

September 23, 2017

To,

National Stock Exchange Limited,
Manager_ Listing 022-26598237

Bombay Stock Exchange Limited,
General Manager- DCS 022-22723121

Dear Sir/Madam,

Sub: Voting results of 24th Annual General Meeting.

In continuation to our letter on Notice of 24th Annual General Meeting of the Company held on September 22, 2017 and the business mentioned in the Notice dated May 30th 2017 were transacted.

In this regard, please find enclosed the following-

- 1) Voting results as required under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations as Annexure – I
- 2) Report of Scrutinizer dated September 22, 2017, Pursuant to Section 108 of the Companies Act, 2013 and Rule 20(4) (xii) of the companies (Management and Administration Rules, 2014.
- 3) Annual Report for the financial year 2016-17 as required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations duly approved and adopted by the members as per the provisions of the Companies Act, 2013.

Kindly take note of the same and oblige.

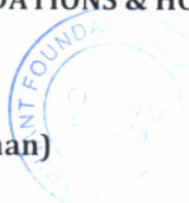
Thanking You

Yours Sincerely,

For **ARIHANT FOUNDATIONS & HOUSING LIMITED,**



(Meenakshi Jayaraman)
Company Secretary



ANNEXURE-I
VOTING RESULTS OF 24TH ANNUAL GENERAL MEETING

Date of the AGM/EGM	September 22, 2017
Total number of shareholders on record date	2089
No. of shareholders present in the meeting either in person or through proxy:	
Promoters and Promoter Group:	3
Public:	17
No. of Shareholders attended the meeting through Video Conferencing:	
Promoters and Promoter Group:	Not applicable
Public:	

Agenda- wise disclosure

ORDINARY BUSINESS-1 Ordinary resolution for adoption of Financial Statements (including the consolidated financial statements)

Resolution required: (Ordinary/ Special)					Ordinary			
Whether promoter/ promoter group are interested in the agenda/resolution?					No			
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]* 100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	3655700	2924800	80	2924800	Nil	100	Nil
	Poll		Nil	Nil	Nil	Nil	Nil	Nil
	Postal Ballot		Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Total		3655700	2924800	80	2924800	Nil	100
Public Institutions	E-Voting	988856	Nil	Nil	Nil	Nil	Nil	Nil
	Poll		Nil	Nil	Nil	Nil	Nil	
	Postal Ballot		Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
	Total		988856	Nil	Nil	Nil	Nil	Nil



Public Non-Institutions	E-Voting	3955444	14681	0.37	14531	150	0.36	0.003
	Poll		872500	22.05	872500	Nil	22.05	Nil
	Postal Ballot		Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Total	3955444	887181	22.43	887031	150	22.43	0.003
TOTAL	8600000	3811981		3811831	150			

ORDINARY BUSINESS -2: Ordinary Resolution for appointment of Mr. A.L. Jayabhanu as a Director liable to retire by rotation.

Resolution required: (Ordinary/ Special)					Ordinary			
Whether promoter/ promoter group are interested in the agenda/resolution?					No			
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]* 100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	3655700	2924800	80	2924800	Nil	100	Nil
	Poll		Nil	Nil	Nil	Nil	Nil	Nil
	Postal Ballot		Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Total		3655700	2924800	80	2924800	Nil	100
Public Institutions	E-Voting	988856	Nil	Nil	Nil	Nil	Nil	Nil
	Poll		Nil	Nil	Nil	Nil	Nil	
	Postal Ballot		Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
	Total		988856	Nil	Nil	Nil	Nil	Nil
Public Non-Institutions	E-Voting	3955444	14681	0.37	14531	150	0.36	0.003
	Poll		872500	22.05	872500	Nil	22.05	Nil
	Postal Ballot		Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Total		3955444	887181	22.43	887031	150	22.43
TOTAL	8600000	3811981		3811831	150			



ORDINARY BUSINESS -3: Ordinary Resolution for appointment of statutory auditors of the Company and fixation of their remuneration as set out in ITEM No. 3 of the AGM Notice.

Resolution required: (Ordinary/ Special)					Ordinary			
Whether promoter/ promoter group are interested in the agenda/resolution?					No			
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]* 100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	3655700	2924800	80	2924800	Nil	100	Nil
	Poll		Nil	Nil	Nil	Nil	Nil	Nil
	Postal Ballot		Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
	Total	3655700	2924800	80	2924800	Nil	100	Nil
Public Institutions	E-Voting	988856	Nil	Nil	Nil	Nil	Nil	Nil
	Poll		Nil	Nil	Nil	Nil	Nil	
	Postal Ballot		Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
	Total	988856	Nil	Nil	Nil	Nil	Nil	Nil
Public Non-Institutions	E-Voting	3955444	14681	0.37	14531	150	0.36	0.003
	Poll		872500	22.05	872500	Nil	22.05	Nil
	Postal Ballot		Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
	Total	3955444	887181	22.43	887031	150	22.43	0.003
TOTAL		8600000	3811981		3811831	150		





G. Subhasree
PRACTISING COMPANY SECRETARY

AG3, Ragamalika,
No 26 Kumaran Colony Main Road,
Vadapalani, Chennai 600026

E-mail: subhasree5@gmail.com

H/P: 9940687279, 9840375053

FORM NO. MGT - 13

Report of the Scrutinizer(s)

**[Pursuant to rule section 109 of the Companies Act, 2013 and rule 21(2) of the Companies
(Management and Administration) Rules, 2014]**

Dated 22nd September 2017

To

The Chairman,

of the Annual General Meeting of the Equity Shareholders of M/s. Arihant Foundations and Housing Limited, held on 22nd September, 2017 at "Arihant Tiara", Plot no. 2B, TCNS Garden, Nandambakkam, Chennai- 600089 at 9.30 A.M.

Subject: Ordinary Resolution(s) under different provisions of the Companies Act, 2013 read with Rules made there under-Voting through electronic means in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules, 2014, framed there under & Voting by Poll under Section 109 of the Companies Act read with Rule 21 of the Companies (Management & Administration) Rules, 2014, framed there under

Dear Sir,

I, G. Subhasree, Practicing Company Secretary, having my office at AG3, Ragamalika, No 26 Kumaran Colony Main Road, Vadapalani, Chennai 600 026, appointed as Scrutinizer as per the letter dated 31.05.2017 for the purpose of voting by electronic means as well as voting at the venue on the below mentioned resolutions, at the Annual General Meeting of the Equity Shareholders of M/s Arihant Foundations and Housing Limited held on 22nd September 2017, at "Arihant Tiara", Plot no. 2B, TCNS Garden, Nandambakkam, Chennai- 600089 at 9.30 A.M hereby submit my report as under:




a.	Pursuant to Section 101, 108 of the Act and 3(1) of Rule 20 of the Companies (Management & Administration) Rules, 2014, the notices convening the meeting including Statement under Section 102 of the Act have been dispatched to all the members of the Company through electronic means on 30.08.2017 (wherever email ids were available) and to the other shareholders by permitted mode on 30.08.2017 and subsequently, the Notice convening the meeting was also placed on the website of the Company and that of the agency, i.e., M/s CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED , (CDSL). The members of the Company were given an option to vote electronically on e-voting platform, provided by the CDSL.
b.	The Public Advertisement with respect to dispatch of notices and conducting of voting through electronic means was published in an English newspaper "News Today" on 31.08.2017 and "Maalai Sudar" newspaper on the 31.08.2017
c.	The e-voting period commenced on September 19, 2017 at 09:00 A.M. and ended on September 21, 2017 at 05.00 P.M.
d.	Accordingly, the electronic votes cast were taken into account and at the end of this voting period, on September 21, 2017 at 05:00 P.M, the CDSL portal was blocked for voting.
e.	The votes cast were unblocked in the presence of two witnesses on the September 22, 2017.
f.	The Corporate members who had participated in the e-voting had provided the scanned copy of the resolutions passed at the Board of Directors for authorization to exercise their votes through E-Voting.

At the Annual general meeting held at the scheduled time, date and venue, the Chairman announced a poll taking into account the provisions of law as well as the clarifications issued by the Ministry of Corporate Affairs dated 19-03-2015.

The polling papers in **Form MGT-12** as per Companies (Management & Administration) Rules, 2014 were distributed to the shareholders present. The shareholders cast their votes in the ballot box kept at convenient location in the Venue.

1. At the time fixed for closing of the poll by the Chairman, all the ballot boxes kept for polling were locked in my presence with due identification marks placed by me.
2. The locked ballot box was subsequently opened in my presence and poll papers were diligently scrutinized. The poll papers were reconciled with the records maintained by the Company and the authorizations/proxies lodged with the company.
3. The poll papers which were incomplete and/or which were otherwise found defective have been treated as invalid.

S. Subramanian



The resolutions for which this Annual General Meeting of the shareholders was held were as follows:

S.No	Resolutions	Nature of Resolution
1	To receive, consider and adopt the standalone Financial Statements for the period ended 31.03.2017 and the consolidated financial statements for the period ended 31.03.2017 together with the Directors' Report and the Auditor' Report.	Ordinary
2	To appoint a Director in place of Mr. A.L. Jayabhanu (DIN: 01516502), who retires by rotation and being eligible, offers himself for reappointment.	Ordinary
3	To appoint M/s. S. Ramachandra Rao and Associates (Firm Regn. No. 007735S), Chartered Accountants, as the Statutory Auditors of the Company and to authorize the Board of Directors to fix their remuneration.	Ordinary

The results of the poll & voting by electronic means are as follows:

The details of the number of members present and voting in person or by proxy and the valid / invalid votes in respect of each of the resolutions are given below.

Resolution S.No	Number of members who cast their votes by e-voting/ poll at the AGM		Number of members who cast valid Votes	Number of members whose votes were considered invalid
	ASSENT	DISSENT		
1	25	1	26	0
2	25	1	26	0
3	25	1	26	0

The summary of the results in terms of the Number of votes cast for and against out of the total valid votes is given below.

G. Subhasree



E VOTING & POLL

Resolution S.No	No of VOTES CAST IN FAVOUR	No of VOTES CAST AGAINST	Total - Valid Votes	Assent %	Dissent %	Passed/Not Passed
1	3811831	150	3811981	99.9961	0.0039	Passed as ordinary resolution
2	3811831	150	3811981	99.9961	0.0039	Passed as ordinary resolution
3	3811831	150	3811981	99.9961	0.0039	Passed as ordinary resolution

Since the requisite no. of votes cast in favour exceeded the No of votes cast against in respect of resolutions in S No 1 to 3, I hereby report that the above resolutions were passed with requisite majority.

4. The poll papers and all other relevant records have been sealed and kept under my safe custody for handing over to the Company after signing of the minutes by the Chairman.

Thanking you,

Yours faithfully,


G Subhasree

Company Secretary in Practice
CP No 13312



C O R P O R A T E S T R U C T U R E

BOARD OF DIRECTORS

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

BOARD COMMITTEES

Audit Committee

Mr. Ravikant Choudhary- Chairman
Mr. Damodaran- Member
Mr. Kamal Lunawath- Member

Stakeholder Relationship Committee

Mr. A. Damodaran- Chairman
Mr. Ravikant Choudhary- Member
Mrs. Ann Gonsalvez- Member

Nomination & Remuneration Committee

Mr. A. Damodaran- Chairman
Mr. Ravikant Choudhary- Member
Mrs. Ann Gonsalvez- Member

COMPANY SECRETARY

Mrs. Meenakshi Jayaraman

BANKERS

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

AUDITORS

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

LEGAL ADVISOR

K Venkatasubramanian

New No. 80, Old No. 55 (Rear side block 1st floor) Bazullah Road
T.Nagar, Chennai - 600 017.

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

M/s. Ernst & Young LLP

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NOTICE

Notice is hereby given that the 24th Annual General Meeting of the Shareholders of Arihant Foundations and Housing Limited will be held on Friday the 22nd day of September, 2017 at "Arihant Tiara", Plot No. 2B, TCNS Garden, Nandambakkam, Chennai- 600089 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 31.03.2017 together with the Directors' Report and the Auditors' Report and the consolidated financial statements for the period ended 31.03.2017 together with the Auditors' Report.
2. To appoint a Director in place of Mr. A.L. Jayabhanu (DIN: 01516502), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s. Ramachandra Rao & Associates (Firm Regn. No. 007735S), as Statutory Auditors of the Company, to hold office for a period of 5 (Five) consecutive financial years, from the conclusion of the twenty fourth Annual General Meeting of the Company until the conclusion of the twenty ninth Annual General Meeting of the Company (subject to ratification of the appointment at every Annual General Meeting, if required by law) and to authorise the Board of Directors of the Company to fix their remuneration.

By Order of the Board

For Arihant Foundations & Housing Limited

(J Meenakshi)

Company Secretary

Place: Chennai

Date: 30.05.2017

I. Notes:

1. The explanatory statements pursuant to Section 102 of the Companies Act, 2013 in respect of the business under item No. 3 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 16.09.2017 to 22.09.2017 (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 24th 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 24th 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 24th Annual General Meeting and the Annual Report for 2016-17 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 Fourth 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 19th September, 2017 at 9 AM and ends on 21st September, 2017 at 5 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 15.09.2017, 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 DPID 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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • 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	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • 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 170828055 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
- 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 alongwith 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

II. DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER Regulation 36(3) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015:

a) Brief Resume

Mr. A.L. Jayabhanu, 74 B.Sc, B.E and MBA. He is a retired col. from Indian Army. He has served Indian Army for 22 years.

b) Nature of expertise

Mr. A.L. Jayabhanu specializes in business management professional having experience in the area of marketing, particularly of residential and commercial space. He possesses about 17 years of experience in marketing and personal management

c) Listed cos’ directorship and committee membership

Mr. A.L. Jayabhanu does not hold any Directorship or committee membership in any other listed Company.

d) Relationship between the directors interse

Nil.

e) Re-appointment of retiring Director: (item no. 2)

Mr. A.L. Jayabhanu is the Non- Executive Director. He does not hold any equity shares in the Company.

None of the Directors and the Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise in the resolution set out at Item no. 2.

By Order of the Board

For Arihant Foundations & Housing Limited

Sd/-
(J Meenakshi)
CompanySecretary

Place: Chennai
Date: 30.05.2017

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

ITEM NO.3

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with Rule 6 of The Companies (Audit and Auditors) Rules, 2014, every Company shall appoint Statutory Auditors to hold office for one term of 5 years and such appointment is subject to ratification by the Members every year in the annual general meeting. The Act further makes it mandatory to rotate the statutory auditors after two terms of 5 years, in case of a firm of auditors. Further, Companies have been given time till the year 2017 to effect rotation of Auditors, wherever necessary. As you are aware, M/s. B.P. Jain & Co., have been the statutory auditors of the company for more than 10 years. In order to comply with the requirements mentioned above, it is proposed to appoint a new firm of Chartered Accountants to act as the Statutory Auditors of the Company at the ensuing 24th Annual General Meeting.

M/s. Ramachandra Rao & Associates (Firm Regn. No. 007735S) Chartered Accountants, a firm of long standing have been identified for appointment as the Joint Statutory Auditors of the Company. Being eligible for appointment under the provisions of the Companies Act, 2013, they have furnished their consent to act as the Statutory Auditors, in terms of the second proviso to Section 139 of the Act and also provided a certificate to the effect that their appointment, if made, shall be in accordance with the conditions laid down and that they satisfy the criteria provided under Section 141 of the Act. The Board of Directors, on the recommendations of the Audit Committee, at the meeting held on 30th May, 2017, proposed the appointment of M/s. Ramachandra Rao & Associates (Firm Regn. No. 007735S) Chartered Accountants, as the Statutory

Auditors of the Company for a period of 5 years from the conclusion of the twenty fourth Annual General Meeting until the conclusion of the twenty ninth Annual General Meeting of the Company (subject to ratification of the appointment at every Annual General Meeting, if required by law) and to authorise the Board of Directors of the Company to fix their remuneration. The Board recommends the Resolution for approval by the Members of the Company.

None of the Directors of the Company and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the aforesaid Ordinary Resolution.

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, 2017. 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. 4388.64 Lakhs (Previous Year: Rs. 7180.19 Lakhs) and Other Income of Rs.1116.72 Lakhs (Previous Year: Rs. 1184.66 Lakhs), and the Net Profit of the Company amounted to Rs.164.266 Lakhs (Previous Year: Loss of Rs. 792.55 Lakhs). After providing for Interest & Finance charges, and Depreciation, the Company has performed well during the year under review despite the major changes economic policies like demonetization and enactment of RERA Act with a Profit after Tax of is Rs. 109.96 Lakhs as compared to the previous year loss of Rs.521.63 Lakhs).

