
- Bank balances other than those mentioned in cash and cash equivalents”	11	6,389,003	15,791,209
- Loans	12	15,452,764	113,610,113
- Other financial assets	7	75,974,205	92,293,186
Current tax asset (Net)	13	24,237,338	23,645,449
Other current assets	14	370,263,634	322,971,530
		2,034,985,548	**2,514,847,184**
Total assets		**3,683,685,317**	**4,371,665,923**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	86,000,000	86,000,000
Other equity	16	1,513,764,409	1,417,410,285
Total equity		**1,599,764,409**	**1,503,410,285**
Non - Controlling interests		**79,356,309**	**57,718,207**
Non-current liabilities			
Financial liabilities			
- Borrowings	17	1,308,734,275	1,404,556,641
Provisions	18	6,593,137	7,898,689
		1,315,327,412	**1,412,455,330**
Current liabilities			
Financial liabilities			
- Borrowings	17	-	4,483,500
- Trade payables	19	232,090,700	266,127,652
- Other financial liabilities	20	257,075,969	681,397,037
Other current liabilities	21	200,070,518	439,657,551
Provisions	18	-	6,416,361
		689,237,187	**1,398,082,101**
Total liabilities		**2,004,564,599**	**2,810,537,431**
Total equity and liabilities		**3,683,685,317**	**4,371,665,923**

In terms of our report attached

For **Ramachandra Rao & Associates,**
Chartered Accountants
Firm’s Registration No.: 007735S

sd/-
CA. Ramachandra Rao Suraneni
Proprietor
Membership No. 206003

PLACE : CHENNAI
DATE : 30.05.2019

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

sd/-
Kamal Lunawath
Managing Director
DIN :00087324

sd/-
Vimal Lunawath
Whole Time Director
DIN : 00586269

sd/-
Sharon Josh
Company Secretary

PLACE : CHENNAI
DATE : 30.05.2019

ARIHANT FOUNDATIONS AND HOUSING LIMITED
Consolidated statement of profit and loss for the year ended 31 March 2019
(All amounts are in Indian Rupees (₹), unless otherwise stated)

	Note	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from operations	23	799,918,724	656,249,502
Other income	24	309,845,929	210,633,811
Total revenue		**1,109,764,653**	**866,883,313**
Expenses			
Construction and project expenses	25	740,396,533	321,854,411
"Changes in inventories of finished goods, stock-in-trade" work in progress and	26	(52,241,196)	135,079,915
Employee benefits expense	27	40,966,997	40,381,888
Finance costs	28	243,866,607	189,890,534
Depreciation and amortization expense	29	7,398,016	10,260,313
Other expenses	30	88,403,544	80,158,572
Total expenses		**1,068,790,501**	**777,625,633**
Share of profit / (loss) from equity accounted investments		**(1,194,202)**	**(67,879,809)**
Profit/(Loss) before tax		**39,779,950**	**21,377,871**
Tax expense			
Current tax		29,193,110	17,272,977
Deferred tax		279,954	18,134,038
Profit/(Loss) for the year		**10,306,886**	**(14,029,144)**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
- Re-measurement (losses) on defined benefit plans		2,533,395	420,282
- Net (loss)/gain on FVOCI equity securities		4,091,708	1,468,153
- Income tax relating to items that will not be reclassified to profit and loss		(1,225,644)	508,098
Other comprehensive income for the year, net of tax		**5,399,459**	**2,396,533**
Total comprehensive income for the year		**15,706,345**	**(11,632,611)**
Profit attributable to:			
Owners of the Company		(25,084,775)	(26,398,969)
Non-controlling interest		35,391,661	12,369,825
		10,306,886	**(14,029,144)**
Other comprehensive income attributable to:			
Owners of the Company		5,234,811	2,341,692
Non-controlling interest		164,648	54,841
		5,399,459	**2,396,533**
Total comprehensive income attributable to:			
Owners of the Company		(19,849,964)	(24,057,277)
Non-controlling interest		35,556,309	12,424,666
		15,706,345	**(11,632,611)**
Earnings per equity share			
Basic (in ₹) (Face value of ₹ 10 each)	31	1.20	(1.63)
Diluted (in ₹) (Face value of ₹ 10 each)	31	1.20	(1.63)

In terms of our report attached
For **Ramachandra Rao & Associates,**
Chartered Accountants
Firm's Registration No.: 007735S

sd/-
CA. Ramachandra Rao Suraneni
Proprietor
Membership No. 206003

PLACE : CHENNAI
DATE : 30.05.2019

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

sd/-
Kamal Lunawath
Managing Director
DIN :00087324

sd/-
Vimal Lunawath
Whole Time Director
DIN : 00586269

sd/-
Sharon Josh
Company Secretary

PLACE : CHENNAI
DATE : 30.05.2019

ARIHANT FOUNDATIONS AND HOUSING LIMITED
Consolidated statement of cash flows for the year ended 31 March 2019
(All amounts are in Indian Rupees (₹), unless otherwise stated)

	Year ended 31 March 2019	Year ended 31 March 2018
A.CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	39,779,950	21,377,871
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization expense	7,398,016	10,260,313
(Gain)/loss on sale of investments	(2,045,726)	-
Interest expenses	228,635,927	169,215,862
Share of loss	-	9,229
Loss on sale of fixed assets	(102,489,571)	185,648
Other non operating income	(136,633,156)	(148,389,265)
Interest and dividend income	(60,559,517)	(50,792,881)
Financial guarantee- expense	3,831,141	7,620,523
Financial guarantee- income	-	(11,451,664)
Operating profit before working capital changes	**(22,082,936)**	**(1,964,364)**
Changes in assets and liabilities		
Adjustments for working capital changes		
(Increase) /Decrease in Inventories	(34,913,542)	219,315,334
(Increase) / Decrease in trade receivables	395,338,097	(343,159,463)
Decrease / (Increase) in other financial assets	168,854,504	56,242,499
Decrease in other assets	(137,805,102)	46,600,459
(Decrease) / Increase in trade payables	(34,036,952)	(304,672,077)
(Decrease) / Increase in long term provisions	(7,721,913)	(116,129,286)
Increase / (Decrease) in other financial liabilities	(344,321,068)	466,583,553
Increase / (Decrease) in other current liabilities	(239,587,033)	19,924,197
Cash generated from/(used) in operating activities	**(256,275,945)**	**42,740,852**
Direct taxes paid, net	(22,766,676)	(48,946,637)
Net cash generated from/(used) in operating activities	**(279,042,621)**	**(6,205,785)**
B. Cash flow from investing activities		
Purchase of fixed Assets	(4,370,326)	(3,598,491)
Sale of fixed Assets	118,981,160	50,000
Dividend received	209,382	174,600
Share of loss	-	(9,229)
Interest/Dividend received during the year	60,350,135	50,618,281
Other non - operating income	136,633,156	148,389,266
Purchase of investment	(263,700,000)	(117,059,434)
Proceeds from sale of investment	379,745,300	-
Net cash generated from investing activities	**427,848,807**	**78,564,993**

	Year ended 31 March 2019	Year ended 31 March 2018
C. CASH FLOW FROM FINANCING ACTIVITIES		
Fresh loans taken	(100,305,866)	59,087,993
Loans received back / (given)	124,215,011	87,651,757
Interest & finance charges	(228,635,927)	(169,215,862)
Net cash (used) in financing activities	**(204,726,782)**	**(22,476,112)**
D. Net change in cash and cash equivalents	**(55,920,596)**	**49,883,096**
E. Cash and cash equivalents at the beginning	77,989,195	28,106,099
F. Cash and cash equivalents at the end	**22,068,599**	**77,989,195**
Cash and cash equivalents include		
Cash on hand	1,141,595	1,450,471
Balances with banks		
- in current accounts	20,927,003	76,538,723
Cash and cash equivalents as per note 10	**22,068,598**	**77,989,194**