(Rs. In Lakhs)

S. No.	Particulars	1st April 2016 to 31st March, 2017 (12 Months)	1st January 2015 to 31st March 2016 (15 Months)
I.	Total Revenue	5505.366	8364.860
II.	Total Expenses	5341.099	9157.407
III	Profit before exceptional and extraordinary items and tax (I-II)	164.266	(792.546)
IV	Exceptional items	-	-
V	Profit before extraordinary items and tax (III -IV)	164.266	(792.546)

VI	Tax expense:		
	(1) Current tax	54.306	47.805
	(2) Deferred tax	-	(318.72)
VII	Profit (Loss) for the period from continuing operations	109.960	(521.632)
VIII	Transfer to Capital Redemption Reserve	-	-
IX	Profit (Loss) for the period (VII- VIII)	109.960	(521.632)

DIVIDEND

Your directors do not declare any Dividend for the financial year ended, 31st March 2017 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 two joint ventures of your Company as on 31st March, 2017. M/s Arihant Griha Limited, Vaikunt Housing Limited, Varena Constructions Limited and Transperent Heights Real Estate Limited are the wholly-owned subsidiaries and M/s. Escapade Real Estate Private Limited with 66.67% stake and M/s. North Town Estates Private Limited is the subsidiary of your Company with 65% stake. M/s. Arihant Unitech Realty Projects Limited,

ONGOING PROJECTS

Project name	Location	Area (Sqft)
Arihant - `esta (Residential Complex)	Mugappair, Chennai	1,98,165
Arihant Tiara (Residential Complex)	Nandambakkam, Chennai	1,49,568
Aira (Residential Complex)	Egmore, Chennai	13,000
The Verge (Commercial complex)	OMR, Chennai	85,000
	TOTAL	445,733

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

Mangalagiri Realty Private Limited (formerly known as Arihant Indo-African Infra Developers and Builders Private Limited) are Joint Venture entities of your Company. Your Company does not have any material non-listed Indian Subsidiary Company. No Company ceases to be Subsidiary and no Company has become Subsidiary during the year under review. Details of financial statements of subsidiaries are given in AoC-1 as Annexure 1.

Performance, Plans and Prospects of your Company

Your Company's current year Projects:

During the year under review, the Company has executed and handed over three (3) residential projects and one (1) Commercial project covering an area of 4.40 Lakh square feet. The Company's Project managers are guided by policy and principle in the successful implementation and completion of various projects.

DIRECTORS:

The Composition of Directors 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, Mrs Meenakshi Jayaraman has resigned from the position of Company Secretary on January 5, 2017.

Further on March 25, 2017 Mrs Meenakshi Jayaraman was again appointed as the Company Secretary of the Company and designated as Key Managerial Personnel (KMP) of the company in compliance of provisions of section 203 of the Companies Act, 2013.

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 12, 2016. 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 14.02.2017 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, 11 (eleven) 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 Accounting Standard AS-21 on consolidated financial statements read with Accounting Standard AS-23 on investment in associates, AS-27 on financial reporting of interest in Joint Venture, Auditors Report on the consolidated financial statements, audited consolidated Balance Sheet, statement of 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 5 .

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

The necessary details are furnished in Notes to Financial statements no. 35

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 and report on AOC - 2 by CEO and CFO 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.

BUSINESS RISK MANAGEMENT

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks. Pursuant to the requirement of Reg. 17(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted a Business Risk Management.

Committee and the details of the Committee are as under:

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

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/>

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

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with Rule 6 of The Companies (Audit and Auditors) Rules, 2014, every Company shall appoint Statutory Auditors to hold office for one term of 5 years and such appointment is subject to ratification by the Members every year in the annual general meeting. The Act further makes it mandatory to rotate the statutory auditors after two terms of 5 years, in case of a firm of auditors. Further, Companies have been given time till the year 2017 to effect rotation of Auditors, wherever necessary. As you are aware, M/s. B.P. Jain & Co., have been the statutory auditors of the company for more than 10 years. In order to comply with the requirements mentioned above, it is proposed to at the ensuing 24th Annual General Meeting by appointing a new firm of Chartered Accountants to act as the Statutory Auditors of the Company.

The Board of Directors, on the recommendations of the Audit Committee, at the meeting held on 14th February, 2017, have decided to recommend to the shareholders, the appointment of M/s. Ramachandra Rao & Associates (Firm Regn. No. 007735S), Chennai as the Statutory Auditors of the Company for a period of 5 years from the ensuing 24th annual general meeting until the conclusion of the Twenty ninth annual general meeting of the Company, subject to ratification annually by shareholders, if required by law. M/s. Ramachandra Rao & Associates (Firm Regn. No. 007735S) has given their consent to act as Statutory Auditors and have also confirmed that their appointment, if made, shall be in accordance with the provisions of the Companies Act, 2013.

INTERNAL AUDITORS

The Internal Auditors M/s. Ernst & Young LLP have 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 2016-17. The Secretarial Audit Report for the Financial Year ended March 31, 2017 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	5.5419
2.	Mr. Vimal Lunawath	5.5419
3.	Mr. Bharat Jain	8.3128

- b) The median remuneration for the period from April 2016 to March 2017 - Rs. 216532.30/-
- 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. Vimal Lunawath – (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: 51
- 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.
- g) If remuneration is as per the remuneration policy of the company: Yes

PERSONNEL

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

ACKNOWLEDGEMENTS

Your Directors place on record their gratitude for the support and co- operation received from CMDA, Corporation of Chennai, 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

(KAMAL LUNAWATH)
Managing Director
DIN: 00087324

(VIMAL LUNAWATH)
Whole time Director
DIN: 00586269

Place: Chennai
Date: 30.05.2017

Annexure to Directors' Report:

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

Refer observations in the Secretarial Auditors Report point (ii);

Forms for filing the returns on transfer of IEPF were not available as on date of transfer and also there was a delay from the Bank to receive the unclaimed Dividend details. However, the MCA has now released the said Forms and the Company is taking necessary steps to file the forms with regard to transfer of unclaimed dividend to IEPF.

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

(KAMAL LUNAWATH)
Managing Director
DIN: 00087324

(VIMAL LUNAWATH)
Whole time Director
DIN: 00586269

Place: Chennai
Date: 30.05.2017

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 Rs.)

Sl. No.	Particulars	Details					
1.	Name of the subsidiary	Arihant Griha Ltd	Varenya Constructions Ltd	Vaikunt Housing Ltd	Transparent Heights Real Estate Ltd	Escapade Real Estate Private Ltd	North Town Estates Pvt Ltd
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017
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	-400,052	-94,392,145	-3,195,726	-5,392,268	122,217,043	-441,811,513
6.	Total assets	79,670,747	328,897,350	12,467,205	4,653,371	580,612,480	2,553,966,772
7.	Liabilities	79,570,799	422,789,495	15,162,931	9,545,639	441,895,437	2,112,655,259
8.	Investments	Nil	Nil	Nil	Nil	238,000,000	30,300,000
9.	Turnover	571,594	129,639,203	-	-	30,927,113	873,483,036
10.	Profit before taxation	266,156	4,335,379	66,793	177,951	2,686,987	-8,864,222
11.	Provision for taxation	50,716	826,335	12,728	33,909	357,550	-30,992,024
12.	Profit after taxation	215,440	3,509,044	54,065	144,042	2,329,437	22,127,802
13.	Proposed Dividend	0	0	0	0	0	0
14.	% of shareholding	100	100	100	100	66.67	65

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

- Names of subsidiaries which are yet to commence operations NIL
- 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

Name of associates/Joint Ventures	Arihant Unitech Realty Projects Limited (Joint Venture)	Managalagiri Realty Private Limited (Joint Venture)
1. Latest audited Balance Sheet Date	31.03.2017	31.03.2017
2. Shares of Associate/Joint Ventures held by the company on the year end		
No. of shares	500,000	272210
Amount of Investment in Associates/Joint Venture		
Extend of Holding%	50%	0.10%
3. Description of how there is significant influence	Control over 50%	Control of Business decisions under Joint Venture Agreement
4. Reason why the associate/joint venture is not consolidated	NA	Not considered for consolidation, since carrying amount is Nil, as per AS-23
5. Net worth attributable to shareholding as per latest audited Balance Sheet	24,874,617,400	-
6. Profit/Loss for the year		
i. Considered in Consolidation	422319.5	-
ii. Not Considered in Consolidation		-

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

The accompanying notes are an integral part of the financial statements

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

Chartered Accountants

FIRM REG NO-050105S

sd/-

CA Devendra Kumar Bhandari

Partner

Membership No.: 208862

PLACE : CHENNAI

DATE : 30.05.2017

For and on behalf of board of directors

For **Arihant Foundations & Housing Limited**

sd/-

Kamal Lunawath

Managing Director

DIN :00087324

sd/-

Vimal Lunawath

Chief Financial Officer

& 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 adhered to good corporate governance practices and maintained the highest levels of fairness, transparency, accountability, ethics and values in all facets of its operations. Your Company's Corporate Governance practices emanate from its commitment towards accountability, transparency and fairness. Your Company ensures timely and accurate

disclosure on all material matters including the financial situation, performance and regulatory requirements.

Your Company believes that good corporate governance 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 five non Executive Directors as on 31.03.2017.

The breakup of the total composition of the Board as on 31.03.2017 is as follows:

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

* Represents Promoter Group;

(II) ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST AGM AND DETAILS OF OTHER DIRECTORSHIPS AS ON 31.03.2017.

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	Attended last A.G.M		Membership	Whether Chairmanship
1.	Kamal Lunawath	9	No	4	1	--
2.	Vimal Lunawath	9	Yes	4	--	--
3.	Col. A.L Jayabhanu	9	No	--	--	--
4.	A .Damodaran	7	Yes	1	3	2
5.	Bharat Jain	7	Yes	--	--	--

6.	Ann Gonsalvez	7	No	--	2	--
7.	Ravikant Choudhary	4	No	1	3	1
8.	Karan Bhasin	1	No	-	-	-

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

During the Financial Year 2016 to 2017 (from 01.04.2016 to 31.03.2017), 11 (Eleven) Board meetings were held on 12.04.2016, 02.05.2016, 26.05.2016, 20.06.2016, 29.07.2016, 12.08.2016, 14.11.2016, 05.01.2017, 19.01.2017, 14.02.2017, 25.03.2017.

(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 31/03/2017 are:

Name	Position	Remuneration 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
Vimal Lunawath	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	18000
A .Damodaran	36000
Ann Gonsalvez	26000
Ravikant Choudhary	30000
Karan Bhasin	2000

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 Choudhary,
Chairman of the Committee – I & NE

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

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

(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
Ravikant Choudhary	5,111
Karan Bhasin	Nil

Mrs. Meenakshi is the Secretary of the Committee.
Note: I- Independent, NE- Non Executive, E- Executive

(II) No. of meetings and attendance:

There were four (4) meetings held during the year 2016-17 (from 01.04.2016 to 31.03.2017) on 26.05.2016, 12.08.2016, 14.11.2016 and 14.02.2017. 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. A. Damodaran, Independent Director being the Chairman, Mr. Ravikant Choudhary, Independent Director and Mrs. Ann Amelia Gonsalvez, Independent Director. The Company Secretary of the Company Mrs. Meenakshi 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 2016-17 (from 01.04.2016 to 31.03.2017), 2 (two) meetings of Nomination and Remuneration Committee were held on 26.05.2016 and 14.02.2017. The said meetings were attended by all the members.

5. STAKEHOLDER GRIEVANCE COMMITTEE/ STAKEHOLDER RELATIONSHIP COMMITTEE:

The Stakeholder Grievance committee comprises of Mr. A. Damodaran, Independent Director Chairman of the Committee, Mr. Ravikant Choudhary, Independent Director and Mrs. Ann Gonsalvez, Independent Director. The Company Secretary of the Company Mrs. Meenakshi acts as the Secretary to the Committee.

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

During the financial year 2016-17 (from 01.04.2016 to 31.03.2017), four (4) meetings of Share transfer and Shareholders/Investors Grievance Committee were held on 26.05.2016, 12.08.2016, 14.11.2016 and 14.02.2017. The said meetings were attended by all the members.

- | | |
|--|-----|
| a) Mrs. Meenakshi, Company Secretary is the Compliance Officer. | |
| b) No. of shareholders' complaints received during the period 01.04.2016 to 31.03.2017 | Nil |
| c) No. of complaints not solved to the satisfaction of the Shareholders | Nil |
| d) No. of pending complaints as on 31.03.2017 | 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 2016-17 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 2016-17. No personnel have been denied access to the Committee/Mechanism. The policy of the Company can be found at the weblink <http://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
21st AGM	28.03.2014	9.30 A.M	Arihant Escapade Devaraj Nagar 48, Okkium Thoraipakkam, Chennai- 600097
22nd AGM	30.06.2015	9.30 A.M	Arihant Escapade Devaraj Nagar 48, Okkium Thoraipakkam, Chennai- 600097
23rd AGM	30.09.2016	9.30 A.M	Arihant Escapade Devaraj Nagar 48, Okkium Thoraipakkam, Chennai- 600097

- b) Whether any special resolutions passed in the previous 3 AGMs : Yes
- c) Whether any special resolutions passed last year through postal ballot : No

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

12. DISCLOSURES

a) The Company's internal Audit is done by a firm of Chartered Accountants. 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 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 Maalai sudar, 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 Website <http://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, 2017. 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, 2017 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 31.03.2017	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 : 24th Annual General Meeting
Date & Time : 22.09.2017, 9.30 a.m
Venue : "Arihant Tiara",
Plot No. 2B, TCNS Garden,
Nandambakkam, Chennai- 600089
- ii. Financial Calendar : April 2016 to March 2017
- iii. Book Closure date : 16.09.2017 to 22.09.2017
(both the days inclusive)
- iv. Listing on Stock Exchanges : Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400001
Website:- www.bseindia.com

National Stock exchange of India
Limited, Exchange Plaza,
Bandra Kurla Complex
Bandra (E), Mumbai- 400051
Website: www.nseindia.com
- v. Listing Fees : Paid as per the Listing agreement
- vi. Stock code/ Symbol : 531381
BSE Limited : arihant found
NSE India 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 : Mrs. Meenakshi Jayaraman,
Company Secretary
Arihant Foundations & Housing Ltd
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 31.03.2017, 69,01,720 shares have been dematerialised, representing 80.25% of the Subscribed capital. The Company's shares are actively traded shares on BSE & NSE
- 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 2016-2017:**
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)		Sensdex Points		Share Price (INR)		CNX Nifty Points	
	High	Low	High	Low	High	Low	High	Low
April 2016	48.95	40	26100.54	24523.2	50.00	38.10	7,992.00	7,516.85
May 2016	43.85	36.3	26837.2	25057.93	43.90	35.45	8,213.60	7,678.35
June 2016	43.9	36.1	27105.41	25911.33	43.90	35.10	8,308.15	7,927.05
July 2016	43.85	32.45	28240.2	27034.14	43.00	36.00	8,674.70	8,287.55
August 2016	46.25	36.5	28532.25	27627.97	48.95	36.15	8,819.20	8,518.15
September 2016	51.9	40	29077.28	27716.78	48.90	40.50	8,968.70	8,555.20
October 2016	75.65	42	28477.65	27488.3	74.90	42.60	8,806.95	8,506.15
November 2016	73.7	43	28029.8	25717.93	71.95	43.45	8,669.60	7,916.40
December 2016	82.5	51.9	26803.76	25753.74	82.40	48.50	8,274.95	7,893.80
January 2017	63.7	55.25	27980.39	26447.06	63.95	55.30	8,672.70	8,133.80
February 2017	60	50.2	29065.31	27590.1	59.30	50.30	8,982.15	8,537.50
March 2017	53.9	47.5	29824.62	28716.21	51.95	45.25	9,218.40	8,860.10

xiii . Distribution of Shareholding as on 31.03.2017

Range of Shares	No. of Shareholders		Amount of Shares	
	Number	Percentage	Amount (Rs.)	Percentage
10 to 5000	1789	82.9008	1811390	2.1062
5001 to 10000	108	5.0046	869050	1.0105
10001 to 20000	69	3.1974	1076650	1.2519
20001 to 30000	48	2.2242	1210740	1.4078
30001 to 40000	21	0.9731	749140	0.8710
40001 to 50000	21	0.9731	1018090	1.1838
50001 to 100000	43	1.9925	3463130	4.0268
100001 and above	59	2.7340	75801810	88.1416
Total	2081	100.00	8600000	100.00

xiv. Shareholding pattern as on 31.03.2017.

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	1379786	16.04
3.	FPI's	988856	11.50
4.	Others	2544658	29.59
	TOTAL	86,00,000	100.00

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, inter alia, confirms that the total listed and paid up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL, CDSL and total number of shares in physical form.

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, 2017.

For Arihant Foundations & Housing Limited

sd/-

Kamal Lunawath

Date: 30.05.2017

Managing Director

Place: Chennai

DIN: 00087324

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 MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER TO THE BOARD

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

- A. We have reviewed the financial statements for the period ended 31.03.2017 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)
Managing Director Whole time Director
DIN: 00087324 DIN: 00586269

Place: Chennai / Date: 30.05.2017

Annexure – 3 to CG MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Economic Review

The Economic Survey 2016-17, was tabled in the Parliament on January 31, 2017, by Mr Arun Jaitley, Union Minister for Finance, Government of India. The Survey forecasts a growth rate of 6.75 to 7.5 per cent for FY18, as compared to the expected growth rate of 6.5 per cent in FY17. Over the medium run, the implementation of the Goods and Services Tax (GST), follow-up to demonetisation, and enacting other structural reforms

should take the economy towards its potential real GDP growth of 8 per cent to 10 per cent.

Real Estate Overview

The Indian real estate sector has witnessed high growth in recent times with the rise in demand for office as well as residential spaces. According to data released by Department of Industrial Policy and Promotion (DIPP), the construction development sector in India has received Foreign Direct Investment (FDI) equity inflows to the tune of US\$ 24.28 billion in the period April 2000-December 2016.

The Government of India along with the governments of the respective states has taken several initiatives to encourage the development in the sector. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies. Few important initiatives by the Government is that the Cabinet Committee on Economic Affairs (CCEA) has approved various measures to revive the construction sector, putting in place a mechanism to release funds stuck in arbitration awards to revive stalled projects and SEBI has allowed Foreign Portfolio Investors (FPI) to invest in units of Real Estate Investment Trusts (REITs), infrastructure investment trusts (InvITs), category III alternative investment funds (AIFs), and also permitted them to acquire corporate bonds under default.

The Real Estate (Regulation and Development) Act, 2016, which aims to protect consumer interest, ensure efficiency in all property related transactions, improve accountability of real estate developers, increase transparency and attract more investments into the realty sector in India. 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. The most marked change has been the shift from family owned businesses to that of professionally managed ones. Real estate developers, in meeting the growing need for managing multiple projects across cities, are also investing in centralised processes to source material and organise manpower and hiring qualified professionals in areas like project management, architecture and engineering.

Opportunities

As compared to last year the real estate industry will show signs of revival in the year 2017. By introducing regulations like RERA, Benami Transaction Prohibition,

REITs, GST there is a long-term industrial growth and it also impacts on ease of business by transparency at work. In the year 2017 a lot is expected out of the Govt. to offer some relief for the sector and its stakeholders.

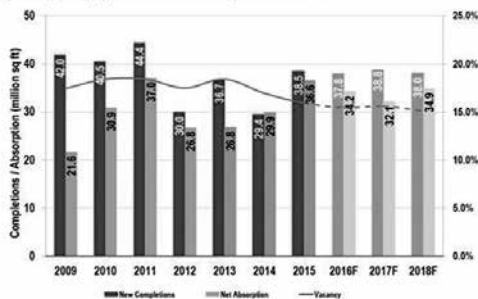
Emergence of nuclear families & growing urbanisation has given rise to several townships that are developed to take care of the elderly. A number of senior citizen housing projects have been planned; the segment is expected to grow significantly in future. One of the JV Companies of Arihant has also launched a senior citizen housing project in the name of 'Ashiana Shubham'

Threats and Challenges

Supply and Absorption

During the financial year 2016-17, the real estate market in Chennai has seen a drop in new launches, as piled up inventory would be consumed by the time and there would be more demand than supply. With the demand absorbing the available inventory and new projects expected to take some time to hit the market after getting the regulatory approvals, the Chennai real estate sectors are expecting a price appreciation in projects.

Figure 1: Steady absorption projected for the forecast period of 2016-18



Note: Figures cover India's seven metropolitan cities – NCR-Delhi, Mumbai, Bengaluru, Chennai, Hyderabad, Kolkata and Pune
Source: Real Estate Intelligence Services (R.E.I.), 3Q16

Regulatory Hurdles

Demonetization

After Hon'ble Prime Minister announced demonetization on November 9, old currency notes of 500 and 1000 denominations were withdrawn as legal tender. After this move, transactions in the real estate have virtually dried up, particularly in the land and capital raising business. Residential sales' enquiries have witnessed a drop, and prices in secondary markets are softening.

Real Estate (Regulation & Development) Act & Real Estate Investment Trusts (REITs)

RERA was passed by the Parliament in March 2016. An important development in the real estate sector, REITs will help smaller investors to invest in Grade-A commercial real estate across India. India's first REIT listing could happen within the next one year. Budget 2016-17 exempted dividend distribution tax (DDT) on special purpose vehicles (SPVs). However, the real estate sectors are understanding provisions of the Acts and a tough time is inevitable during the transition period. Further, continuous change in policies will tend to affect investment as well.

Future Outlook

As far as the Realty round for the year 2017 are concerned, the biggest happening has been in the later part of the year 2016 which is demonetization and which is having tremendous impacts all around. Before demonetization also throughout the year certain important developments have taken place this year like RERA (Real estate regulatory act) and REITs (Real estate investment trusts). RERA establishes the state authority and vests authority on the Real estate regulator to govern both residential and commercial real estate transactions and by dint of this it shall improve the governance hold on the real estate sector reducing disputes and making the system more transparent. After the demonetization step having been taken, the fund flow in banks is increasing tremendously which is going to have a positive effect as far as banks giving housing loans are concerned. It is expected that the bank housing loans' interest rates may fall due to increased fund flow in banks and getting the bank housing loans may become cheaper. Positively predicting such a scenario, this may prove beneficial for the buyers and shall inculcate more interest in purchasing property. The low interest rates if they happen will create more enthusiasm in buyers and more people shall go for the buy in the situation of low interest rates and housing loans becoming cheaper.

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 key risks and concerns of our sector is key risks i.e.,

Market risks, implementation risks, institutional risks and statutory concerns. The Board has established a Risk Management Policy which formalizes the Company's approach to overview and manages business risks. The policy is implemented through identifying, assessing, monitoring and managing risks and concerns across all the projects of the Company.

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	45	--	24,00,000
BHARATH JAIN	Whole-Time Director	Indian Certificate Secondary Education	15	30.12.2005	41	--	18,00,000
VIMAL LUNAWATH	Whole-Time Director	B.Com	21	04.11.2005	44	--	12,00,000
KAMAL LUNAWATH	Managing Director	B.Com	24	04.11.2005	45	--	12,00,000
JAMES BABU L	AGM Projects	B.E. Civil	34	15.11.2006	53	Golden Homes, Senior Engineer	1,258,468
SWAROOP KRISHNA D	Manager- Finance	B.Com	13	30.04.2004	34	--	959,000
O P MADHAV	Head- Administration	DFT	25	01.04.1992	60	--	865,712
MARIAPPAN S	Project Manager	MBA	11	30.06.2011	33	Manju Foundations (P) Ltd, Marketing Executive	841,600

PIYUSH J BHATT	Sr Manager - Marketing	Diplomo Civil	25	01.04.1992	46	--	736,641
P SAKTHIBATHI	Project Manager	Diploma in civil eng., and Construction management	14	10.03.2003	38	--	726,173

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

1. 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
2. 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/-
(KAMAL LUNAWATH)
Managing Director
DIN: 00087324

Sd/-
(VIMAL LUNAWATH)
Whole time Director
DIN: 00586269

Place: Chennai
Date: 30.05.2017

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, 2017, 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, 2017.
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 No:13312

**ANNEXURE 6
FORM NO. MGT. 9**

**EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2017
[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	Arihant Griha Limited, No.3, Ganapathy Colony, 3rd Street, Off. Cenotaph Road, Teynampet Chennai -600018	U45200TN2006 PLC061191	Subsidiary	100%	Sec 2(87)
5	North Town Estates Private Limited, Basement, 6 Community Centre, Saket, New Delhi-110017	U74120DL2008 PTC174586	Subsidiary	65%	Sec 2(87)
6	Escapade Real Estates Private Limited, No.3, Ganapathy Colony, 3rd Street, Off. Cenotaph Road, Teynampet, Chennai -600018	U70101TN2007 PTC062236	Subsidiary	66.67%	Sec 2(87)
7	Arihant Unitech Realty Projects Limited , Basement, 6 Community Centre, Saket, New Delhi-110017	U74899DL2005 PLC142338	Joint Venture	50%	Section 2(6)
8	Mangalagiri Realty Private Limited 401140, 2/3 Sri Pothuri Towers, M G Road, Labbipet, Vijaywada- 520010	U45400AP2007 PTC054749	Joint Venture	0.1%	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 END OF THE YEAR				NUMBER OF SHARES HELD AT THE BEGINNING OF THE YEAR			
		DEMAT	PHYSICAL	TOTAL	%	DEMAT	PHYSICAL	TOTAL	%
A.	PROMOTERS								
1.	INDIAN								
a.	Individuals/Hindu undivided Family	3415700	250000	3686700	42.87	3405700	250000	3655700	42.51
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)	3415700	250000	3686700	42.87	3405700	250000	3655700	42.51
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	0	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.	551860	403230	955090	11.11	487392	295930	783322	9.11
ii	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	1147929	311100	1459029	16.97	1198460	439500	1637960	19.05
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	689236	690550	1379786	16.04	736977	690550	1427527	16.60
	Clearing Members	506	0	506	0.01	90	0	90	0.00
	Directors And Their Relatives	42174	300	42474	0.49	42174	300	42474	0.49
	Overseas Corporate Bodies	1	0	1	0	1	0	1	0.00
	Trusts	0	2000	2000	0.02	0	2000	2000	.02
	Non Resident Indians	14183	0	14183	0.16	19079	0	19079	0.22
	HUF	51275	20000	71275	0.83	38941	20000	58941	0.69
	Employees	0	100	100	0	0	0	0	0
C	Sub-Total (B)(3)	2497164	1427280	3924444	45.63	2507164	1448280	3955444	45.99
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	3486020	1427280	4913300	57.13	3496020	1448280	4944300	57.49
	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. However there was a PAN based consolidation made during the year which has resulted in increase of 31000 shares of the promoter group. The increase is due to a PAN based consolidation of shares held by the spouse of the deceased promoter.

(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)	Reason for change	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Remarks
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
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.	WALLSTREET CAPITAL MARKETS PVT LTD	No Change	150000	1.744	150000	1.744	No Change
7.	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	

8.	JENNIFER FLORANCE JAMES	No Change	81500	0.947	81500	0.947	No Change
9.	ABHISHEK CHANDAK	No Change	80000	0.930	80000	0.930	No Change
10.	PIONEER INVESTCORP LIMITED	No Change	77974	0.906	77974	0.906	No Change

(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
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
A	Directors					
1.	Kamal Lunawath	749100	8.710	749100	8.710	No Change
2.	Vimal Lunawath	696400	8.097	696400	8.097	No Change
3.	Bharat Jain	11700	0.136	11700	0.136	No Change
4.	Ravikant Choudhary	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	862,642,159	537,118,273	-	1,399,760,432
2.Interest due but not paid	-	-	-	-
3.Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	862,642,159	537,118,273	-	1,399,760,432
Change in Indebtedness during the financial year				
• Addition	528,767,475	-	-	528,767,475
• Reduction	488,568,036	50,194,497		538,612,417
Net Change	40,349,555	-50,194,497		-9,844,942
Indebtedness at the end of the financial year				
Principal Amount				
Interest due but not paid	-	-	-	-
Interest accrued but not due			-	
Total (i+ii+iii)	902,841,598	486,923,776	-	1,389,915,490

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 Kumar M Jain, Whole-Time Director	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,00,000	12,00,000	18,00,000	42,00,000
	(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 (A)		12,00,000	12,00,000	18,00,000	42,00,000

B. Remuneration to Directors

S. No.	Particulars of Remuneration	Names of Directors				Total Amount
1.	Independent Directors	Mr. Ravikant Choudhary	Mr. Damodaran	Mr. Karan Bhasin	Mrs. Ann Amelia Gonsalvez	
	-Fee for attending Board and Committee Meetings - Commission - Others	30,000	36,000	2000	26,000	94,000
2.	Non Executive Directors	Mr. A.L. Jayabhanu				
	Fee for attending Board and Committee Meetings	18,000				18,000
TOTAL (2)				18,000		18,000
TOTAL B= (1+2)				112,000		1,12,000
Total Managerial Remuneration						43,12,000

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	-	384,352	384,352
	(b) Value of perquisites u/s 17(2) Income- tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3)	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
5.	Others	-	-	-
		TOTAL		384,352

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

ANNEXURE 7
Form No. MR-3
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2017

[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,
 Regd. Office : 3, Ganapathy Colony, 3rd Street,
 Off. Cenatoph 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 31.03.2017, 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 31.03.2017, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Companies Act 1956 (to the extent applicable)
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent

- of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) 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, 2015 (with effect from 15th May 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 2009
- b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
- c. The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations 2008
- d. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- e. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;
- (vii) 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 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.
- The Environment (Protection) Act, 1986
- The Water(Prevention and Control of Pollution) Act, 1974
- The Air(Prevention and Control of Pollution) Act, 1981
- The Payment of Wages Act, 1936
- The Minimum Wages Act, 1948
- Employees' State Insurance Act, 1948
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- The Contract Labour (Regulation & Abolition) Act, 1970
- The Maternity Benefit Act, 1961
- The Child Labour (Prohibition & Regulation) Act, 1986
- The Employees' Compensation Act, 1923
- Workmens' Compensation Act, 1923
- Equal Remuneration Act, 1976
- The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- Tamil Nadu Labour Welfare Fund Act, 1972
- Tamil Nadu Shops and Establishment Act, 1947
- National and Festival Holidays Act, 1958
- The Sexual Harrassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Housing Board Act, 1965 is stated to be not applicable to the Company as the company has not undertaken any government projects.

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 (Old agreements upto 30th November 2015 and new agreement with effect from 1st December 2015) 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 that

- One promoter shareholder holding 2,50,000 No of shares died without registering any nomination and the Company has exemption under SEBI Circular dated 30 Nov 2015.
- Due to delayed receipt of data from the bank, the Company is in the process filing of IEPF 1, IEPF 2 & IEPF 6 .

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, we 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.

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 : 30.05.2017

Sd/-
G.SUBHASREE
ACS No.: 21014
C P No.: 13312

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ARIHANT FOUNDATIONS & HOUSING LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of ARIHANT FOUNDATIONS & HOUSING LIMITED, ("the company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its Profit and its Cash Flow for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure-A", a

- statement on the matters specified in the paragraph 3 & 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) Since the Company does not have branches, the report on the account of branch offices audited by other auditor under sub-section (8) of the act is not applicable;
- d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account, The Company has no branches;
- e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- f) On the basis of written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act ; and
- g) 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 B".
- h) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the companies (Audit and Auditors) Rules, 2014 , in our opinion and to the best of our information and according to the explanations given to us :
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses

- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and.
- iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November,2016 to 30 December,2016 and these are in accordance with books of accounts maintained by the Company. Refer to Note 2.17 to the Standalone Financial Statements.

For M/S. B.P.JAIN & CO
CHARTERED ACCOUNTANTS
FRN: 050105S

Sd/-
DEVENDRA KUMAR BHANDARI
PARTNER
M.NO : 208862

Place: Chennai,
Date:30-05-2017

"ANNEXURE-A" TO THE AUDITORS' REPORT

- The Annexure referred to in our Independent Auditor's Report to the members of the company on the financial statements for the year ended 31 March 2017, we Report that:
- i. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have 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;
- (c) According to the information and explanations given to us and on basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- ii. 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.

- iii. The company has granted loans to four bodies corporate covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act").
- a. In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
- b. During the year, in respect of the aforesaid loans, in some of the loans there has been no recovery towards principal, in the 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.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies act, 2013. In respect of loans, investments, guarantees, and security.
- v. In our opinion and according to information and explanations given to us, the company has not accepted any deposits; hence the provision of section 73 to 76 & directives issued by Reserve Bank of India are not applicable to the company.
- vi. The maintenance of cost records specified by the Central Government under sub-section (1) of section 148 of the Companies Act will not apply to the company. Hence maintenance of cost accounts and records is not required.
- vii. (a) According to the information and explanations given to us and on the basis of examination of books of accounts, there are no outstanding dues undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and there are no statutory dues for more than six months from the date they became payable.