In terms of our report attached
For **Ramachandra Rao & Associates,**
Chartered Accountants
Firm's Registration No.: 007735S

sd/-
CA. Ramachandra Rao Suraneni
Proprietor
Membership No. 206003

PLACE : CHENNAI
DATE : 30.05.2019

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

sd/-
Kamal Lunawath
Managing Director
DIN :00087324

sd/-
Vimal Lunawath
Whole Time Director
DIN : 00586269

sd/-
Sharon Josh
Company Secretary

PLACE : CHENNAI
DATE : 30.05.2019

ARIHANT FOUNDATIONS AND HOUSING LIMITED
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2019
(All amounts are in Indian Rupees (₹), unless otherwise stated)

A. EQUITY SHARE CAPITAL

Particulars	Amount
Balance as at 31 March 2018	**86,000,000**
Changes in equity share capital during the year	-
Balance as at 31 March 2019	86,000,000

B. OTHER EQUITY

Particulars	Reserves and surplus			Total	Accumulated other comprehensive income	Total
	General reserve	Securities premium	Retained earnings			
Balances at March 31, 2018	**88,308,752**	**570,650,000**	**747,540,449**	**10,911,084**	**1,417,410,285**	**57,718,207**
Transfer from statement of profit and loss	-	-	(25,084,775)	-	(25,084,775)	35,391,661
Other comprehensive income for the year (net of tax)	-	-	-	5,234,811	5,234,811	164,648
Appropriations made during the year	**-**	**-**	**116,204,088**	**-**	**116,204,088**	**(13,918,207)**
Balances at March 31, 2019	**88,308,752**	**570,650,000**	**838,659,762**	**16,145,895**	**1,513,764,409**	**79,356,309**

In terms of our report attached
For **Ramachandra Rao & Associates,**
Chartered Accountants
Firm's Registration No.: 007735S

sd/-
CA. Ramachandra Rao Suraneni
Proprietor
Membership No. 206003

PLACE : CHENNAI
DATE : 30.05.2019

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

sd/-
Kamal Lunawath
Managing Director
DIN :00087324

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Whole Time Director
DIN : 00586269

sd/-
Sharon Josh
Company Secretary

PLACE : CHENNAI
DATE : 30.05.2019

ARIHANT FOUNDATIONS AND HOUSING LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(All amounts are in Indian Rupees (₹), unless otherwise stated)

1. Background
Arihant Foundations & Housing Limited (“the grroup”) was incorporated on 6th March, 1992 as a limited company. The company engaged in the business of constructions of residential,commercial complexes and IT parks.

2. Summary of significant accounting policies
a) Basis of preparation and presentation of financial statements

i) Accounting convention
The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016.

All amounts included in the financial statements are reported in Indian Rupees (₹).

ii) Basis of measurement
The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. All assets and liabilities are classified nto current and non-current based on the operating cycle of less than twelve months or based on the criteria of realisation/ settlement within twelve months period from the balance sheet date.

iii) Principles of consolidation
Subsidiaries: “Subsidiaries are all entities (inclusing structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to variable returns from its involvement with the entity and has ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsoliated from the date that control ceases. The acquisition methos of accounting is used to account for business combinations by the group”

“The group combines the financial statements of the parent and its subsidiaries line by line adding together like itms of assets, liabilities, equity, income and expenses. Intercompany transactions, balances, and unrealised gain on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed wherever necessary to ensure consistency with the policies adopted by the group Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of equity and balance sheet respectively/”

Associates
Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Joint arrangements
Under Ind As 111, Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classifiaction depends on the contractual rights and obligations of each investors, rather than the legal structure of the joint arrangement. Arihant Foundations and Housing Limited has only joint ventures.

Interest in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consoldated balance sheet

iii) Principles of consolidation (Continued)

Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss and the group's share of other comprehensive income of the investee in the other comprehensive income. Dividends received or receivable from the associates and joint ventures are reccognised as a reduction in the carrying amount of investment.

When the group's share of losses in an equity-accounted investments equals or exceeds its interest in the equity, including any other unsecured long term receivables, the group does not recognise further losses unless it has incurred obligations or made payments on behalf of the other equity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

b) Use of estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Group bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group. Such changes are reflected in the assumptions when they occur.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the group that have the most significant effect on the financial statements.

Classification of leases

The group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions

Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. In assessing impairment, management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Recoverability of advances / receivables
At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Useful lives of depreciable / amortisable assets
Management reviews its estimate of the useful lives of depreciable / amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain items of property, plant and equipment.

Defined benefit obligation (DBO)
Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements
Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

c) Current versus non-current classification
The group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- " - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period"

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The group has evaluated and considered its operating cycle as 12 months.

d) Property, plant and equipment
Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the group and the cost of the item can be measured reliably.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

Property, plant and equipment [other than freehold land and lease hold land (perpetual lease)] are depreciated under straight line method ("SLM method") over the estimated useful lives of the assets, which are prescribed under Schedule II to the Companies Act, 2013.

Useful life adopted by the Group for various class of assets is as follows:

Assets	**Useful Lives**
Vehicles	
Motor cycle / Two Wheelers	8 Years
Motor cars	10 Years
On Furniture and fixtures	10 Years
On Office equipments	5 Years
On Computers & Accessories	3 years

The Group has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives. Schedule II requires the Group to identify and depreciate significant components with different useful lives separately.

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

e) Intangible assets

The Group has elected to continue with the carrying value for all of its intangible assets as recognized in its Previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortisation and impairment. Advances paid towards the acquisition of intangible assets outstanding at each balance sheet date are disclosed as other non-current assets and the cost of intangible assets not ready for their intended use before such date are disclosed as intangible assets under development.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

f) Impairment of property, plant and equipment and intangible assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Group estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

g) Revenue recognition

Revenue from projects

“Revenue from sale of properties is recognised when it is probable that the economic benefits will flow to the Company and it can be reliably measured, which coincides with entering into a legally binding agreement. Revenue is measured at the fair value of the consideration received/receivable net of rebate and taxes. Revenue from sale of undivided share of land (UDS) in qualifying projects where the risks and rewards on the sale of the UDS are separable from the risks and rewards on the construction contract is recognized upon the transfer of all significant risks and rewards of ownership of such real estate, as per the terms of the contracts entered into with the buyers, which coincides with the firming of the sales contracts/agreements and a minimum level of collection of dues from the customer. Revenue from the sale of UDS on other projects where the risk and rewards on the sale of the UDS are not separable from the construction contracts and therefore do not qualify above are recognized on the percentage of completion method.”

“In accordance with the “Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable)” (guidance note) all projects where revenue is recognized for the first time, construction revenue on such projects have been recognized on percentage of completion method provided the following thresholds have been met: (a) all critical approvals necessary for the commencement have been obtained; (b) the expenditure incurred on construction and development costs is not less than 25 percent of the total estimated construction and development costs; (c) at least 25 percent of the saleable project area is secured by agreements with buyers; and (d) at least 10 percent of the agreements are realized at the reporting date in respect of such contracts.”

“The Company has adopted Ind AS 115 “Revenue from Contracts with Customers” effective April 1, 2018. Ind AS 115 supersedes Ind AS 11 “Construction Contracts” and Ind AS 18 “Revenue”. The Company has applied Ind AS 115 using the modified retrospective method and the cumulative impact of transition to Ind AS 115 has been adjusted against the Retained earnings as at April 1, 2018. Accordingly, the figures of the previous year are not restated under Ind AS 115. T he Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time.

For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price. C osts to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Profit & Loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Significant judgments are used in:
1. Determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

2. Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date. Revenue from construction/ project related activity is recognised as follows:
1. C ost plus contracts: Revenue from cost plus contracts is recognized over time and is determined with reference to the extent performance obligations have been satisfied. The amount of trans action price allocated to the performance obligations satisfied represents the recoverable costs incurred during the period plus the margin as agreed with the customer.