(b) According to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax and value added tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of Dues	Amount (in Rs)	Period to which the amount relates	Forum where dispute is pending.
Income tax Act, 1961	Income tax	76,38,692/-	Assessment year:1999-2000	CIT Appeals
Income tax Act, 1961	Income tax	71,83,310/-	Assessment year:2011-12	CIT Appeals
Income tax Act, 1961	Income tax	14,99,288/-	Assessment year:2012-13	CIT Appeals
Income tax Act, 1961	Income tax	15,19,250/-	Assessment year:2013-14	CIT Appeals
Income tax Act, 1961	Income tax	13,71,638/-	Assessment year:2004-05	High Court of Madras
Income tax Act, 1961	Income tax	53,23,956/-	Assessment year:2005-06	High Court of Madras
Income tax Act, 1961	Income tax	95,58,275	Assessment year:2005-06	Income Tax Appellate Tribunal
Service tax	Service tax	23,16,081/-	June 2005 to March 2007.	CESTAT, Chennai.

- viii. The company has not defaulted in repayment loans to the banks, financial institution, Government and to the debentures holders.
- ix. The company has not raised the money by way of initial public offer, and the company has not taken any term loans during the year, hence the Para 3(ix) of the Order is not applicable to this company.
- x. Based upon the audit procedures performed & explanations given by the management, we report that, there was no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. In our opinion, all transactions with the related parties are in compliance with section 177 & 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For M/S. B.P. JAIN & CO
CHARTERED ACCOUNTANTS
FRN : 050105S

Sd/-
DEVENDRA KUMAR BHANDARI
PARTNER
M.NO: 208862

Place: Chennai,
Date: 30-05-2017.

“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of Arihant Foundations & Housing Limited.

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

“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of Arihant Foundations & Housing Limited.

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

We have audited the internal financial controls over financial reporting of Arihant Foundations & Housing Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the 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.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 B.P JAIN & CO; CHARTERED ACCOUNTANTS
FRN: 050105S

Sd/-
DEVENDRA KUMAR BHANDARI
PARTNER
MEMBERSHIP NO: 208862

PLACE: CHENNAI
DATE: 30-05-2017

ARIHANT FOUNDATIONS & HOUSING LIMITED
BALANCE SHEET AS AT 31.03.2017

	Note No.	AMOUNT AS ON 31/03/2017 (12 months) ₹		AMOUNT AS ON 31/03/2016 (15 months) ₹	
EQUITY AND LIABILITIES					
(1) SHARE HOLDER'S FUNDS					
(A) Share capital	3	86,000,000		86,000,000	
(B) Reserves & surplus	4	1,544,275,711	1,630,275,711	1,533,263,665	1,619,263,665
(2) NON CURRENT LIABILITIES					
(A) Long term borrowings	5	1,259,696,197		1,230,670,808	
(B) Deferred tax liability (Net)	6	-		-	
(C) Other Long term liabilities	7	78,911,188		107,747,303	
(D) Long term provisions	8	5,698,391	1,344,305,776	3,687,243	1,342,105,354
(3) CURRENT LIABILITIES					
(A) Trade payables	9	310,723,683		251,893,965	
(B) Other current liabilities	10	646,001,112		805,154,940	
(C) Short term provisions	11	30,373,809	987,098,604	24,943,154	1,081,992,059
TOTAL			3,961,680,091		4,043,361,078
ASSETS					
(1) NON CURRENT ASSETS					
(A) Fixed assets	12				
i. Tangible assets		107,457,275		115,249,336	
ii. Intangible assets		2,410,746		312,438	
(B) Non-current investment	13	109,968,057		194,970,213	
(C) Deferred Tax Asset (Net)	6	31,980,180		31,980,180	
(D) Long Term Loans and Advances	14	1,193,855,588		1,201,137,823	
(E) Other Non Current Assets	15	336,813,242	1,782,485,088	342,763,541	1,886,413,532
(2) CURRENT ASSETS					
(A) Inventories	16	793,601,587		796,520,919	
(B) Trade receivables	17	723,910,536		670,439,459	
(C) Cash and cash equivalents	18	32,357,298		52,598,196	
(D) Short term loans and advances	19	562,795,671		565,300,517	
(E) Other current assets	20	66,529,910	2,179,195,003	72,088,455	2,156,947,546
TOTAL			3,961,680,091		4,043,361,078
Significant accounting policies and notes to financial statements		(1-39)			

The accompanying notes are an integral part of the financial statements

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

Chartered Accountants
FIRM REG NO-050105S
sd/-

CA Devendra Kumar Bhandari
Partner
Membership No.: 208862

PLACE : CHENNAI
DATE : 30.05.2017

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

sd/-
Kamal Lunawath
Managing Director
DIN : 00087324

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

sd/-
J. Meenakshi
Company Secretary

ARIHANT FOUNDATIONS & HOUSING LIMITED

STATEMENT OF PROFIT AND LOSS FOR 12 MONTHS ENDED 31.03.2017

	NOTE NO	YEAR ENDED 31.03.2017 (12 Months) ₹	YEAR ENDED 31.03.2016 (15 Months) ₹
INCOME			
(A) Revenue from operations	21	438,948,959	718,019,298
(B) Other income	22	111,587,656	118,466,793
TOTAL REVENUE		550,536,615	836,486,091
EXPENSES			
(A) Construction and project expenses	23	314,312,917	352,745,681
(B) Changes in inventories of materials, work-in- progress and finished goods”	24	2,919,332	283,586,521
(C) Employees benefit expenses	25	19,938,382	19,948,956
(D) Finance cost	26	118,656,069	141,441,313
(E) Depreciation and amortization	27	8,591,665	16,186,349
(F) Other expenses	28	69,691,584	101,831,927
TOTAL EXPENSES		534,109,948	915,740,746
Profit before Exceptional and Extraordinary items		16,426,667	(79,254,655)
Exceptional items		-	-
Profit before Tax		16,426,667	(79,254,655)
Tax Expense			
i. Current Tax		5,430,655	4,780,554
ii. Deferred Tax Charge / (Credit)		-	(31,872,000)
PROFIT FOR THE PERIOD		10,996,012	(52,163,210)
Earning per share (Basic)		1.28	(6.07)
Earning per share (Diluted)		1.28	(6.07)
Significant accounting policies and notes to financial statements	(1-39)		

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

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

Chartered Accountants

FIRM REG NO-050105S

sd/-

CA Devendra Kumar Bhandari

Partner

Membership No.: 208862

PLACE : CHENNAI

DATE : 30.05.2017

For and on behalf of board of directors

For **Arihant Foundations & Housing Limited**

sd/-

Kamal Lunawath

Managing Director

DIN :00087324

sd/-

Vimal Lunawath

Chief Financial Officer

& Whole Time Director

DIN : 00586269

sd/-

J. Meenakshi

Company Secretary

CASH FLOW STATEMENT FOR THE 12 MONTHS ENDED 31.03.2017

PARTICULARS	31.03.2017 (12 Months) ₹	31.03.2016 (15 Months) ₹
A.CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/Loss Before Tax and Extraordinary Items	16,426,667	(79,254,655)
Adjustments for :		
Depreciation	8,591,665	16,186,349
Dividend received	(167,400)	(177,671)
Interest and Finance Income	(107,894,045)	(115,752,692)
Profit on sale of Assets	-	(30,846)
Profit on sale of Investments	(3,521,915)	(1,796,853)
Share of Loss	84,941	697,306
Loss on sale of Fixed Assets	12,328	14,355
Other Non Operating Income	(89,237)	(21,000)
Interest and Finance Charges	118,656,069	141,441,313
Operating Profit Before Working capital Changes	32,099,073	(38,694,395)
Adjustments for Working Capital changes		
(Increase) / Decrease in Inventories	2,919,332	283,586,521
(Increase) / Decrease in short term loans	2,504,846	(25,257,408)
(Increase) / Decrease in trade receivables and other current assets	(47,896,498)	(193,838,800)
Increase / (Decrease) in Other long term liabilities	(28,836,115)	(18,863,925)
Increase / (Decrease) in Trade Payables & other current liabilities	(100,324,110)	143,061,090
Increase / (Decrease) in Long Term Provisions	2,011,148	(165,408)
Increase / (Decrease) in Short Term Provisions	5,430,655	4,780,554
Other Non Current Assets	5,950,299	35,206,751
Cash From operations before Tax and Extraordinary items	(126,141,371)	189,814,980
Income Tax Paid	(5,430,655)	(4,780,554)
Cash From operations before Extraordinary items	(131,572,026)	185,034,426
Extraordinary Items	-	-
Cash flow from Operating Activities	(131,572,026)	185,034,426
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed Assets	(3,400,239)	(1,631,574)
Sale of fixed Assets	490,000	218,976
Dividend received	167,400	177,671
Share of Loss	(84,941)	(697,306)
Interest received during the year	107,894,045	115,752,692
Other Non - Operating Income	89,237	21,000
Purchase of Investment	(20,178,583)	-
Proceeds from sale of Investment	108,702,655	6,146,540
Net Cash from Investing Activities	193,679,574	119,987,999
C. CASH FLOW FROM FINANCING ACTIVITIES		
Fresh loans taken / (Loans repaid)	29,025,389	(220,772,618)
Fresh Loan given	-	(146,006,469)
loans received back	7,282,235	-
Interest & Finance Charges	(118,656,069)	(141,441,313)
Net Cash from Financing Activities	(82,348,444)	(508,220,400)
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(20,240,896)	(203,197,976)
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	52,598,194	255,796,170
F. CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	32,357,298	52,598,194

The accompanying notes are an integral part of the financial statements

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

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

Chartered Accountants

FIRM REG NO-050105S

sd/-

CA Devendra Kumar Bhandari

Partner

Membership No.: 208862

sd/-

Kamal Lunawath

Managing Director

DIN :00087324

sd/-

Vimal Lunawath

Chief Financial Officer

& Whole Time Director

DIN : 00586269

sd/-

J. Meenakshi

Company Secretary

ARIHANT FOUNDATIONS AND HOUSING LIMITED

NOTES TO STANDALONE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

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 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of Financial Statements

The financial statements of Arihant Foundations & Housing Limited (“the company” or “AFHL”) have been prepared to comply all the material aspects with the accounting standards notified by the companies (Accounting Standards) Rules, read with Rule 7 of the Companies (Accounts) Rules 2014, in respect of Section 133 of the Companies Act, 2013 (‘Act’). The Financial Statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. The Accounting policies applied are consistent with those used in the previous year. The Financial Statements are prepared in Indian Rupees.

2.2 Accounting Estimates

The preparation of financial statements, in conformity with Generally Accepted Accounting Principles (GAAP) requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities as at the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods. The most significant estimates relate to the percentage of completion and estimated cost to complete the projects.

2.3 Fixed assets

Tangible fixed assets

Fixed assets are stated at cost of acquisition including attributable interest and finance costs till the date of acquisition/ installation of the assets and

improvement thereon less accumulated depreciation and accumulated impairment losses, if any. Cost Includes all related expenses incurred upto the date the assets are put to use.

Intangible Fixed Assets and Amortisation

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

2.4 Depreciation / Amortisation

Depreciation on tangible assets is provided :

In respect of furniture & fixtures, vehicles, office equipments, Computers & Accessories on straight line method (“SLM method”) at the useful lives specified in schedule - II of the companies Act, 2013 on Pro - rata basis.

i) On Vehicles	
Motor cycle / Two Wheelers	8 Years
Motor Cars	10 Years
ii) On Furniture and fixtures	10 Years
iii) On Office equipments	5 Years
iv) On Computers & Accessories	3 years

2.5 Inventories

“The stock of construction materials, stores, spares and embedded goods are valued at cost, or net realisable value, whichever is lower. Cost includes all applicable cost of bringing the goods to their present location and condition.”

Working In Progress

Construction work-in-progress comprises of contract costs that relate to future activity on the contract and are recognised as contract work-in-progress provided it is probable that they will be recovered. Construction work-in-progress also comprises cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognised.

Cost includes direct expenditure relating to construction activity. The expenditure incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to statement of profit and loss. Finished stock consists of completed real estate projects which are unsold at the end of the financial year.

2.6 Revenue recognition

Revenue from projects under development/ sale of developed property is recognised upon transfer of all significant risks and rewards of ownership of such property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements.

Revenue comprises the amounts of sale price as per the agreements entered with the buyers. Revenue is recognised based on the percentage of completion method as the Company has obligations to perform substantial acts even after the transfer of all significant risks and rewards of ownership. Such percentage is arrived at based on surveys of work performed as at each balance sheet date.

Where the ultimate collection and the buyer's commitment to make the complete payment is not reasonably certain, the revenue is deferred until such certainty is established.

The estimates of the total costs to complete the project are reviewed periodically by the management and any effect of changes in estimates is recognised in the period such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, the loss is recognised immediately.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Revenue from Lease rentals and related income

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

Interest Income

Interest and other income are accounted on accrual basis except where the receipt of income is uncertain, in which case it is accounted on accrual basis.

2.7 Borrowing cost

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended

use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs, which are not eligible for capitalization are charged to the Statement of Profit and Loss in the period in which it is accrued.

Borrowing cost that are attributable to any work in progress, qualifying land advances as well as capital work in progress are charged to the respective qualifying project.

2.8 Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as Non-Current investments.

Non-current investments are carried at cost and provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments i.e., equity shares, preference shares etc.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

2.9 Employee benefits

All short term employee benefit plans such as salaries, wages, bonus, special awards and, medical benefits which fall due within 12 months of the period in which the employee renders the related services which entitles him to avail such benefits are recognized on an undiscounted basis and charged to the statement of profit and loss.

Defined contribution plan

Eligible employees receive benefits from provident fund, which is a defined contribution plan. Contributions to defined contribution schemes such as provident fund, employees' state insurance etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss.

Gratuity

The Company provides for gratuity, a defined benefit retirement Plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities related to the Gratuity Plan are determined as at the balance sheet date by actuarial valuation done by an independent actuary using projected unit credit method.

2.10 Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transactions.

2.11 Taxation

Income-tax expense comprise current tax & Deferred Tax.

Current tax:

Provision for current tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961.

Minimum alternative tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company would be liable to pay normal income tax within the time limit available for set off and accordingly, MAT is recognised as an asset in the balance sheet when

it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Deferred Tax

Deferred tax charge or credit reflecting that tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is a reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at the balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

2.12 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognized when it is probable that a liability has been incurred and the amount can be estimated reliably.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor

disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.13 Cash & Cash Equivalents

Cash and cash equivalents comprise of cash at bank and cash on hand. The Company considers all highly liquid investments as Cash equivalents whose original maturity is three month or less from date of purchase .

2.14 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

2.15 Impairment of Assets

“At each Balance Sheet date, the Company assesses whether there is any indication that the fixed assets with finite lives may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where it is not possible to estimate the recoverable amount of individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

As of March 31, 2017 ,none of the fixed assets were considered impaired.”

2.16 Leases

“(i) Finance lease Assets acquired under finance leases are recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the assets and the present value of minimum lease payments. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Assets given under

finance leases are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment.

(ii) Operating lease Leases other than finance lease, are operating leases, and the leased assets are not recognised on the Company’s Balance Sheet. Payments under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease.”

2.17 Disclosure on Specified Bank Notes

During the year, the Company has Specified Bank Notes (SBNs) or other denomination notes as defined in MCA Notification ,G.S.R. 308(E) dated March 31 ,2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination -wise SBNs and other notes as per the notification are as follows:

Particulars	SBNs (in Rupees)	Other Denomination Notes (in Rupees)	Total (in Rupees)
Closing Cash in Hand as on November 8,2016	10,096,000	3,679,591	3,775,591
Add: Permitted Receipts	-	-	-
Add: Amount withdrawn from Banks	-	569,600	569,600
Less: Permitted Payments		4,106,823	4,106,823
Less: Amount deposited in Banks	10,096,000		10,096,000
Closing Cash in Hand as on December 30,2016	-	142,368	142,368

For the purpose of this clause, the term ‘Specified Bank Notes’ shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated November 8,2016.

ARIHANT FOUNDATIONS & HOUSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2017

PARTICULARS	NOTE NO	AMOUNT		AMOUNT	
		AS ON 31.03.2017 (12 Months)		AS ON 31.03.2016 (15 Months)	
		₹		₹	
SHARE CAPITAL	3				
AUTHORISED 1,00,00,000 equity shares of Rs.10/- each (1,00,00,000 equity shares of Rs.10/- each)			100,00,000		100,00,000
ISSUED, SUBSCRIBED & FULLY PAID UP 86,00,000 equity shares of R.10/- each fully paid up (86,00,000 equity shares of Rs.10/- each)			86,00,000		86,00,000
Reconciliation of No of Shares outstanding at the beginning and end of the reporting year					
		Nos	Amount in ₹	Nos	Amount in ₹
Opening balance		8,600,000	86,000,000	8,600,000	86,000,000
Changes during the year		-	-	-	-
Closing balance		8,600,000	86,000,000	8,600,000	86,000,000
SHAREHOLDERS HOLDING MORE THAN 5% OF THE TOTAL SHARE CAPITAL		NO OF SHARES	% HELD	NO OF SHARES	% HELD
Smt. Snehlatha Lunawath		1,407,000	16.36	1,407,000	16.36
Smt. S. Jayalakshmi		796,202	9.26	796,202	9.26
Mr. Kamal Lunawath		749,100	8.71	749,100	8.71
Mr. Vimal Lunawath		696,400	8.10	696,400	8.10
Taj Foundations Private Limited		690,000	8.02	690,000	8.02
Ocean Dial Asset Management Ltd A/c ICGQ Ltd		592,400	6.89	592,400	6.89
RESERVES & SURPLUS					
SECURITIES PREMIUM RESERVE	4				
Opening Balance		570,650,000		570,650,000	
Add: Additions during the year		-		-	
Closing Balance		570,650,000		570,650,000	
GENERAL RESERVE					
Opening Balance		88,308,752		88,308,752	
Add: Additions during the year		-		-	
Closing Balance		88,308,752		88,308,752	
SURPLUS IN THE STATEMENT OF PROFIT AND LOSS					
Opening Balance		874,320,947		926,468,123	
Add: Profit for the year		10,996,012		(52,163,210)	
Closing Balance			885,316,959		874,304,913
			1,544,275,711		1,533,263,665

LONG TERM BORROWINGS	5	31.03.2017 (12 Months)		31.03.2016 (15 Months)	
		₹		₹	
i) SECURED		Current	Non - Current	Current	Non - Current
Term Loans & Other Loans					
a. From Banks		22,385,896	482,239,970	59,112,549	131,155,825
b. From other parties		107,683,281	290,532,451	109,977,074	562,396,710
Sub - Total		130,069,177	772,772,422	169,089,623	693,552,535
ii) UNSECURED					
(A) Deposits		-	26,865,024	-	59,821,343
(B) Loans & Advances from related parties		-	460,058,752	-	477,296,930
Sub - Total		-	486,923,776	-	537,118,273
TOTAL		130,069,177	1,259,696,197	169,089,623	1,230,670,808

Deposits includes all inter corporate deposits

LONG TERM BORROWINGS			
(i) SECURED			
A. FROM BANKS - TERM LOANS			
Particulars	Interest Rate P.A.	Amount Outstanding	
		31.03.2017 (12 Months) ₹	31.03.2016 (15 Months) ₹
<p>"HDFC LTD: Secured by way of equitable mortgage on certain immovable properties, owned by company. Further the loan has been guaranteed by way of personal guarantee of the managing director of the company. Repayment - One monthly installment of Rs.6,82,771/- , subsequently thirty five installments of Rs.6,79,011/- and twenty three installment of Rs. 6,90,715/- and one installment Rs.6,90,698/- totalling sixty installments, starting from 1-12-2011."</p>	13.40%	-	5,230,504
<p>"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 - Sixty installment of Rs.6,25,710/-, starting from 31-07-2016. Fifty one installments are outstanding as on the balance sheet date."</p>	11.75%	24,418,737	-
<p>"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 Rs.,24,00,00,000/- out of which 8,00,00,000/- drawn as on Balance Sheet. Repayment - Six instalment of Rs.4,00,00,000/-, starting from 31-06-2018. six installments are outstanding as on the balance sheet date."</p>	11.75%	79,907,123	-
<p>"ICICI BANK 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 - Term loan one 10 crore repayable in 8 instalments of Rs.1.25 crores, Term loan two of 2.50 crores repayable in 8 instalments of Rs.31,25,000/-, Term loan three of 1 crores repayable in 18 instalments of Rs.5,55,555/- Term loan Four of 4.5 crores repayable in 8 instalments of Rs.56,25,000/-, however 7.4 crores loan availed as on Balance sheet date."</p>	13.50%	72,333,332	10,000,000

Particulars	Interest Rate P.A.	Amount Outstanding	
		31.03.2017 (12 Months) ₹	31.03.2016 (15 Months) ₹
<p>"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 - The term of loan is One hundred and twenty months of Rs.12,93,976/- one hundred and twenty months EMI is outstanding as on the balance sheet date"</p>	9.50%	100,000,000	-
<p>"ICICI Bank Ltd Car Loan -Skoda 2 Car: Secured against the vehicle for which the loan has been taken. Repayment - Two loans totalling one hundred and twenty monthly installments: sixty monthly installments of Rs.35,745/- for each loan, starting from 1-9-2011."</p>	10.76%	-	279,657
<p>"Standard Chartered Bank : Secured by way of charge on the lease rentals from let out properties of the company and by way of equitable mortgage of immovable properties owned by the company. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - One hundred and sixty seven monthly installments of Rs.16,30,632/- which commenced from 18-07-2015. One hundred and forty six installments are outstanding as on the balance sheet date."</p>	11.00%	130,695,451	135,967,044
<p>"State bank of India (Over Draft) 12.60 Cr : 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. Repayment - 9 Monthly instalments of Rs.11,00,000 /- , 12 Monthly instalments of Rs.10,00,000 /- , 24 Monthly instalments of Rs.15,00,000 /- , 24 Monthly instalments of Rs.18,00,000 /- , 12 Monthly instalments of Rs.21,00,000 /- which commenced from 31-07-2015 .Sixty instalments are outstanding as on the balance sheet date."</p>	12.50%	97,271,224	38,791,169
<p>TOTAL</p>		504,625,867	190,268,374
<p>B. OTHERS - TERM LOANS from Others</p>			
<p>"Aditya Birla Housing Finance Limited: Secured by way of equitable mortgage on certain immovable properties, owned by company and on receivables from the project. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. The date of commencement of loan is 12-08-16. Repayment - The term of loan is Fifteen months, EMI will start from February 2017. However, more amount is repaid during the year."</p>	13.50%	72,048,641	-
<p>"Aditya Birla Finance Limited: Secured by way of equitable mortgage on certain immovable properties, owned by company and on receivables from the project. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. The date of commencement of loan is 26-03-2015. Repayment - The term of loan is twenty four months, EMI will start from May 2016. However, the Company has already commenced the repayment based on the availability of funds and more amount is repaid during the year."</p>	13.80%	-	140,414,242
<p>"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 varying EMI. EMI starting 02-08-2015. One hundred and twenty two instalment are outstanding as on the balance sheet date"</p>	12.00%	44,094,160	145,730,763

Particulars	Interest Rate P.A.	Amount Outstanding	
		31.03.2017 (12 Months) ₹	31.03.2016 (15 Months) ₹
<p>"ICICI Home Finance- Gajapathy Road Flat: Secured against the immovable property for which the loan has been taken. Repayment - Two hundred and sixty two monthly installments of Rs.79,589/- starting from 10-3-2008. One hundred and forty six installments are outstanding as on the balance sheet date."</p>	12.85%	5,852,388	6,041,968
<p>"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 Rs.1,66,075/. EMI starting 02-09-2015. One hundred and twenty three instalments are outstanding as on the balance sheet date"</p>	12.00%	11,531,776	12,222,315
<p>"Bajaj Finance Ltd -Car Loan: 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. The loan is closed as on the balance sheet date"</p>	13.50%	-	88,858,265
<p>"Kotak Mahindra Investments Limited (6 Cr Loan): Secured by way of equitable mortgage on certain immovable properties, owned by company and on receivables from the project. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. The date of commencement of loan is 27-10-2014. Repayment - The term of loan is twelve months, The loan closed as on the Balance sheet date"</p>	15.00%	-	48,037,417
<p>"Kotak Mahindra Prime Ltd - Car Loan : Secured against the vehicle for which the loan has been taken. Repayment -Sixty monthly installments of Rs.1,79,690/- starting from 10-01-2013. Nine installments are outstanding as on the balance sheet date."</p>	10.00%	1,552,659	3,452,507
<p>"Piramal enterprises 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 -Twelve installments of 2,50,00,000/- of every quarter. loan sanctioned Rs.30,00,00,000/-, loan withdrawn Rs10,00,00,000/-"</p>	14.00%	42,148,521	100,000,000
<p>TATA CAPITAL HOUSING FINANCE LTD : Secured by way of equitable mortgage on certain immovable properties, owned by the company and 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 installments of Rs. 1,44,71,301/-. Fifteen monthly instalment is outstanding as on balance sheet date "others:</p>	12.50%	131,579,587	-
<p>secured against the asset/ property for which the loan has been obtained"</p>	12% to 18%	89,408,000	127,616,307
TOTAL		398,215,732	672,373,784
GRAND TOTAL		902,841,598	862,642,158

PARTICULARS	NOTE NO	AMOUNT	
		AS ON 31.03.2017 (12 Months) ₹	AS ON 31.03.2016 (15 Months) ₹
DEFERRED TAX	6		
Deferred Tax Liability		108,180	108,180
LESS:- Deferred Tax Asset provided during the year		<u>31,872,000</u>	<u>31,872,000</u>
Deferred Tax Liability/(Asset)- Net		31,980,180	31,980,180
OTHER LONG TERM LIABILITIES	7		
Other long term liabilities		78,911,188	107,747,303
LONG TERM PROVISIONS	8		
Provision for Dividend		209,850	-
Provision for Employment benefits		<u>5,488,541</u>	<u>3,687,243</u>
		5,698,391	3,687,243
TRADE PAYABLES	9		
		310,723,683	251,893,965
OTHER CURRENT LIABILITIES	10		
Current maturities of Long term Loans (refer note no. 4)		130,069,177	169,089,623
Interest Accrued but not due		4,378,996	4,208,617
Income Received in Advance		71,239	66,861
Other Payables			
Advance from customers and for projects		234,881,653	255,944,757
Statutory dues Payable		3,592,778	4,418,717
Other Sundry Current Liabilities		273,007,270	371,426,366
		<u>646,001,112</u>	<u>805,154,940</u>
SHORT TERM PROVISIONS	11		
Provision for Tax		30,373,809	24,943,154
		<u>30,373,809</u>	<u>24,943,154</u>

**Note No. 12
FIXED ASSETS
DEPRECIATION SCHEDULE AS PER THE COMPANIES ACT, 2013 FOR THE PERIOD FROM 01.04.2016 TO 31.03.2017**

Name of The Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance As On 01.04.2016	Additions During 01.04.2016 To 31.03.2017	Deletions During 01.04.2016 To 31.03.2017	Balance As At 31.03.2017	Balance As On 01.04.2016	For The Period 01.04.2016 To 31.03.2017	Deletions During 01.04.2016 To 31.03.2017	Total As On 31.03.2017	As On 01.04.2016	As On 31.03.2017
LAND	17,931,721.00			17,931,721.00	-	-			17,931,721.00	17,931,721.00
BUILDINGS										
Freehold Buildings	90,762,170.00	-	-	90,762,170.00	20,049,133.00	1,492,747.00	-	21,541,880.00	70,713,037.00	69,220,290.00
Leasehold Buildings	5,795,307.00	-	-	5,795,307.00	1,079,576.00	93,114.00	-	1,172,690.00	4,715,731.00	4,622,617.00
Furniture & Fixtures	22,483,350.00	532,180.00	-	23,015,530.00	19,299,442.00	1,857,540.00	-	21,156,982.00	3,183,908.00	1,858,548.00
Plant & Equipments	12,104,969.00	-	-	12,104,969.00	6,437,014.00	1,205,483.00	-	7,642,497.00	5,667,955.00	4,462,472.00
Office Equipments	7,159,045.00	407,259.00	-	7,566,304.00	6,535,313.00	328,477.00	-	6,863,790.00	623,731.00	702,514.00
Vehicles	23,306,611.00	-	887,149.00	22,419,462.00	10,893,358.00	3,251,812.00	384,821.00	13,760,349.00	12,413,253.00	8,659,113.00
TOTAL	179,543,173.00	939,439.00	887,149.00	179,595,463.00	64,293,836.00	8,229,173.00	384,821.00	72,138,186.00	115,249,336.00	107,457,275.00
Intangible Assets										
Computer Software	1,917,015.00	2,460,800.00	-	4,377,815.00	1,604,577.07	362,492.00	-	1,967,069.07	312,438.00	2,410,746.00
TOTAL	1,917,015.00	2,460,800.00	-	4,377,815.00	1,604,577.07	362,492.00	-	1,967,069.07	312,438.00	2,410,746.00
Gr. Total	181,460,188.00	3,400,239.00	887,149.00	183,973,278.00	65,898,413.07	8,591,665.00	384,821.00	74,105,257.07	115,561,774.00	109,868,021.00
Previous Year Values	180,473,581.00	1,631,574.00	644,967.00	181,460,188.00	50,154,544.00	16,186,349.00	442,481.00	65,898,413.00	130,319,035.00	115,561,774.00

PARTICULARS	NOTE NO	AMOUNT AS ON 31.03.2017 (12 Months) ₹		AMOUNT AS ON 31.03.2016 (15 Months) ₹	
<p>NON-CURRENT INVESTMENTS</p> <p>i) WHOLLY OWNED SUBSIDIARIES</p> <p>Arihant Griha Limited (50,000 Equity shares of R.10/- Each fully paid)</p> <p>Varenya Construction Limited (50,000 Equity shares of R.10/- Each fully paid)</p> <p>Transperent Heights Real Estate Limited (50,000 Equity shares of R.10/- Each fully paid)</p> <p>Vaikunt Housing Limited (5,00,000 Equity shares of R.1/- Each fully paid)</p> <p>ii) SUBSIDIARIES</p> <p>Escapade Real Estate Pvt Ltd (11,00,000 Equity Shares of R.10/- Each Fully Paid Up)</p> <p>North Town Estates Pvt Ltd (32,500 Equity shares of R.10/- Each Fully Paid Up)</p> <p>iii) JOINT VENTURES / ASSOCIATES</p> <p>Arihant Unitech Realty Projects Ltd. (5,00,000 Equity shares of R.10/- Each Fully Paid Up)</p> <p>Heirloom Real Estate Pvt.Ltd. (2,500 Equity shares of R.10/- Each Fully Paid Up)</p> <p>b. INVESTMENT IN DEBENTURES Mangalagiri Realty Projects Pvt Ltd “(1,77,394 Optionally Redeemable Convertible Debentures of R.100/- Each)”</p> <p>c. INVESTMENT IN PARTNERSHIP FIRMS Arihant Heirloom</p> <p>d. OTHER NON CURRENT INVESTMENT Development Rights Certificate</p> <p>3. UNQUOTED - NON-TRADE INVESTMENT IN GOVT. BONDS National Savings Certificate</p> <p>OTHERS Mangalagiri Realty Projects Pvt Ltd (2,72,210 Equity shares of R.10/- Each Fully Paid Up)</p>	13				

PARTICULARS	NOTE NO	AMOUNT AS ON 31.03.2017 (12 Months) ₹		AMOUNT AS ON 31.03.2016 (15 Months) ₹	
2. QUOTED - NON-TRADE (FULLY PAID AT COST)					
Happy Homes Profin Ltd (44,800 Equity shares of R 10/- each Fully Paid Up. Market value Rs.1, Carried at other than cost)		1		1	
Hindustan Construction Company Ltd (500 Shares of Rs. 45.53 Each Fully Paid Up; Market value is Rs.19,750 /-)		22,767		22,767	
IDBI Bank Ltd (500 Shares of Rs. 156.20 Each Fully Paid Up; Market value is Rs. 37,550/-)		78,100		78,100	
Indotech Transformers (691 Equity Shares of Rs. 130.19/- Each Fully Paid up; Market value is Rs 1,43,279 /-)		89,830		89,830	
Tata Consultancy Servies Ltd (3,600 Shares of Rs.250.65/- Each Fully Paid up; market vaue is Rs. 87,54,480/-)		902,352		902,352	
			109,968,057		194,970,213