2. Fixed price contracts: Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs."

Rental income
Income from rentals are recognized as an income in the statement of profit and loss on a straight-line basis over the lease term except where scheduled increase in rent compensates the Group with expected inflationary costs.

Interest income
Interest income is reported on an accrual basis using the effective interest method and is included under the head "other income" in the statement of profit and loss.

g) Revenue recognition (Continued)
Dividend income
Income from dividends are recognized when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

h) Inventories
Raw materials
Inventory includes raw materials used for the construction activity of the Group. Raw materials are valued at the lower of cost and net realizable value with the cost being determined on a 'First In First Out' basis.

Properties under development
Properties under development represents construction work in progress which are stated at the lower of cost and net realizable value. This comprises of cost of land, construction related overhead expenditure, borrowing costs and other net costs incurred during the period of development.

Properties held for sale
"Completed properties held for sale are stated at the lower of cost and net realizable value. Cost includes cost of land, construction related overhead expenditure, borrowing costs and other costs incurred during the period of development. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale."

Properties held for development
Properties held for development represents land acquired for future development and construction, and is stated at cost including the cost of land, the related costs of acquisition and other costs incurred to get the properties ready for their intended use.

i) Employee benefits
Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan

The Group's contribution to provident fund is charged to the statement of profit and loss or inventorized as a part of project under development, as the case may be. The Group's contributions towards provident fund are deposited with a government administered fund, in accordance with Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

Defined benefit plan

"(i) Gratuity : The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method."

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

"Service cost on the Group's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs. Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period. "

"Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee."

j) Leases

"The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2016 (date of transition to Ind AS), the group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition."

j) Leases (Continued)

"Finance Lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss."

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life, whichever is lower. However, if there is no reasonable certainty that the group will obtain the ownership by the end of the lease term, the capitalised asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease period.

"Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases."

k) Foreign currency transactions

Functional and presentation currency
The functional currency of the Group is the Indian Rupee (₹). These financial statements are presented in Indian Rupees (₹)

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit or loss.

-Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

-Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

l) Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

m) Government Grants
Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is adjusted against the cost of the depreciable asset, to which the grant relates to, on receipt of such subsidy.

n) Income taxes
“Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.”

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

n) Income taxes (Continued)
The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised

deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to setoff the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

o) Provisions and contingencies

“Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.”

“Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Group does not recognise a contingent liability but discloses its existence in the financial statements.”

“Contingent assets

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.”

p) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets (other than trade receivables) are recognized when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through statement of profit and loss which are measured initially at fair value. Subsequent measurement of financial assets is described below. Trade receivables are recognized at their transaction price as the same do not contain significant financing component.

Subsequent measurement

“For the purpose of subsequent measurement, financial assets are classified and measured based on the entity’s business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

a. Amortized cost
b. Fair Value Through Other Comprehensive Income (FVTOCI) or
c. Fair Value Through Profit or Loss (FVTPL)”

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

(i) Financial asset at amortised cost

"Includes assets that are held within a business model where the objective is to hold the financial assets to collect contractual cash flows and the contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are measured subsequently at amortized cost using the effective interest method. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. "

(ii) Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

Includes assets that are held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, the Group, based on its assessment, makes an irrevocable election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading. These elections are made on an instrument-by instrument (i.e.., share-by-share) basis. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in other comprehensive income. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. The dividends from such instruments are recognized in statement of profit and loss.

The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognized in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

(iii) Financial assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortized cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognized in statement of profit and loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognized in the statement of profit and loss.

De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's standalone balance sheet) when:

"a. The rights to receive cash flows from the asset have expired, or

b. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (i) the Group has transferred substantially all the risks and rewards of the asset, or (ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset."

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 Financial Instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

"This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss."

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

q) Impairment of financial assets

In accordance with Ind AS 109 Financial Instruments, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

The Group tracks credit risk and changes thereon for each customer. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

-All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity uses the remaining contractual term of the financial instrument.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group uses default rate for credit risk to determine impairment loss allowance on portfolio of its trade receivables

"Trade receivables

The Group applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables."

"Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided."

r) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

s) Fair value measurement (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

s) Cash and cash equivalents

"Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management."

t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group is primarily engaged in the business of real estate development and related activities including construction which constitutes its single reportable segment.

u) Earnings/ (Loss) per Share (EPS)

Basic EPS are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

v) Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents includes cash in hand, balances with banks in current accounts and other short- term deposits with original maturities of 3 months or less, as applicable.

ARIHANT FOUNDATIONS AND HOUSING LIMITED
Notes to consolidated financial statements
(All amounts are in Indian Rupees (₹), unless otherwise stated)

3 Property, plant and equipment and Intangible assets

Particulars	Property, plant and equipment								Intangible assets
	Land	Freehold Buildings	Leasehold Buildings	Furnitures and Fixtures	Plant and Equipment	Office Equipment	Vehicles	Total	Computer software
Balance as at 31 March 2018	**17,931,721**	**95,292,261**	**5,795,307**	**23,154,993**	**12,616,979**	**8,661,548**	**36,372,458**	**199,825,267**	**4,377,815**
Additions	-	-	-	-	403,176	517,767	3,449,383	4,370,326	36,000
Disposals	1,318,856	19,891,044	-	-	-	-	4,301,933	25,511,833	-
Balance as at 31 March 2019	**16,612,865**	**75,401,217**	**5,795,307**	**23,154,993**	**13,020,155**	**9,179,315**	**35,519,908**	**178,683,760**	**4,413,815**
Accumulated depreciation /amortization									
Balance as at 31 March 2018	**-**	**27,547,474**	**1,265,357**	**21,865,826**	**9,312,504**	**7,961,731**	**22,949,010**	**90,901,902**	**2,506,733**
Depreciation/ amortization charge during the year		147,173	93,185	219,926	888,015	402,355	5,115,600	6,866,254	531,762
Reversal on disposal of assets	-	5,470,137	-	-	-	-	3,577,593	9,047,730	-
Balance as at 31 March 2019	**-**	**22,224,510**	**1,358,542**	**22,085,752**	**10,200,519**	**8,364,086**	**24,487,017**	**88,720,426**	**3,038,495**
NET BLOCK									
Balance as at 31 March 2018	**17,931,721**	**67,744,787**	**4,529,950**	**1,289,167**	**3,304,475**	**699,817**	**13,423,448**	**108,923,365**	**1,871,082**
Balance as at 31 March 2019	**16,612,865**	**53,176,707**	**4,436,765**	**1,069,241**	**2,819,636**	**815,229**	**11,032,891**	**89,963,334**	**1,375,320**

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(All amounts are in Indian Rupees (₹), unless otherwise stated)