Details of quoted/unquoted investments: Particulars	AS ON 31.03.2017 (12 Months) ₹	AS ON 31.03.2016 (15 Months) ₹
(a) Aggregate amount of quoted investments and market value thereof		
Book Value	1,093,050	1,093,050
Market Value	8,955,060	9,232,101
(b) Aggregate amount of unquoted investments		
Book Value	108,875,007	193,877,164
(c) Aggregate provision for diminution in value of investments	NIL	NIL

PARTICULARS	NOTE NO	AMOUNT AS ON 31.03.2017 (12 Months) ₹		AMOUNT AS ON 31.03.2016 (15 Months) ₹	
LONG TERM LOANS AND ADVANCES	14				
Security Deposit		989,116,911		999,462,533	
Loans and advances to related parties		204,738,677	1,193,855,588	201,675,290	1,201,137,823
OTHER NON CURRENT ASSETS	15				
Long Term Trade Receivables		336,813,242	336,813,242	342,763,541	342,763,541
INVENTORIES (as taken, valued and certified by the Management)	16				
Raw Materials		3,266,232		2,065,895	
Work in Progress		604,419,881		538,093,867	
Finished Properties		185,915,474	793,601,587	256,361,157	796,520,919

PARTICULARS	NOTE NO	AMOUNT AS ON 31.03.2017 (12 Months) ₹	AMOUNT AS ON 31.03.2016 (15 Months) ₹
TRADE RECEIVABLES	17		
Debt outstanding for a period of exceeding six months from the date they are due for payment			
Unsecured and considered good			
Debts due by Private companies in which directors are directors		344,610,590	281,050,187
Others		155,662,375	99,272,646
Debt outstanding for a period of less than six months from the date they are due for payment			
Unsecured and considered good			
Debts due by Private companies in which directors are directors			
Others		223,637,571	290,132,661
		723,910,536	670,455,493
CASH AND CASH EQUIVALENTS	18		
Balances with Banks		13,859,880	13,310,357
Cash On Hand		1,355,671	18,823,740
Others* mutual funds			
Other Bank balances			
Deposit accounts		16,931,898	20,062,267
Earmarked accounts: Unpaid dividend		209,850	401,832
		32,357,298	52,598,196
SHORT TERM LOANS AND ADVANCES	19		
Unsecured and considered good			
Related Parties			
Other loans and advances		95,236,891	146,532,232
Others			
Prepaid Expenses		1,969,344	2,048,394
Advance for Land		32,965,685	32,965,685
Balance with Revenue Authorities		99,228,088	80,564,115
Advance given to suppliers and others		152,582,222	146,100,059
Other loans and advances		180,813,441	157,090,032
		562,795,671	565,300,517
OTHER CURRENT ASSETS	20		
Other Deposits		66,176,825	71,735,370
Other Receivables		353,084	353,084
		66,529,909	72,088,454
REVENUE FROM OPERATIONS	21		
Sales		363,834,565	600,284,437
Marketing fees received		12,406,242	15,987,577
Project management fees received		2,549,780	2,722,801
Share of profit from firms		-	(697,306)
Profit on Sale of TDR		-	17,551,403
		378,790,587	635,848,912
Other Operating Revenues			
Lease rentals		32,962,459	38,869,869
Maintenance charges received		26,241,063	29,606,967
Other operating income		954,850	8,193,550
Remission of Liability		-	5,500,000
		60,158,372	82,170,386
		438,948,959	718,019,298

PARTICULARS	NOTE NO	AMOUNT AS ON 31.03.2017 (12 Months) ₹		AMOUNT AS ON 31.03.2016 (15 Months) ₹	
OTHER INCOME	22				
Interest received		107,894,045		115,752,692	
Dividend income		167,400		177,671	
Other non-operating income (net of expenses)		-		21,000	
Profit on Sale of Investment		3,521,915		1,796,853	
Profit on Sale of Fixed Asset				30,846	
Miscellaneous income		89,237		687,731	
Share of Profit from firms		(84,941)			
			111,587,656		118,466,793
CONSTRUCTION AND PROJECT EXPENSES	23				
Cost of land		10,150,000		12,980,000	
Materials		93,248,130		71,635,461	
Labour & sub-contract expenses		99,075,699		86,020,581	
Legal expenses		23,185,915		1,085,450	
Consultancy charges		5,823,310		6,241,046	
Interest charges and other finance costs related to projects		53,181,503		133,664,015	
Marketing Expenses		--		1,815,130	
Other Project Expenses		29,648,360		39,303,997	
			314,312,917		352,745,681
CHANGES IN INVENTORIES OF MATERIALS, WORK- IN-PROGRESS AND FINISHED GOODS	24				
a. Inventories at the beginning of the year					
i. Raw Materials		2,065,895		1,982,496	
ii. Work-in-progress		538,093,867		804,901,796	
iii. Finished goods		256,361,157		273,223,148	
		796,520,919		1,080,107,440	
b. Inventories at the end of the year					
i. Raw Materials		3,266,231		2,065,895	
ii. Work-in-progress		604,419,881		538,093,867	
iii. Finished goods		185,915,474		256,361,157	
		793,601,587		796,520,919	
Net (increase) / decrease			2,919,332		283,586,521
EMPLOYEES BENEFIT EXPENSES	25				
Salaries & Wages		16,565,860		17,755,984	
Contribution to provident and other funds		881,447		342,374	
Staff Welfare		689,777		1,597,974	
Other Employee benefit expenses		1,801,298		252,624	
			19,938,382		19,948,956
FINANCE COSTS	26				
Interest Expense;		118,656,069		131,046,886	
Other borrowings costs;					
Processing fees- (for Loan)				10,394,427	
			118,656,069		141,441,313
DEPRECIATION AND AMORTIZATION	27				
Depreciation of tangible fixed asset		8,591,665		15,937,428	
Amortization of intangible fixed asset				248,921	
			8,591,665		16,186,349

PARTICULARS	NOTE NO	AMOUNT	
		AS ON 31.03.2017 (12 Months) ₹	AS ON 31.03.2016 (15 Months) ₹
OTHER EXPENSES	28		
Power & Fuel		1,864,800	2,564,110
Rent		6,662,300	6,369,856
General Expenses		1,956,137	2,134,763
Insurance		178,342	222,632
Rates & Taxes		886,088	1,410,685
Repairs & Office Maintenance		31,564,630	30,847,092
Advertisement & Business Promotion		9,133,926	9,717,162
Legal, Professional & Consultancy Charges		9,319,929	13,474,178
Travelling & Conveyance		2,451,109	1,481,090
Vehicle Maintenance		1,258,328	1,556,739
Telephone, Postage, Printing & Stationery		2,121,711	2,628,586
Donation		1,295,370	596,000
Director Fees		112,000	150,000
Bank Charges		184,586	69,610
Audit Fees			
- For Statutory Audit		690,000	510,540
- For Tax Audit			171,750
- For Income tax representation			171,750
Loss on sale of fixed assets		12,328	14,355
Bad Debts-Written Off			27,741,030
		69,691,584	101,831,927

29. CONTINGENT LIABILITIES, PROVISIONS AND CONTINGENT ASSETS

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 income tax are as follows

Year	Pending under Authorities	Amount ₹
AY 1999-2000	CIT Appeals	76,38,692/-
AY 2004 - 2005	High Court of Madras	13,71,638/-
AY 2005 - 2006	High Court of Madras	53,23,956/-
AY 2005 - 2006	Income Tax Appellate Tribunal	95,58,275
AY 2011-2012	CIT Appeals	71,83,310/-
AY 2012-2013	CIT Appeals	14,99,288/-
AY 2013-2014	CIT Appeals	15,19,250/-

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.150 Crores to its joint venture companies.

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

CONTINGENT ASSETS :

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

The Company will receive reimbursement from the joint venture company if the corporate guarantee is invoked

Notes:

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

30. TRADE RECEIVABLES AND TRADE PAYABLES

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

31. INVESTMENT IN PARTNERSHIP FIRMS

Name of the firm	Name of all Partners	Share of each Partner	Total Capital as on 31-03-2017 in Rs.
1. Arihant Heirloom	Arihant Foundations & Housing limited A.V.Krishnan R.Raghavan Vasantha Lakshmi	49.39% 13.24% 16.17% 21.20%	24,086,213
2. Arihant Foundations	Arihant Foundations & Housing limited SPI properties pvt ltd Swaroop Reddy	4.50% 95.00% 0.50%	44,954,528
3. Arihant Foundations & Housing	Arihant Foundations & Housing limited SPI properties pvt ltd Swaroop Reddy	3.50% 95.00% 1.50%	16,430,952

32. 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.

33. LEASED ASSETS

A. Operating lease taken

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

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

Particulars	31.03.2017 (12 MONTHS)	31.03.2016 (15 MONTHS)
	In Rs.	In Rs.
Total lease recognised in Profit & Loss account	6,662,300	6,369,856

(iii) As per the lease agreement following are the details of Future minimum lease rentals payable as at 31st March, 2017.

Particulars	31.03.2017 (12 MONTHS)	31.03.2016 (15 MONTHS)
	In Rs.	In Rs.
a) Not later than one year	6,024,000	5,040,000
b) Later than one year, but not later than five year	14,652,000	32,899,600
c) More than five year	-	-

B. Operating lease given

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

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

Particulars	31.03.2017 (12 MONTHS)	31.03.2016 (15 MONTHS)
	In Rs.	In Rs.
Total lease recognised in Profit & Loss account	32,962,459	38,869,869

(iii) As per the lease agreement following are the details of Future minimum lease rentals receivable as at 31st March, 2017.

Particulars	31.03.2017 (12 MONTHS)	31.03.2016 (15 MONTHS)
	In Rs.	In Rs.
a) Not later than one year	34,202,679	33,012,130

b) Later than one year, but not later than five year	117,842,013	32,899,600
c) More than five year	526,884	-

34. EARNINGS PER SHARE

Particulars	31.03.2017 (12 MONTHS)	31.03.2016 (15 MONTHS)
BASIC EARNINGS PER SHARE		
a) Weighted Average number of shares considered for calculation of EPS	8,600,000	8,600,000
b) Net profit after tax (in Rs.)	10,996,012	(52,163,210)
c) Basic earnings per share (in Rs.)	1.28	(6.07)
d) Face value per share (in Rs.)	10	10

Particulars	31.03.2017 (12 MONTHS)	31.03.2016 (15 MONTHS)
DILUTED EARNINGS PER SHARE		
a) Weighted Average number of shares considered for calculation of EPS	8,600,000	8,600,000
b) Net profit after tax (in Rs.)	10,996,012	(52,163,210)
c) Basic earnings per share (in Rs.)	1.28	(6.07)
d) Face value per share (in Rs.)	10	10

35. a) CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

35. b) Foreign Exchange Earnings and Outgo

Particulars	31.03.2017 (12 MONTHS)	31.03.2016 (15 MONTHS)
	In Rs.	In Rs.
1) Outgo	11.49	1.93

* Foreign exchange outgo comprises of expenses on travelling and participating in exhibitions aboard and professional charges paid to foreign consultants

36. INTEREST IN JOINT VENTURES AND ASSOCIATES:

Name of the Company	Country of incorporation	Proportion of ownership interest as at 31-03-2017	Proportion of ownership interest as at 31-03-2016
Joint Ventures Companies			
(a) Arihant Unitech Realty Projects Limited	India	50.00%	50.00%
(b) Mangalagiri Realty Projects Private Limited	India	0.04%	16.87%
Partnership firms			
(a) Arihant Heirloom	India	49.39%	49.39%
(b) Arihant Foundations	India	4.50%	4.50%
(c) Arihant Foundations & Housing	India	3.50%	3.50%
Associates Companies			
Heirloom Real Estate Private Limited	India	--	25.00%

(a) The above joint venture entities are incorporated in India. The Company's share of the assets and liabilities as on 31st March, 2017 and income and expenses for the year ended 31st March, 2017, in respect of joint venture entities based on Board adopted unaudited accounts are considered for consolidation as shown below:

Particulars	31.03.2017 (12 MONTHS)	31.03.2016 (15 MONTHS)
	Rs.	Rs.
A. Assets		
- Non-current assets	632,792	994,045,084
- Current assets	779,866,749	1,631,377,882
TOTAL	780,499,540	2,625,422,965
B. Liabilities		

- Non-current liabilities	167,918,301	571,515,917
- Current liabilities	363,412,746	1,814,087,901
TOTAL	531,331,047	2,385,603,818
C. Contingent Liabilities	NIL	NIL
D. Capital commitments	NIL	NIL
E. Income	96,379,555	577,049,698
F. Expenses	96,181,429	605,516,606

37. BENEFITS TO EMPLOYEES

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

(a) Defined contribution plans

Contributions recognized as expense for the year are as under:

Particulars	31.03.2017 (12 MONTHS)	31.03.2016 (15 MONTHS)
Employer's contribution to provident fund (in Rs.)	881,447	342,374

(b) Defined Benefit plans

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

i. Expense to be recognized in the statement of profit & loss	As on 31.03.2017
a) Interest Cost	287,605
b) Current Service Cost	627,943
c) Past Service Cost	-
d) Expected Return on Plan Assets	-
e) Curtailment Cost (Credit)	-
f) Settlement Cost (Credit)	-
g) Net Actuarial (gain) / loss	885,750
h) Net Expenses to be recognized in the statement of profit & loss account	1,801,298

ii. Amounts to be recognized in the Balance Sheet	As on 31.03.2017
a) Present Value of Obligations as on the Accounting Date	5,488,541
b) Fair Value of the Plan Assets	-
c) Liability Recognized in the Balance Sheet	(5,488,541)

iii. Movements in accrued liability	As on 31.03.2017
a) Accrued Liability as at the beginning of the period	3,687,243
b) Correction subsequently effected to last year's closing liability	-
c) Interest Cost	287,605
d) Current Service Cost	627,943
e) Past Service Cost	-
f) Curtailment Cost	-
g) Settlement Cost	-
h) Benefits paid	-
i) Net Actuarial (gain) / loss	885,750
j) Accrued Liability as at the end of the period	5,488,541
iv. Reconciliation	As on 31.03.2017
a) Net Liability as at the beginning of the period	3,687,243
b) Correction subsequently effected to last year's closing liability	-
c) Net Expenses in statement of profit and loss	1,801,298
d) Benefits paid	-
e) Net Liability at the end of the period	5,488,541
v. Experience Rated Adjustments	
a) Liability side	(885,750)
b) Asset side	NA

vi. Principal Actuarial Assumptions:

Particulars	As on 31.03.2017 (12 Months)	As on 31.03.2016 (15 Months)
a) Mortality table - Indian as-sured lives	Ind. (2006-08)	Ind. (2006-08)
b) Discounting rate (per annum)	7.44%	7.80%
c) Rate of escalation in salary (per annum)	12.00%	12.00%
d) Rate of return on plan assets	NA	NA
e) Attrition rate fixed by the enterprise	1.00%	24.00%

38. RELATED PARTY DISCLOSURES**A) Name of the related party and nature of relationship where control exists****Wholly owned subsidiaries**

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

Subsidiaries

Escapade Real Estates Private Limited
 Northtown Estates Private Limited

Joint Venture Entities

Arihant Unitech Realty Projects limited

Partnership Firms

Arihant Foundations
 Arihant Foundations & Housing
 Arihant Heirloom

B) Name and relationship of related parties where transaction exists:**Wholly owned subsidiaries**

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

Subsidiaries

Escapade Real Estates Private Limited
 Northtown Estates Private Limited

Joint Venture Entities

Arihant Unitech Realty Projects limited

Partnership Firms

Arihant Foundations
 Arihant Foundations & Housing
 Arihant Heirloom

Key Management Personnel

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

Designation

Chairman and Managing Director
 Whole time Director
 Whole time Director

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

Mrs. Snehlatha Lunawath
 Mrs. Preethi Lunawath
 Mrs. Kavita Lunawath

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

Amount in ₹						
S. No	Description	100% Subsidiaries	Associates/ Joint Ventures	Key management personnel	Entities, relatives of key management personnel and individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise and relatives of any such individual	TOTAL
1	Service rendered	-	-	-	-	-
2	Interest received	96,459,518 (100,305,297)	- (15,807,883)	- -	- -	96,459,518 (116,113,180)
3	Interest paid	-	-	43,781,827 (45,265,720)	- -	43,781,827 (45,265,720)
4	Interest Waived	-	13,724,330*	-	-	-
5	Loans received from	7,416,943 -	- (2,733,961)	80,553,644 (50,120,220)	- -	87,970,587 (52,854,181)
6	Loans repaid to	11,060,159 -	- (7,116,772)	96,548,607 (69,563,258)	- -	107,608,766 (76,680,030)
7	Loans Given	115,795,451 (40,015,428)	- (3,530,185)	- -	- -	115,795,451 (43,545,613)
8	Loans repaid-- repayments received	106,636,008 (24,554,289)	- (3,150,555)	- -	- -	106,636,008 (27,704,844)
9	advances received from	-	- (3,808,332)	-	-	- (3,808,332)
10	advances repaid to	-	- (8,440,442)	-	-	- (8,440,442)
11	advances made to	404,306 (332,821)	769,019 (4,012,730)	- -	- -	1,173,325 (4,345,551)
12	advances - repayment received from	- (882,000)	359,366 (108,475)	- -	- -	359,366 (990,475)
13	Project management fee paid	1,001,347 -	- (840,874)	- -	- -	1,001,347 (840,874)
14	Marketing fee Received	359,145 -	12,047,097 -	- -	- -	12,406,242 -
15	Marketing fee paid	-	- (16,615,152)	-	-	- (16,615,152)
16	Remuneration paid	-	-	4,200,000 (5,000,000)	-	4,200,000 (5,000,000)
17	Share of Profit / (Loss)	-	- (-6,97,306)	-	-	- (-6,97,306)

Note: Previous years' figures are given within brackets

* Interest receivable during the year from Heirloom Real Estate Pvt. Ltd. of Rs. 13724330 was waived off.

39. PREVIOUS YEAR FIGURES

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

As per our attached report of even date

For B.P. Jain & Co.

Chartered Accountants

Firm Reg No. 050105S

sd/-

Devendra Kumar Bhandari

Partner , Membership No.: 208862

Place : Chennai

Date : 30.05.2017

For and on behalf of board of directors

For Arihant Foundations & Housing limited

sd/-

Kamal lunawath

Managing Director

DIN :00087324

sd/-

Vimal lunawath

Wholetime Director

DIN:00586269

sd/-

J.Meenakshi

Company Secretary

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF ARIHANT FOUNDATIONS & HOUSING LIMITED,

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of ARIHANT FOUNDATIONS & HOUSING LIMITED, ("the company"), which comprising the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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 and consolidated Cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India; of the consolidated financial position of the Group as at 31 March, 2017 and its consolidated financial performance, its consolidated cash flows for the year then ended.

Other Matters

We did not audit the financial statements of certain subsidiaries, associates and jointly controlled entities, whose financial statements reflect total assets of Rs.386,88,17,085/- as at 31st March, 2017, total revenues of Rs.96,06,92,084/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and jointly controlled entities and our report in terms of sub section (3) and (11) of Section 143 of the Act, insofar as it related to the aforesaid subsidiaries, associates and jointly controlled entities is based solely on the board adopted financial statements. In our opinion and according to the information and explanations given to us by management, these financial statements are not going to be changed materially.

Our opinion on the consolidated financial statements and our report on Other Legal and regulatory requirements below, is not modified in respect of above matter with respect to our reliance on the work done, the reports and the financial statements certified by the Management.

Report on other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report , to the extent applicable, that :
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books;
 - c) Since the Company does not have branches, the report on the account of branch offices audited by other auditor under sub-section (8) of the act is not applicable;
 - d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss , and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated financial statements.
 - e) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - f) On the basis of written representations received from the directors of the company as on 31 March, 2017, taken on record by the Board of Directors of the company, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act ;
 - g) 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".
 - h) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the companies (Audit and Auditors) Rules, 2014 , in our opinion and to the best of our information and according to the explanations given to us :
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the company.
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses

- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and.
- iv. The Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November,2016 to 30 December,2016 and these are in accordance with books of accounts maintained by the Company. Refer to Note 2.18 to the Consolidated Financial Statements.

For M/S. B.P.JAIN& CO
CHARTERED ACCOUNTANTS
FRN: 050105S

Sd/-
DEVENDRA KUMAR BHANDARI
PARTNER
M.NO : 208862

Place: Chennai,
Date:30-05-2017.

"Annexure A" to the Independent Auditor's Report

Report on the Internal Financial Controls 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 for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of Arihant Foundations & Housing Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of 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.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its Subsidiary Companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 B.P JAIN & CO;
CHARTERED ACCOUNTANTS
FRN: 050105S

Sd/-
DEVENDRA KUMAR BHANDARI
PARTNER
MEMBERSHIP NO: 208862

PLACE: CHENNAI
DATE: 30-05-2017.

CONSOLIDATED FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2017

Particulars	Note No	Amount As On 31.03.2017 (12 Months) ₹		Amount As On 31-03-2016 (15 Months) ₹	
EQUITY AND LIABILITIES					
(1) SHARE HOLDER'S FUNDS					
(A) Share capital	3	86,000,000		86,000,000	
(B) Reserves & surplus	4	1,510,451,866	1,596,451,866	1,395,939,872	1,481,939,872
(2) NON CURRENT LIABILITIES					
(A) Long term borrowings	5	1,671,057,870		1,381,059,798	
(B) Deferred tax liability (Net)	6	-		-	
(C) Other Long term liabilities	7	318,869,357		307,747,303	
(D) Long term provisions	8	6,711,659	1,996,638,886	5,062,779	1,693,869,880
(3) CURRENT LIABILITIES					
(A) Short Term Borrowings	9	700,383,471		803,818,498	
(B) Trade payables	10	617,136,017		398,106,532	
(C) Other current liabilities	11	1,871,094,703		1,584,031,981	
(D) Short term provisions	12	41,904,861	3,230,519,051	65,548,532	2,851,505,542
TOTAL			6,823,609,803		6,027,315,294
ASSETS					
(1) NON CURRENT ASSETS					
(A) Fixed assets	13				
i. Tangible assets		118,678,376		118,987,771	
ii. Intangible assets		307,147,817		220,504,925	
(B) Non-current investment	14	210,643,057		295,720,213	
(C) Deferred Tax Asset (Net)	6	319,652,345		135,784,661	
(D) Long Term Loans and Advances	15	1,277,077,282		1,148,980,920	
(E) Other Non Current Assets	16	333,856,864	2,567,055,741	341,258,043	2,261,236,533
(2) CURRENT ASSETS					
(A) Current Investments	17	30,300,000		2,550,000	
(B) Inventories	18	1,972,426,195		1,293,023,573	
(C) Trade receivables	19	521,752,949		797,467,169	
(D) Cash and cash equivalents	20	175,711,253		84,731,436	
(E) Short term loans and advances	21	1,328,565,302		1,498,791,402	
(F) Other current assets	22	227,798,363	4,256,554,062	89,515,181	3,766,078,761
TOTAL			6,823,609,803		6,027,315,294
Significant accounting policies and notes to financial statements	(1 - 41)				

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For B.P.Jain & Co.

Chartered Accountants

Firm Reg No. 050105S

Sd/-

Devendra Kumar Bhandari

Partner

Membership No:208862

For and on behalf of Board of Directors

For Arihant Foundations & Housing Limited

Sd/-

Kamal Lunawath

Managing Director

DIN:00087324

Sd/-

Vimal Lunawath

Whole time Director

DIN:00586269

Sd/-

J. Meenakshi

Company Secretary

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR 12 MONTHS ENDED 31st MARCH 2017**

	NOTE NO	YEAR ENDED 31.03.2017 (12 Months) ₹	YEAR ENDED 31.03.2016 (15 Months) ₹
INCOME			
(A) Revenue from operations	23	1,445,885,003	1,251,632,593
(B) Other income	24	99,017,314	112,617,709
TOTAL REVENUE		1,544,902,317	1,364,250,303
EXPENSES			
(A) Construction and project expenses	25	1,314,634,029	1,007,653,339
(B) Changes in inventories of materials, work-in- progress and finished goods"	26	(36,937,238)	118,068,721
(C) Employees benefit expenses	27	35,638,266	33,328,556
(D) Finance cost	28	165,635,621	200,453,192
(E) Depreciation and amortization	29	12,399,063	17,644,918
(F) Other expenses	30	97,740,166	132,727,645
TOTAL EXPENSES		1,589,109,907	1,509,876,370
Profit before Exceptional and Extraordinary items		(44,207,589)	(145,626,067)
Exceptional items		-	-
Profit before Tax		(44,207,589)	(145,626,067)
Tax Expense			
i. Current Tax		6,751,543	11,045,135
ii. Earlier Year's Tax		(12,367)	
iii. Deferred Tax Charge / (Credit)		(44,483,221)	(35,129,890)
PROFIT FOR THE PERIOD		(6,463,544)	(121,541,312)
Share of Profit/(loss) from of Associates		-	(669,767)
Transfer to Minority Interest		(6,050,519)	(6,142,780)
Transfer to Cost of Control		(4,628,420)	
		(10,678,939)	(6,812,547)
Net Profit/Loss after taxes, minority interest and share of Profit/loss of Associates		4,215,395	(116,068,299)
Earning per share (Basic)		0.49	-13.5
Earning per share (Diluted)		0.49	-13.5
Significant accounting policies and notes to financial statements	(1 - 41)		

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For B.P.Jain & Co.

Chartered Accountants

Firm Reg No. 050105S

Sd/-

Devendra Kumar Bhandari

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Kamal Lunawath

Managing Director

DIN:00087324

Sd/-

Vimal Lunawath

Whole time Director

DIN:00586269

Sd/-

J. Meenakshi

Company Secretary

Place : Chennai

Date : 30-05-2017

ARIHANT FOUNDATIONS & HOUSING LIMITED

CONSOLIDATED CASHFLOW STATEMENT FOR 12 MONTHS ENDED 31.03.2017

PARTICULARS	31.03.2017 (12 Months) ₹	31.03.2016 (15 Months) ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/Loss Before Tax and Extraordinary Items	(44,207,589)	(145,626,067)
Adjustments for non cash nature and other items:		
Depreciation	12,399,063	17,644,918
Bad debts	-	27,741,030
Dividend received	(1,411,002)	(3,868,943)
Interest and Finance Income	(78,946,236)	(101,304,400)
Profit on sale of Assets	-	(30,846)
Profit on sale of Investments	(3,521,915)	(1,796,853)
Share of Loss	84,941	-
Loss on sale of Fixed Assets	12,328	14,355
Interest and Finance Charges	165,635,621	200,453,192
Operating Profit Before Working capital Changes	50,045,210	(6,773,615)
Adjustments for Working Capital changes		
(Increase) / Decrease in Inventories (Excluding Conversion)	(679,402,622)	(50,806,478)
(Increase) / Decrease in Other Current Assets	(97,520,084)	36,712,250
(Increase) / Decrease in Trade receivables and other current assets	137,431,039	(187,782,033)
(Increase) / Decrease in Short Term Loans and Advances	170,226,100	(210,832,638)
Increase / (Decrease) in Trade Payables & other current liabilities	506,092,207	23,723,432
Increase / (Decrease) in Other Provisions	1,648,880	680,089
Increase / (Decrease) in Short Term Provisions	(23,643,671)	28,461,949
Cash From operations before Tax and Extraordinary items	64,877,058	(366,617,044)
Income Tax Paid	(6,751,543)	(10,219,446)
Cash From operations before Extraordinary items	58,125,516	(376,836,490)
Extraordinary Items	-	-
Cash flow from Operating Activities	58,125,516	(376,836,490)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed Assets	(12,710,183)	(223,967,144)
Sale of fixed Assets	490,000	218,976
Dividend received	1,411,002	3,868,943
Share of Loss	(84,941)	-
Interest received during the year	78,946,236	101,304,400
Purchase of Investment	(50,403,583)	(128,278,924)
Proceeds from sale of Investment	111,252,655	6,146,540
Net Cash from Investing Activities	128,901,185	(240,707,210)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Fresh loans taken / (Loans repaid)	289,998,071	703,483,989
Fresh Loan given	(92,312,972)	(104,197,444)
Loans received back	(128,096,362)	-
Interest & Finance Charges	(165,635,621)	(200,453,192)
Net Cash from Financing Activities	(96,046,884)	398,833,353
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	90,979,817	(218,710,346)
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	84,731,436	303,441,782
F. CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	175,711,253	84,731,436

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For B.P.Jain & Co.

Chartered Accountants

Firm Reg No. 050105S

Sd/-

Devendra Kumar Bhandari

Partner

Membership No:208862

For and on behalf of Board of Directors

For Arihant Foundations & Housing Limited

Sd/-

Kamal Lunawath

Managing Director

DIN:00087324

Sd/-

Vimal Lunawath

Whole time Director

DIN:00586269

Sd/-

J. Meenakshi

Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

“Arihant Foundations & Housing Limited (“the company”) a public limited company, together with its subsidiaries, associates and joint ventures (collectively referred to as “the AFHL Group”) is engaged primarily in the business of real estate development. The operations of the Group span all aspects of real estate development, from the identification and acquisition of land, to Planning, execution, construction and marketing of projects.”

2 Significant accounting policies

2.1 Basis of preparation of Financial Statements

“The consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The AFHL Group has prepared consolidated financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013 (the ‘Act’), read together with Rule 7 of the Companies (Accounts) Rules, 2014. The consolidated financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis in accordance with the generally accepted accounting principles in India. The accounting policies have been consistently applied by the AFHL Group.”

All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the AFHL Group as per the guidance set-out in the Schedule III to the Companies Act, 2013.

2.2 Principles of consolidation

“The consolidated financial statements include the financial statements of the Company, its subsidiaries, joint ventures and associates. The consolidated financial statements of the AFHL Group have been prepared in accordance with Accounting Standard 21 consolidated Financial Statements’, Accounting Standard 23 ‘Accounting for Investments in Associates in Consolidated Financial Statements’ and Accounting Standard 27 ‘Financial Reporting of Interests in Joint Ventures’ (as applicable). The consolidated financial statements are prepared on the following basis:”

i) The consolidated financial statements include consolidated balance sheet, consolidated statement of profit and loss, consolidated statement of cash flows

and notes to the consolidated financial statements and explanatory statements that form an integral part thereof. The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent for standalone financial statements.

ii) The consolidated financial statements include the financial statements of the Company and all its subsidiaries which are more than 50 percent owned or controlled during the year have been accounted for in accordance with the provisions of Accounting Standard 21 ‘Consolidated Financial Statements’. Investments in entities that were not more than 50 percent owned or controlled during the year have been accounted for in accordance with the provisions of Accounting Standard 13 ‘Accounting for Investments’, or Accounting Standard 23 ‘Accounting for Investments in Associates in consolidated Financial Statements’, or Accounting Standard 27 ‘Financial Reporting of Interests in Joint Ventures’ (as applicable). The consolidated financial statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/ transactions and resulting elimination of unrealized profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the financial statement of the company and its share in the post- acquisition increase in the relevant reserves of the entity to be consolidated. Financial interest in joint ventures has been accounted for under the proportionate consolidation method.”

iii) Minority interest represents the amount of equity attributable to minority shareholders at the date on which investment in a subsidiary company is made and its share of movements in equity since that date. Any excess consideration received from minority shareholders of subsidiaries over the amount of equity attributable to the minority on the date of investment is reflected under Reserves and Surplus.

iv) The excess of the cost to the parent of its investments in a subsidiary over the parent’s portion of equity at the date on which investment in the subsidiary is made, is recognised as ‘Goodwill (on consolidation)’. When the cost to the parent of its investment in a subsidiary is less than the parent’s portion of equity of the subsidiary at the date on which investment in the subsidiary is made, the difference is treated as ‘Capital Reserve (on consolidation)’ in the consolidated financial statements.

2.3 Accounting Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the consolidated financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognised in the current and future periods.

2.4 Fixed assets

Tangible fixed assets

Fixed assets are stated at cost of acquisition including attributable interest and finance costs till the date of acquisition/ installation of the assets and improvement thereon less accumulated depreciation and accumulated impairment losses, if any. Cost Includes all related expenses incurred upto the date the assets are put to use.

Intangible Fixed Assets and Amortisation

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

2.5 Depreciation / Amortisation

Depreciation on tangible assets is provided:

In respect of furniture & fixtures, vehicles, office equipments, Computers & Accessories on straight line method ("SLM method") at the useful lives specified in schedule - II of the companies Act, 2013 on Pro - rata basis.

i) On Vehicles	
Motor cycle / Two Wheelers	8 Years
Motor Cars	10 Years
ii) On Furniture and fixtures	10 Years
iii) On Office equipments	5 Years
iv) On Computers & Accessories	3 years

2.6 Inventories

"The stock of construction materials, stores, spares and embedded goods are valued at cost, or net realisable value, whichever is lower. Cost includes all applicable cost of bringing the goods to their present location and condition."