Financials assets	As at 31-Mar-19 ₹	As at 31-Mar-18 ₹
4 Non - Current Investment		
Investment in equity instruments(fully paid-up)		
Unquoted		
i) Joint Ventures / Associates		
Arihant Unitech Realty Projects Ltd. (50,000 Equity shares of ₹ 10/- Each fully paid)	243,000,000	117,648,503
North Town Estates Pvt Ltd (32,500 Equity shares of ₹ 10/- Each Fully Paid Up)	1,364,477	98,888,121
Mangalagiri Realty Projects Pvt Ltd (2,72,210 Equity shares of R.10/- Each Fully Paid Up)	2,826,047	2,826,047
	247,190,524	**219,362,671**
Investment in Debentures		
Mangalagiri Realty Projects Pvt Ltd "(1,77,394 Optionally Redeemable Convertible Debentures of ₹ 100/- Each)"	17,739,400	17,739,400
Investment in Partnership Firms		
Arihant Heirloom	67,361,960	72,142,941
Investment in LLP		
KR Wind Energy LLP	2,000	-
	332,293,884	**309,245,011**
Investments carried at fair value through other comprehensive income		
Investments in other companies (fully paid-up)		
Quoted- Non Trade		
Happy Homes Profin Ltd (44,800 Equity shares of ₹ 10/- each Fully Paid Up)	1	1
Hindustan Construction Company Ltd (500 Shares of ₹ 45.53 Each Fully Paid Up: Market Value is Rs.7,505)	7,505	11,100
IDBI Bank Ltd (500 Shares of ₹ 156.20 Each Fully Paid Up: Market Value is Rs.23,325))	23,325	36,125
Indotech Transformers (691 Equity Shares of ₹ 130.19 Each Fully Paid up: Market value is Rs.72,210)	72,210	118,506
Tata Consultancy Servies Ltd (7200 Shares of ₹.250.65 Each Fully Paid up: Market value is Rs.1,44,11,880)	14,411,880	10,257,480
Birla Sunlife Mutual Fund	-	115,000,000
TVS Shriram Growth Fund 3	1,000,000	-
	15,514,921	**125,423,212**

	As at 31-Mar-19 ₹	As at 31-Mar-18 ₹
Unquoted- Non Trade		
National Savings Certificate	5,000	5,000
	15,519,921	**125,428,212**
Grand Total (A+B)	**347,813,804**	**434,673,223**
Aggregate amount of:		
-Quoted investments and market value thereof;	15,514,921	125,428,212
-Unquoted investments	332,298,884	309,245,011
-Provision for diminution in value of investments other than temporary	-	-
5 Trade receivables		
(Unsecured considered good, unless stated otherwise)		
Non-current		
Trade receivables	344,656,257	357,134,316
	344,656,257	**357,134,316**
Current		
Trade receivables		
-exceeding six months	71,390,575	174,655,043
-less than six months	13,521,122	278,563,496
Debts due by private companies in which directors are directors	351,992,731	366,545,927
	436,904,428	**819,764,466**

The carrying amount of the current trade receivable is considered a reasonable approximation of fair value as is expected to be collected within twelve months, such that the effect of any difference between the effective interest rate applied and the estimated current market rate is not significant. All of the Company's trade receivables have been reviewed for indicators of impairment by the management and no receivables were found to be impaired.

Customer credit risk is managed based on the Company's established policy, procedures and control relating to customer credit risk management, pursuant to which outstanding customer receivables are regularly monitored by the management. Outstanding customer receivables are regularly monitored by the management to ensure the risk of credit loss is minimal. Credit quality of a customer is assessed based on historical information in relation to pattern of collections, defaults and credit worthiness of the customer.

	As at 31-Mar-19 ₹	As at 31-Mar-18 ₹
6 Loan Non Current		
(Unsecured, considered good)		
Loans to Related Parties	211,772,711	-
Other parties	57,655,696	295,486,069
	269,428,407	**295,486,069**
7 Other financial assets		
(Unsecured, considered good)		
Non-current		
Security deposits	377,292,070	529827593
	377,292,070	**529,827,593**
Current		
Other deposits	75,755,789	92,074,769
Reimbursement Receivable	218,416	218,416
	75,974,205	**92,293,185**

There are no other financial assets due from directors or other officers of the Company. The carrying amount of the other financial assets are considered as a reasonable approximation of fair value.

	As at 31-Mar-19 ₹	As at 31-Mar-18 ₹
8 Deferred tax assets (net)		
Net deferred tax assets	**86,238,353**	**96,886,071**
9 Other non current assets		
Prepaid finance cost	131,932,224	30,503,086
Balance with government authorities	-	1,513,934
	131,932,224	**32,017,020**
10 Inventories		
(valued at lower of cost and net realizable value)		
Work in progress	880,864,726	757,013,333
Transferrable development rights	129,988,321	201,598,518
Project under development	72,842,531	90,170,185
	1,083,695,578	**1,048,782,036**
11 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	1,141,595	1,450,471
Balances with banks in current accounts	20,927,003	76,538,723
(A)	**22,068,598**	**77,989,194**
Bank balances other than mentioned in cash and cash equivalents		
Unpaid dividend account	65,606	65,606
Deposit accounts	6,323,397	15,725,603
(B)	**6,389,003**	**15,791,209**
Total (A+B)	**28,457,601**	**93,780,403**
12 Loan		
Current		
Other loans	15,452,764	113,610,113
	15,452,764	**113,610,113**
13 Current tax asset (Net)		
Income tax assets (Net)	24,237,338	23,645,449
	24,237,338	**23,645,449**
14 Other current assets		
(Unsecured, considered good)		
Advance for Land	56,715,685	56,715,685
Balances with government authorities	61,957,566	51,480,430
Advance given to suppliers and others	227,546,076	185,763,197
Advance given to employees	345,445	196,275
Advance given to related parties	818,000	818,000
Staff Advance	4,721,370	4,909,669
Prepaid expenses	17,216,590	18,133,100
Other Receivables	150,268	4,162,538
Land owner share receivable	792,634	792,636
	370,263,634	**322,971,530**

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(All amounts are in Indian Rupees (₹), unless otherwise stated)

	As at 31 March 2019		As at 31 March 2018	
	Number	**Amount**	**Number**	**Amount**
15 EQUITY SHARE CAPITAL				
Authorized				
1,00,00,000 equity shares of Rs.10/- each	10,000,000	100,000,000	10,000,000	100,000,000
Issued, subscribed and fully paid up				
86,00,000 equity shares of R.10/- each fully paid up	8,600,000	86,000,000	8,600,000	86,000,000
	8,600,000	86,000,000	8,600,000	86,000,000

a) **There is no change in issued and subscribed share capital during the year.**

b) **Terms/right attached to equity shares**
""The Company has issued only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, which can be approved by the Board of Directors. In the event of liquidation, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders."

c) **Shareholders holding more than 5% of the aggregate shares in the Company**

	Nos.	**% holding**	**Nos.**	**% holding**
Equity Shares of ₹ 10 each				
Smt. Snehalatha Lunawath	1,407,000	16.36%	1,407,000	16.36%
Smt. S. Jayalakshmi	796,202	9.26%	796,202	9.26%
Mr. Kamal Lunawath	749,100	8.71%	749,100	8.71%
Mr. Vimal Lunawath	696,400	8.10%	696,400	8.10%
Taj Foundation Private Limited	690,000	8.02%	690,000	8.02%
Ocean Dial Asset Management Ltd A/c ICGQ Ltd	592,400	6.89%	592,400	6.89%

d) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and buy back of shares during the last 5 years immediately preceding 31 March 2019.

e) **Capital management policies and procedures**
For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders plus its borrowings and cash credit facility, if any, less cash and cash equivalents as presented on the face of the balance sheet.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The amounts managed as capital by the Company for the reporting periods under review are summarized as follows:

	As at 31-Mar-19 ₹	As at 31-Mar-18 ₹
Borrowings	1,308,734,275	1,404,556,641
Cash and bank balances	28,457,601	93,780,404
Net debt (A)	**1,280,276,674**	**1,310,776,237**
Total equity (B)	**1,599,764,409**	**1,503,410,285**
Overall financing (A+B)	**2,880,041,083**	**2,814,186,522**
Gearing ratio	**44%**	**47%**
16. Other equity		
Securities premium account	**570,650,000**	**570,650,000**
Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.		
General reserve	**88,308,752**	**88,308,752**
Retained earnings		
Balance at the beginning of the year	747,540,449	1,043,533,635
Add: Transfer from statement of profit and loss	(25,084,775)	(14,029,144)
Add: Appropriations made during the year	116,204,088	(269,626,512)
Balance at the end of the year	**838,659,762**	**759,877,979**
Accumulated other comprehensive income		
Balance at the beginning of the year	10,911,084	8,569,392
Add : Movement during the year	5,234,811	2,341,692
Balance at the end of the year	**16,145,895**	**10,911,084**
17 Borrowings		
Non-current		
Secured		
Term Loan		
-from bank	123,712,423	396,051,236
-from others	641,182,674	457,296,448
	764,895,097	**853,347,684**
Less: Current maturities of long-term debt (Also, refer note 20)	(131,351,915)	(216,527,215)
(A)	**633,543,182**	**636,820,469**
Unsecured From others		
Loans from related parties	423,827,421	503,461,225
Deposits	207,385,803	314,389,756
Other Loan	80,252,198	85,332,589
Deferred Income on Loans	50,673,762	-
	762,139,184	**903,183,570**
Less: Current maturities of long-term debt (Also, refer note 20)	(86,948,091)	(135,447,398)
(B)	**675,191,093**	**767,736,172**
TOTAL (A+B)	**1,308,734,275**	**1,404,556,641**
Current Unsecured From others		
Loans from related parties	-	4,483,500
	-	**4,483,500**

LONG TERM BORROWINGS
(I) Secured
A. From Banks - Term Loans

Particulars	Interest Rate	Amount Outstanding	
		31 March 2019 ₹	**31 March 2018** ₹
"**ICICI BANK -5.25 CR Loan:** Secured by way of equitable mortgage on certain immovable properties, owned by company and on receivables from the project. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - 180 instalment of ₹ 2,60,861/- "	8.63%	-	52,500,000
"**KOTAK MAHINDRA BANK:** Secured by way of equitable mortgage on certain immovable properties, owned by company. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. The date of commencement of loan is 27-03-2017. Repayment - 120 instalment of Rs.12,93,976/-. 97 instalment is outstanding as on the balance sheet date"	9.50%	87,382,773	94,250,606
"**HDFC LTD:** Secured by way of equitable mortgage on certain immovable properties, owned by company. Further the loan has been guaranteed by way of personal guarantee of the managing director of the company. Sanctioned loan amount ₹ ,24,00,00,000/- Repayment - Six instalment of ₹ 4,00,00,000/- starting from 31-06-2018.	10.75%	-	130,066,100
"HDFC LTD: Secured by way of equitable mortgage on certain immovable properties, owned by company. Further the loan has been guaranteed by way of personal guarantee of the managing director of the company. Repayment - 60 variable monthly instalment starting from 31-07-2016. Thirty nine installments are outstanding as on the balance sheet date."	10.75%	-	119,234,530
"ICICI BANK- Secured by way of exclusive charge by way of equitable mortgage of the project property, charge by way of hypothecation of receivables from the project, by way of personal guarantee of Mr. Kamal Lunawath and Mr. Vimal Lunawath, Directors and also by way of Corporate Guarantee of Arihant Foundation & Housing Ltd (the Holding Company).	12.25%	11,728,335	-
"ICICI BANK LTD Secured against the Flat for which loan has been taken. Repayment- Two Hundred and Forty monthly installments of Rs.2,20,928/- starts on full withdrawal of Rs.2,50,00,000/- (Rs.2,37,50,000/- withdrawn from loan as on Balance sheet date."	8.75%	23,750,000	-
"AXIS BANK LTD Secured against the vehicle for which the loan has been taken. Repayment - Sixty monthly installments of Rs.19,789/- starting from 10-08-2018 (Fifty two monthly instalment payable as on balance sheet date)		851,315	-
Total	(A)	**123,712,423**	**396,051,236**

B. OTHERS - TERM LOANS
FROM OTHERS

Particulars	Interest Rate	Amount Outstanding	
		31 March 2019 ₹	31 March 2018 ₹
"Bajaj Finance Ltd: Secured by way of equitable mortgage on certain immovable properties, owned by the company Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - one hundred and forty nine instalment of varing EMI. EMI starting 02-08-2015. One hundred and five instalment are outstanding as on the balance sheet date"	12.55%	14,953,882	18,642,263
"Bajaj Finance Ltd: 7 cr Secured by way of equitable mortgage on certain immovable properties, owned by the company Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - one hundred and eighty instalment Rs. 862766/-. EMI starting 02-08-2017. "	12.50%	-	60,735,067
"ICICI Home Finance- Gajapathy Road Flat: Secured against the immovable property for which the loan has been taken. Repayment - Two hundred and sixty two monthly installments of ₹ 79,589/- starting from 10-3-2008. One hundred and thirty four installments are outstanding as on the balance sheet date."	9.50%	5,296,670	5,592,415
"Bajaj Finance Ltd 1.25 cr: Secured by way of equitable mortgage on certain immovable properties, owned by the company Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - one hundred and forty two instalment of ₹ 1,66,075/. EMI starting 02-09-2015. Ninety nine instalments are outstanding as on the balance sheet date"	12.55%	10,372,550	11,060,814
"Bajaj Finance Ltd -20cr Secured by way of equitable mortgage on certain immovable properties, owned by the company Further the loan has been guaranteed by way of personal guarantee of the directors of the company. One hundred and eighty instalment of ₹ 2088450/- "	9.50%	-	194,765,033
"Piramal Capital & Housing Finance Pvt Ltd : Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothecation of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the managing director of the company. Repayment -Variable instalment of every quarter."	13.75%	142,347,969	52,000,000
Sundaram Bnp Paribas Home Finance Ltd Secured by way of equitable mortgage on certain immovable properties, owned by the company Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment -	9.20%	23,000,000	-

Particulars	Interest Rate	Amount Outstanding	
		31 March 2019 ₹	31 March 2018 ₹
Tata Capital Housing Finance Ltd Secured by way of equitable mortgage on certain immovable properties, owned by the companyand and hypothication of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment - Sanctioned amount of Rs.51,00,00,000/- repayable in Twenty four monthly instalment of Rs.2,12,50,000/- from Octo 2020. Rs.35,00,00,00/- drawn as on balance sheet date	14.10%	349,583,036	-
Tata Capital Housing Finance Ltd Secured by way of equitable mortgage on certain immovable properties, owned by the companyand and hypothication of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment - Fifteen monthly installmants of ₹ 1,44,71,301/-.	12.50%	-	55,092,856
Bajaj Housing Finance Ltd (Overdraft) Secured by way of equitable mortgage on certain immovable properties, owned by the company. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment - Sanctioned amount of Rs.4,47,00,000/- repayable in one hundred and forty two instalment of Rs.5,30,417/- from 15 June 2019. EMI commences when the money completely withdrawn from overdraft	9.70%	6,069,199	-
Bajaj Housing Finance Ltd (Overdraft) Secured by way of equitable mortgage on certain immovable properties, owned by the company. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment - Sanctioned amount of Rs.9,42,00,000/- repayable in one hundred and twenty instalment of Rs.122926/- from 15 November 2018. EMI commences when the money completely withdrawn from overdraft	9.70%	1,400,000	-
Bajaj Housing Finance Ltd (Overdraft) Secured by way of equitable mortgage on certain immovable properties, owned by the company. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment - Sanctioned amount of Rs.7,00,00,000/- repayable in one hundred and eighty instalment of Rs.885670/- from 2 August 2017. EMI commences when the money completely withdrawn from overdraft	13.00%	714,266	-
"Kotak Mahindra Prime Ltd The vehicle loan from Kotak Mahindra Prime Ltd (outstanding balance ₹ 1,905,799; previous year: ₹ 2,428,173) is repayable in 60 months, bearing an interest rate of 8.16% per annum.	8.16%	1,905,799	-

Particulars	Interest Rate	Amount Outstanding	
		31 March 2019 ₹	31 March 2018 ₹
"KOTAK MAHINDRA PRIME LTD Secured against the vehicle for which the loan has been taken. Repayment - Fifty nine monthly variable installments of Rs.1,08,655/- starting from 01-09-2016 (Forty monthly instalment payable as on balance sheet date)"	9.16%	3,069,117	-
"Others: Secured against the asset/ property for which the loan has been obtained"	12% to 15%	82,470,186	59,408,000
Total	**(B)**	**641,182,674**	**457,296,448**
Grand Total		**764,895,097**	**853,347,684**

	As at 31-Mar-19 ₹	As at 31-Mar-18 ₹
18 Provisions		
Non-current		
Provisions for employee benefits		
Gratuity	6,593,137	7,898,689
	6,593,137	**7,898,689**
Current		
Provision for taxation	-	6,294,914
Provisions for employee benefits	-	121,447
	-	**6,416,361**

a) Provision for employee benefits
i) Gratuity
Gratuity is payable to all the members at the rate of 15 days salary for each year of service. In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date.

The following table sets out the funded status of the Gratuity Plan and the amounts recognized in the financial statement :

Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	8,020,136	6,111,264
Interest cost	617,701	423,715
Current service cost	488,695	530,195
Past service cost	--	1,375,244
Benefits paid		
Actuarial (gain) / loss	(2,533,395)	(420,282)
Projected benefit obligation at the end of the year	**6,593,137**	**8,020,136**
Thereof		
Unfunded	6,593,137	8,020,136

	As at 31-Mar-19 ₹	As at 31-Mar-18 ₹
Components of net gratuity costs are:		
Current service cost	488,695	530,195
Past service ccost	-	1,375,244
Interest cost	617,701	423,715
Net amount recognised in the income statement	**1,106,396**	**2,329,154**
Remeasurements		
Net actuarial (gain)/ loss	(2,533,395)	(420,282)
Net amount recognised in other comprehensive income	**(2,533,395)**	**(420,282)**
Principal actuarial assumptions used:		
a) Discount rate	7.72%	7.72%
b) Long-term rate of compensation increase	12%	12%
c) Attrition rate	1%	1%
d) Mortality table	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

The estimates of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Employee benefits - Maturity profile

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2019					
Defined benefit obligation	**45,536**	**53,083**	**389,716**	**21,408,840**	**21851639**
31 March 2018					
Defined benefit obligation	**59,384**	**67,885**	**1,984,442**	**21,191,875**	**23244302**

	As at 31-Mar-19 ₹	As at 31-Mar-18 ₹
19 Trade payables		
Current		
Dues to micro and small enterprises*	-	
Dues to others	232,090,700	264,127,652
Capital Creditors	-	2,000,000
	232,090,700	**266,127,652**

* There are no micro and small enterprises, as defined under the provisions of Micro, Small and Medium Enterprises Development Act 2006, to whom the Company owes dues as at the reporting date. The micro and small enterprises have been identified by the management on the basis of information available with the Company and have been relied upon by the auditors.

	As at 31-Mar-19 ₹	As at 31-Mar-18 ₹
20 Other financial liabilities		
Current		
Interest Accrued but not due	103,241	3,045,222
Current maturities of long-term debt	218,300,006	351,974,613
Unpaid Dividend	65,606	65,606
Employee dues payable	777,928	558,019
Other payables		291,755,530
Financial guarantee- liability	37,829,188	33,998,047
	257,075,969	**681,397,037**
21 Other current liabilities		
Statutory dues	4,305,419	7,488,927
Advance from customers and for projects	19,608,724	364,657,944
Revenue received in advance	71,632	109,119
Provision	23,367,634	-
Profit from joint ventures	2,235,678.00	67,401,561
Other Payables	150,481,431	-
	200,070,518	**439,657,551**

22 Financial assets and liabilities

Categories of financial assets and financial liabilities

Particulars	Financial assets at fair value through profit and loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
As at 31 March 2019 Financial assets				
Investments	-	33,254,321	314,557,484	347,811,804
Loans	284,881,171	-	-	284,881,171
Trade receivables	-	-	781,560,685	781,560,685
Cash and bank balances	-	-	22,068,598	22,068,598
Other bank balances	-	-	6,389,003	6,389,003
Other financial assets	377,292,070	-	75,974,205	453,266,275
	662,173,241	**33,254,321**	**1,200,549,975**	**1,895,977,536**
As at 31 March 2019 - Financial liabilities				
Trade payables	-	-	232,090,700	232,090,700
Borrowings	631,213,224	-	677,521,051	1,308,734,275
Other financial liabilities	38,607,116	-	218,468,853	257,075,969
	669,820,340	**-**	**1,128,080,604**	**1,797,900,944**
As at 31 March 2018 - Financial assets				
Investments	-	143,162,612	291,510,611	434,673,223
Loans	295,486,069	-	113,610,113	409,096,182
Trade receivables	-	-	1,176,898,782	1,176,898,782
Cash and bank balances	-	-	77,989,195	77,989,195
Other bank balances	-	-	15,791,209	15,791,209
Other financial assets	529,827,593	-	92,293,185	622,120,778
	825,313,662	**143,162,612**	**1,768,093,095**	**2,736,569,369**
As at 31 March 2018 - Financial liabilities				
Trade payables	-	-	266,127,652	266,127,652
Borrowings	817,850,981	-	591,189,160	1,409,040,141
Other financial liabilities	34,556,066	-	646,840,971	681,397,037
	852,407,047	**-**	**1,504,157,783**	**2,356,564,830**

	As at 31-Mar-19 ₹	As at 31-Mar-18 ₹
23 Revenue from operations		
Sales	656,923,854	395,063,779
Sale of TDR	59,137,790	177,109,170
Marketing fees received	-	18,053,401
Project management fees received	-	986,972
(A)	**716,061,644**	**591,213,322**
Other Operating Revenues	50,404,080	64,597,064
Maintenance charges received	32,444,994	439,116
Other operating income	1,008,006	-
(B)	**83,857,080**	**65,036,180**
TOTAL (A+B)	**799,918,724**	**656,249,502**
24 Other income		
Interest received	60,350,135	50,618,281
Dividend income	209,382	174,600
Profit on Sale of Investment	2,045,726	-
Profit on Sale of Fixed Asset	102,760,072	-
Commission	7,847,458	-
Financial Guarantee- Income	-	11,451,664
Liability no longer required	26,000,000	57,706,183
Miscellaneous income	110,633,156	90,683,083
	309,845,929	**210,633,811**
25 Construction And Project Expenses		
Cost of land	520,403,054	46,260,685
Cost of constructed properties	18,248,819	9,518,757
Materials	34,963,719	94,006,023
Labour & sub-contract expenses	66,508,995	100,727,420
Legal expenses	-	34,706
Marketing Expenses	14,294,651	252,847
Consultancy charges	1,563,603	1,281,714
Interest charges and other finance costs related to projects	59,485,456	40,969,899
Cost of plots* and plot development right	4,493,676	2,365,888
Other Project Expenses	20,434,560	26,436,472
	740,396,533	**321,854,411**
26 Changes In Inventories Of Materials, Work- In-Progess And Finished Goods		
a. Inventories at the beginning of the year		
i. Raw Materials	-	3,266,232
ii. Work-in-progress	757,013,333	702,911,542
iii. Finished goods	201,598,518	185,915,474
	958,611,851	**892,093,248**
b. Inventories at the end of the year		
i. Raw Materials	-	1,590,004
ii. Work-in-progress	880,864,726	584,898,167
iii. Finished goods	129,988,321	170,525,162
	1,010,853,047	**757,013,333**
Net (increase) / decrease	**(52,241,196)**	**135,079,915**

	As at 31-Mar-19 ₹	As at 31-Mar-18 ₹
27 Employees Benefit Expenses		
Salaries & Wages	33,453,291	32,880,712
Contribution to provident and other funds	2,181,829	2,246,403
Staff Welfare	2,051,164	2,761,096
Other Employee benefit expenses (Also, refer note 18)	3,280,713	2,493,677
	40,966,997	**40,381,888**
28 Finance costs		
Interest expenses	228,635,927	169,215,862
Amortisation of Interest cost	15,230,680	15,230,680
Other borrowings costs	-	5,443,992
	243,866,607	**189,890,534**
29 Depreciation And Amortization		
Depreciation of tangible assets (Also, refer note 3)	7,398,016	9,720,649
Amortisation of intangible assets (Also, refer note 3)	-	539,664
	7,398,016	**10,260,313**
30 Other expenses		
Power & Fuel	3,113,567	2,545,479
Rent	18,936,400	7,112,700
Rates & Taxes	1,706,966	860,320
Advertisement & Business Promotion	4,039,946	10,809,140
Legal, Professional & Consultancy Charges	7,979,489	10,220,403
Travelling & Conveyance	2,077,110	2,411,914
Repairs and maintenance:		
-Repairs & Office Maintenance	37,069,610	28,080,970
-Vehicle Maintenance	799,642	1,099,205
Telephone, Postage, Printing & Stationery	1,840,767	1,921,817
Financial Guarantee- Expense	3,831,141	7,620,523
Donation	193,000	177,000
Audit Fees		
- For Statutory Audit (Also refer note 33)	2,052,400	1,445,300
Loss on sale of fixed assets	270,501	185,648
Share of Loss	-	9,229
Bank Charges	77,282	-
Insurance Charges	282,730	-
Miscellaneous expense	4,132,993	5,658,924
	88,403,544	**80,158,572**
31 Earnings per equity share (EPS)		
For profit for the year	10,306,886	(14,029,144)
Nominal value of equity shares	10	10
Profit attributable to equity shareholders (A)	10,306,886	(14,029,144)
Weighted average number of equity shares outstanding during the year (B)	8,600,000	8,600,000
Basic earnings per equity share (A/B) (in ₹)	1.20	(1.63)
Diluted earnings per equity share (A/B) (in ₹)	1.20	(1.63)
32 Remuneration to auditors		
As auditor		
Statutory audit	2,052,400	1,445,300
Total	**2,052,400**	**1,445,300**

	As at 31-Mar-19 ₹	As at 31-Mar-18 ₹
33 Leases **Operating lease commitments - as lessee** Total lease payments charged off to the statement of profit and loss	18,936,400	7,112,700
Disclosures in respect of non-cancellable operating leases The lease rentals charged for the years ended 31 March 2018 and 31 March 2017 and maximum obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:		
The total of future minimum lease payments for each of the following periods:		
(i) Not later than one year	6,246,300	6,024,000
(ii) Due later than one year and not later than five years	8,405,700	14,652,000
(iii) Due later than five years	-	-

34 Related parties

a) Names of related parties and nature of relationship:

Nature of relationship	Name of related party
Associates	Heirloom Real Estate Pvt Ltd
Partnership Firms	Arihant Foundations Arihant Foundations & Housing Arihant Heirloom
Key Management Personnel	Mr. Kamal Lunawath (Chairman and Managing Director) Mr. Vimal Lunawath (Whole time Director) Mr. Bharat Jain (Whole time Director)
Relatives of Directors	Mrs. Snehalatha Lunawath Mrs. Preethi Lunawath Mrs. Kavita Lunawath

b) Transactions with related parties

Transaction	Related Party	"Year ended 31 March 2019"	"Year ended 31 March 2018"
Remuneration to Key Managerial Personnel	Kamal Lunawath Vimal Lunawath Bharat Jain	1,200,000 1,200,000 1,800,000	1,200,000 1,200,000 1,800,000
Interest expense on loan received	Kamal Lunawath Vimal Lunawath	29,426,165 18,227,034	31,187,833 12,386,649
Loan received	Kamal Lunawath Vimal Lunawath	39,988,506 182,990,477	30,769,050 44,524,566
Loan repaid	Kamal Lunawath Vimal Lunawath	55,224,320 136,004,078	36,069,414 45,303,880
Advances made	Transperent Heights Real Estate Ltd	309,720	297,000

c) **Balances with related parties**

Transaction	Related Party	"Year ended 31 March 2019"	"Year ended 31 March 2018"
Borrowings	Directors	269,402,508	235,787,382
Loans	Heirloom Real Estate Pvt Ltd	81,189,892	90,826,239
Trade Receivables	Transperent Heights Real Estate Ltd	8,916,148	8,606,428

35. Fair value measurement

Fair value measurement hierarchy

The Company records certain financial assets and financial liabilities at fair value on a recurring basis. The Company determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The Company holds certain fixed income investments and other financial assets such as deposits etc. which must be measured using the fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three Levels of fair value hierarchy. These levels are based on the observability of significant inputs to the measurement, as follows:

> **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities
>**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly"
> **Level 3:** Unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy of financial and non-financial assets and liabilities measured at fair value on a recurring basis at 31 March 2019, 31 March 2018:

			Fair value measurement using		
i) Assets measured at fair value: Fair value through other comprehensive income			**Quoted prices in active markets**	**Significant observable inputs**	**Significant unobservable inputs**
	Date of valuation	**Total**	**(Level 1)**	**(Level 2)**	**(Level 3)**
Investments					
2019	31 March 2019	33,254,321	15,514,921	17,739,400	-
2018	31 March 2018	143,162,612	125,423,212	17,739,400	-

Investment in mutual funds are valued based on the Net Asset Value (NAV) of the funds as at the year end. The NAV of the funds are provided by the fund management company at the end of each reporting year.

ii) Liabilities measured at fair value: Financial guarantees					
2019	31 March 2019	38,607,116	-	-	38,607,116
2018	31 March 2018	34,556,066	-	-	34,556,066

The fair value of the financial guarantees are based on the credit risk associated with the guarantees extended and the maximum exposure that is expected to have on the event of default by the debtor.

There have been no transfers between Level 1 and Level 2 during the year.

ii) Liabilities measured at amortised cost: a) Interest-bearing loans and borrowings:					
Floating rate borrowings			Nil	Nil	Nil
Fixed rate borrowings			1,527,034,281	1,756,531,254	-

36. Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies

The Company's principal financial liabilities comprise of loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its and group companies operations. The Company's principal financial assets include loans, trade and other receivables, cash and short-term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by the Group treasury team that advises on financial risks and the appropriate financial risk governance framework in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by Group Treasury Team that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors review and agree on policies for managing each of these risks, which are summarised below.

a) Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates are managed by borrowing at fixed interest rates. During the year Company did not have any floating rate borrowings.

d) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example trade receivables, placing deposits, investment in mutual funds etc. the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at 31 March 2019, as summarised below

	31 March 2019 ₹	31 March 2018 ₹
Classes of financial assets		
Investments	347,813,804	434,673,223
Trade receivables	781,560,685	1,176,898,782
Loan	284,881,171	409,096,182
Cash and bank balances	28,457,601	93,780,404
Other financial assets	453,266,275	622,120,779

The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. The Company's policy is to transact only with counterparties who are highly creditworthy which are assessed based on internal due diligence parameters.

The credit risk for cash and cash equivalents, fixed deposits are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Other financial assets mainly comprises of security deposits which are given to land owners or other governmental agencies in relation to contracts executed and are assessed by the Company for credit risk on a continous basis.

c) Liquidity risk

The Company's objective is to maintain cash to meet its liquidity requirements for 30-day periods at a minimum.

37. Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date (31 March 2019) and the date of authorization.

38. Contingent liabilities, commitments and guarantees

Contingent liabilities

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

ii) The cases pending before the CIT Appeals of Income tax are as follows

	As at 31-Mar-19 ₹	**As at 31-Mar-18** ₹
AY 1999-2000	7,638,692	76,38,692
AY 2011-2012	7,183,310	71,83,310

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

iv) The company has given corporate guarantee of ₹ 205 Crores to its joint venture companies

v) In continuation to inspection made u/s. 209A of the Companies Act, 1956; the proceedings filed u/s. 58A, 299 and 295 are under process. The Company has applied for compounding application for the same on 19.01.2015

39 Segment reporting

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

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

For **Ramachandra Rao & Associates,**
Chartered Accountants
Firm's Registration No.: 007735S

sd/-
CA. Ramachandra Rao Suraneni
Proprietor
Membership No. 206003

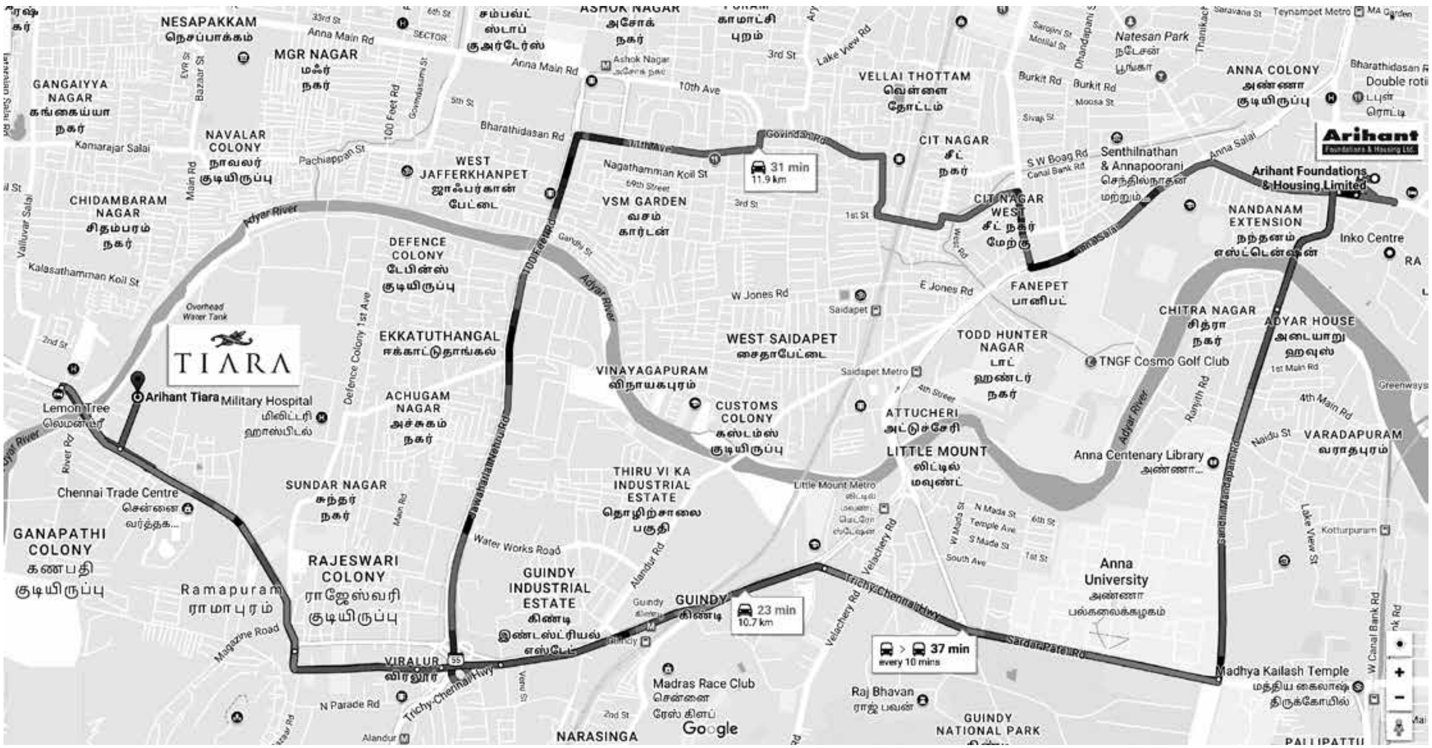
PLACE : CHENNAI
DATE : 30.05.2019

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

sd/-	sd/-	sd/-
Kamal Lunawath	**Vimal Lunawath**	**Sharon Josh**
Managing Director	Whole Time Director	Company Secretary
DIN :00087324	DIN : 00586269	

PLACE : CHENNAI
DATE : 30.05.2019

ROUTE MAP TO THE AGM VENUE OF :
ARIHANT FOUNDATIONS & HOUSING LIMITED
26TH ANNUAL GENERAL MEETING
AT 9.30 A.M.
MONDAY, 30TH SEPTEMBER, 2019



ARIHANT FOUNDATIONS & HOUSING LIMITED

CIN: L70101TN1992PLC022299

Regd. Office: No.3, Ganapathy Colony, 3rd Street, Off. Cenotaph road, Teynampet, Chennai- 600018

26TH ANNUAL GENERAL MEETING of the Company held on 30th September, 2019 at 9.30 a.m. at "Arihant TIARA", Plot No. 2B, TCNS Gardens, Nandambakkam, Chennai- 600089

NAME OF THE ATTENDING MEMBER (IN BLOCK LETTERS)	
Folio No./DPID/CLID No.	
No. of shares held	
Name of the PROXY (IN BLOCK LETTERS. TO BE FILLED IN IF THE PROXY ATTENDS INSTEAD OF THE MEMBER)	

I/We hereby record my/our presence at the 26th Annual General Meeting on 30th September, 2019.

Signature of the Member/Proxy

THIS ATTENDANCE SLIP DULY FILLED IN IS TO BE HANDED OVER AT THE ENTERANCE OF THE MEETING HALL

Form No. MGT-11
PROXY FORM

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

ARIHANT FOUNDATIONS & HOUSING LIMITED
CIN: L70101TN1992PLC022299
Regd office: No.3, Ganapathy Colony, 3rd Street, Off. Cenotaph road, Teynampet, Chennai- 600018

Name of the member (s)	
Registered address	
E-mail Id	
Folio No/ Client Id: DP ID	
No. of Shares held	

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

1.	Name:		
	Address:	Signature:	
	Email:		
Or Failing him/her			
2.	Name:		
	Address:	Signature:	
	Email:		
Or Failing him/her			
3.	Name:		
	Address:	Signature:	
	Email:		

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company held on 30th September, 2019 at 9.30 a.m. at “Arihant Tiara”, Plot No. 2B, TCNS Gardens, Nandambakkam, Chennai – 34 and at any adjournment thereof in respect of such resolutions as are indicated below:

ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone Financial Statements of the Company for the period ended 31.03.2019 together with the Directors’ Report and the Auditors’ Report and the consolidated financial statements for the period ended 31.03.2019 together with the Auditors’ Report.
2. To appoint a Director in place of Mr. Vimal Lunawath(DIN: 00586269), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

3. TO CONSIDER AND APPROVE MRS. ANN GONZALVES TO CONTINUE AS INDEPENDENT DIRECTOR FOR THE CURRENT TERMAS A SPECIAL RESOLUTION
4. APPOINTMENT OF MR. RAVIKANTH CHOUDHRY AS AN INDEPENDENT DIRECTOR OF THE COMPANY
5. APPOINTMENT OF MR. KARAN BHASIN AS AN INDEPENDENT DIRECTOR OF THE COMPANY
6. APPOINTMENT OF MRS. ANN GONSALVEZ AS AN INDEPENDENT DIRECTOR OF THE COMPANY

Signed this…… day of……… 20….

Signature of shareholder　　　　Signature of Proxy holder(s)

Notes: *1. This form should be signed as per specimen signature registered with the RTA/DP*

2. 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.