Working In Progress

Construction work-in-progress comprises of contract costs that relate to future activity on the contract and are recognised as contract work-in-progress provided it is probable that they will be recovered. Construction work-in-progress also comprises cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognised.

Cost includes direct expenditure relating to construction activity. The expenditure incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to statement of profit and loss.

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

2.7 Revenue recognition

Revenue from projects under development/ sale of developed property is recognised upon transfer of all significant risks and rewards of ownership of such property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements.

Revenue comprises the amounts of sale price as per the agreements entered with the buyers. Revenue is recognised based on the percentage of completion method as the Company has obligations to perform substantial acts even after the transfer of all significant risks and rewards of ownership. Such percentage is arrived at based on surveys of work performed as at each balance sheet date.

Where the ultimate collection and the buyer's commitment to make the complete payment is not reasonably certain, the revenue is deferred until such certainty is established.

The estimates of the total costs to complete the project are reviewed periodically by the management and any effect of changes in estimates is recognised in the period such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, the loss is recognised immediately.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Revenue from Lease rentals and related income

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

Interest Income

Interest and other income are accounted on accrual basis except where the receipt of income is uncertain, in which case it is accounted on accrual basis.

2.8 Borrowing cost

Borrowing costs relating to acquisition, construction or production of aqualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs, which are not eligible for capitalization are charged to the Statement of Profit and Loss in the period in which it is accrued.

Borrowing cost that are attributable to any work in progress, qualifying land advances as well as capital work in progress are charged to the respective qualifying project.

2.9 Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as Non-Current investments.

Non-current investments are carried at cost and provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments i.e., equity shares, preference shares etc..

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

2.10 Employee benefits

All short term employee benefit plans such as salaries, wages, bonus, special awards and, medical benefits

which fall due within 12 months of the period in which the employee renders the related services which entitles him to avail such benefits are recognized on an undiscounted basis and charged to the statement of profit and loss.

Defined contribution plan

Eligible employees receive benefits from provident fund, which is a defined contribution plan. Contributions to defined contribution schemes such as provident fund, employees' state insurance etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss.

Gratuity

The Company provides for gratuity, a defined benefit retirement Plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities related to the Gratuity Plan are determined as at the balance sheet date by actuarial valuation done by an independent actuary using projected unit credit method.

2.11 Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transactions.

2.12 Taxation

Income-tax expense comprise current tax & Deferred Tax.

Current tax:

Provision for current tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961.

Minimum alternative tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company would be liable to pay normal income tax within the time limit available for set off and accordingly, MAT is recognised as an asset in the balance sheet when

it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Deferred Tax

Deferred tax charge or credit reflecting that tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is a reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at the balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

2.13 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognized when it is probable that a liability has been incurred and the amount can be estimated reliably.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.14 Cash & Cash Equivalents

Cash and cash equivalents comprise of cash at bank and cash on hand. The Company considers all highly liquid investments as Cash equivalents whose original maturity is three month or less from date of purchase .

2.15 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

2.16 Impairment of Assets

“At each Balance Sheet date, the Company assesses whether there is any indication that the fixed assets with finite lives may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where it is not possible to estimate the recoverable amount of individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. As of March 31, 2017 ,none of the fixed assets were considered impaired.”

2.17 Leases

(i) Finance lease

Assets acquired under finance leases are recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the assets and the present value of minimum lease payments. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Assets given under finance leases are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment.

(ii) Operating lease

Leases other than finance lease, are operating leases, and the leased assets are not recognised on the Company's Balance Sheet. Payments under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease.”

2.18 Disclosure on Specified Bank Notes

During the year, the Company has Specified Bank Notes (SBNs) or other denomination notes as defined in MCA Notification, G.S.R. 308(E) dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification are as follows:

Particulars	SBNs (in Rupees)	Other Denomination Notes (in Rupees)	Total (in Rupees)
Closing Cash in Hand as on November 8, 2016	10,196,000	3,759,753	13,955,753
Add: Permitted Receipts	-	-	-
Add: Amount withdrawn from Banks	-	669,600	669,600
Less: Permitted Payments	-	4,106,823	4,106,823
Less: Amount deposited in Banks	10,196,000	-	10,196,000
Closing Cash in Hand as on December 30, 2016	-	322,530	322,530

For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated November 8, 2016.

ARIHANT FOUNDATIONS & HOUSING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 31.03.2017

PARTICULARS	NOTE NO	AMOUNT AS ON 31.03.2017 (12 Months) ₹		AMOUNT AS ON 31.03.2016 (15 Months) ₹	
SHARE CAPITAL AUTHORISED 1,00,00,000 equity shares of R.10/- each (1,00,00,000 equity shares of Rs.10/- each)	3		100,00,000		100,00,000
ISSUED, SUBSCRIBED & PAID UP 86,00,000 equity shares of R.10/- each fully paid up (86,00,000 equity shares of Rs.10/- each)			86,00,000		86,00,000
Reconciliation of No of Shares outstanding at the beginning and end of the reporting year					
		No.s	Amount in ₹	No.s	Amount in ₹
Opening balance of number of Equity Shares		8,600,000	86,00,000	8,600,000	86,00,000
Changes during the year		-	-	-	-
Closing balance of number of Equity Shares		8,600,000	86,00,000	8,600,000	86,00,000
SHAREHOLDERS HOLDING MORE THAN 5% OF THE TOTAL SHARE CAPITAL		NO OF SHARES	NO OF % HELD	SHARES	% HELD
Smt. Snehlatha Lunawath		1,407,000	16.36	1,407,000	16.36
Smt. S. Jayalakshmi		796,202	9.26	796,202	9.26
Mr. Kamal Lunawath		749,100	8.71	749,100	8.71

Mr. Vimal Lunawath		696,400	8.10	696,400	8.10
Taj Foundations 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
PARTICULARS	Note No	AMOUNT AS ON 31.03.2017 (12 Months) ₹		AMOUNT AS ON 31.03.2016 (15 Months) ₹	
RESERVES & SURPLUS	4				
Capital Reserve			-		94,859,071
SECURITIES PREMIUM RESERVE					
Opening Balance		685,550,000		570,650,000	
Add: Additions during the year		-			
Closing Balance		685,550,000			570,650,000
GENERAL RESERVE					
Opening Balance		88,308,752		88,308,752	
Add: Additions during the year		-			
Closing Balance		88,308,752			88,308,752
SURPLUS IN THE STATEMENT OF PROFIT AND LOSS					
Opening Balance		432,812,630		711,091,739	
Add: Profit for the year		4,215,395		(116,068,300)	
Less : Appropriations made during the year		(462,276,946)		-	
Less : Transfer to cost of control			(207,912)		
Closing Balance			899,304,970		595,231,352
			1,673,163,722		1,349,049,175
MINORITY INTEREST					
NORTH TOWN ESTATES P LTD			(170,650,627)		-
ESCAPADE REAL ESTATE P LTD			7,938,770		46,890,697
			1,510,451,866		1,395,939,872
PARTICULARS	Note No	AMOUNT AS ON 31.03.2017 (12 Months) ₹		AMOUNT AS ON 31.03.2016 (15 Months) ₹	
LONG TERM BORROWINGS	5				
i) SECURED		Current	Non - Current	Current	Non - Current
Term Loans & Other Loans					
a. From Banks		22,385,896	482,239,970	59,112,549	131,155,825
b. From Other Parties		225,208,281	906,549,074	110,531,280	921,083,867
		247,594,177	1,388,789,045	169,643,829	1,052,239,692
Deposits includes all Inter Corporate Deposits					
ii) UNSECURED					
a. Deposits		4,651,875	41,865,024	-	(145,178,657)
b. Loans & Advances From Related Parties			240,403,801		473,998,764
		4,651,875	282,268,825		328,820,107
TOTAL		252,246,052	1,671,057,870	169,643,829	1,381,059,798

LONG TERM BORROWINGS			
(i) SECURED			
A. FROM BANKS - TERM LOANS			
Particulars	Interest Rate P.A.	Amount Outstanding	
		31.03.2017 ₹	31.03.2016 ₹
<p>"HDFC LTD: Secured by way of equitable mortgage on certain immovable properties, owned by company. Further the loan has been guaranteed by way of personal guarantee of the managing director of the company. Repayment - One monthly installment of Rs.6,82,771/- , subsequently thirty five installments of Rs.6,79,011/- and twenty three installment of Rs. 6,90,715/- and one installment Rs.6,90,698/- totalling sixty installments, starting from 1-12-2011."</p>	13.40%	-	5,230,504
<p>"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 - Sixty installment of Rs.6,25,710/- , starting from 31-07-2016. Fifty one installments are outstanding as on the balance sheet date."</p>	11.75%	24,418,737	-
<p>"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 Rs.,24,00,00,000/- out of which 8,00,00,000/- drawn as on Balance Sheet. Repayment - Six instalment of Rs.4,00,00,000/-, starting from 31-06-2018. six installments are outstanding as on the balance sheet date."</p>	11.75%	79,907,123	-
<p>"ICICI BANK : 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 - Term loan one 10 crore repayable in 8 instalments of Rs.1.25 crores, Term loan two of 2.50 crores repayable in 8 instalments of Rs.31,25,000/-,Term loan three of 1 crores repayable in 18 instalments of Rs.5,55,555/-Term loan Four of 4.5 crores repayable in 8 instalments of Rs.56,25,000/- however 7.4 crores loan availed as on Balance sheet date."</p>	13.50%	72,333,332	10,000,000
<p>"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 - The term of loan is One hundred and twenty months of Rs.12,93,976/- one hundred and twenty months EMI is outstanding as on the balance sheet date"</p>	9.50%	100,000,000	-
<p>"ICICI Bank Ltd Car Loan: Secured against the vehicle for which the loan has been taken. Repayment - Two loans totalling one hundred and twenty monthly installments: sixty monthly installments of Rs.35,745/- for each loan, starting from 1-9-2011. "</p>	10.76%	-	279,657
<p>"Standard Chartered Bank : Secured by way of charge on the lease rentals from let out properties of the company and by way of equitable mortgage of immovable properties owned by the company. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - One hundred and sixty seven monthly installments of Rs.16,30,632/- which commenced from 18-07-2015. One hundred and forty six installments are outstanding as on the balance sheet date."</p>	11.00%	130,695,451	135,967,044
<p>"State bank of India (Over Draft) 12.60 Cr : Secured by way of equitable mortgage on certain immovable properties,</p>			

Particulars	Interest Rate P.A.	Amount Outstanding	
		31.03.2017 ₹	31.03.2016 ₹
owned by company. Further the loan has been guaranteed by way of personal guarantee of the directors of the company.Repayment - 9 Monthly instalments of Rs.11,00,000 /- , 12 Monthly instalments of Rs.10,00,000 /- , 24 Monthly instalments of Rs.15,00,000 /- ,24 Monthly instalments of Rs.18,00,000 /- , 12 Monthly instalments of Rs.21,00,000 /- which commenced from 31-07-2015. Sixty instalments are outstanding as on the balance sheet date.”	12.50%	97,271,224	38,791,169
TOTAL		504,625,867	190,268,374
B. OTHERS - TERM LOANS from Others			
“Aditya Birla Housing Finance Limited: Secured by way of equitable mortgage on certain immovable properties, owned by company and on receivables from the project. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. The date of commencement of loan is 12-08-16. Repayment - The term of loan is Fifteen months, EMI will start from February 2017. However, more amount is repaid during the year.”	13.50%	72,048,641	-
“Aditya Birla Finance Limited: Secured by way of equitable mortgage on certain immovable properties, owned by the company and on receivables from the project. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. The date of commencement of loan is 26-03-2015. Repayment - The term of loan is twenty four months, EMI will start from May 2016. However, the Company has already commenced the repayment based on the availability of funds and more amount is repaid during the year.”	13.80%	--	140,414,242
“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 varying EMI. EMI starting 02-08-2015. One hundred and twenty two instalment are outstanding as on the balance sheet date”	12.00%	44,094,160	145,730,763
“ICICI Home Finance- Gajapathy Road Flat: Secured against the immovable property for which the loan has been taken. Repayment - Two hundred and sixty two monthly installments of Rs.79,589/- starting from 10-3-2008. One hundred and forty six installments are outstanding as on the balance sheet date.”	12.85%	5,852,388	6,041,968
“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 Rs.1,66,075/. EMI starting 02-09-2015. One hundred and twenty three instalments are outstanding as on the balance sheet date”	12.00%	11,531,776	12,222,315
“Bajaj Finance Ltd -TIARA: 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. The loan is closed as on the balance sheet date”	13.50%	-	88,858,265
“Kotak Mahindra Investments Limited (6 Cr Loan): Secured by way of equitable mortgage on certain immovable properties, owned by company and on receivables from the project. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. The date of commencement of loan is 27-10-2014. Repayment - The term of loan is twelve months, The loan closed as on the Balance sheet date”	15.00%	-	48,037,417

Particulars	Interest Rate P.A.	Amount Outstanding	
		31.03.2017 ₹	31.03.2016 ₹
<p>"Kotak Mahindra Prime Ltd - Car Loan: Secured against the vehicle for which the loan has been taken. Repayment - Sixty monthly installments of Rs.1,79,690/- starting from 10-01-2013. Nine installments are outstanding as on the balance sheet date."</p>	10.00%	1,552,659	3,452,507
<p>"Piramal enterprises 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 -Twelve installments of 2,50,00,000/- of every quarter. loan sanctioned Rs.30,00,00,000/-, loan withdrawn Rs10,00,00,000/-"</p>	14.00%	42,148,521	100,000,000
<p>TATA CAPITAL HOUSING FINANCE 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 - Fifteen monthly installments of Rs. 1,44,71,301/-. Fifteen monthly instalment is outstanding as on balance sheet date</p>	12.50%	131,579,587	-
<p>"Kotak Mahindra Prime Ltd - Car Loan: Secured against the vehicle for which the loan has been taken. Repayment - Fifty nine monthly variable installments starting from 01-09-2016. Fifty two installments are outstanding as on the balance sheet date."</p>	13.00%	5,685,222	-
<p>"Kotak Mahindra Prime Ltd - Car Loan: Secured against the vehicle for which the loan has been taken. Repayment - Thirty Six monthly installments of Rs.19,110 starting from 05-01-2016. Twenty one installments are outstanding as on the balance sheet date."</p>	9.35%	368,886	554,206
<p>"ADITYA BIRLA FINANCE LTD: Secured by way of equitable mortgage on certain immovable properties, owned by Escapade Real Estate Pvt Ltd. Further the loan has been guaranteed by way of corporate guarantee of Arihant Foundations & Housing Ltd , personal guarantee of Mr. Kamal Lunawath and Mr.Vimal Lunawath . Repayment - Fifteen monthly instalement of Rs.80,00,000/- starting from 30-9-16 "</p>	13.50%	117,525,000	-
<p>"HDFC LTD: Secured by way of equitable mortgage on certain immovable properties, Further the loan has been guaranteed by way of the directors of the company . Repayment - The loan is repayable at a specific percentage (at present 75%) of collection from customers determined from time to time."</p>	13.75%	-	119,870,000
<p>"Piramal enterprises Ltd:60 Cr NCD 's Secured by way of equitable mortgage of on certain immovable properties of Arihant Unitech Realty Projects Ltd. a Joint venture entity of the company. Further the loan has been guaranteed by way of corporate guarantee of Arihant Foundations & Housing Ltd ,Unitech Ltd and personal guarantees of Mr. Kamal Lunawath & Mr. Ajay Chandra. The date of Commencement of Loan is 09/01/2015. Repayment- The total Tenure is Sixty Monthsand partial redemption starts from March 2016. however the company has already commenced repayment based on availability of funds"</p>	13.50%	167,918,301	238,817,157
<p>"Piramal enterprises Ltd:90 Cr NCD's Secured by way of equitable mortgage of on certain immovable properties of North Town Estates Pvt Ltd. a Joint venture entity of the company. Further the loan has been guaranteed by way of corporate guarantee of Arihant Foundations & Housing Ltd ,Unitech Ltd,Arihant Unitech Realty Projects Ltd.and personal guarantees of Mr. Kamal Lunawath & Mr. Ajay Chandra. The date of Commencement of Loan is June 2016. Repayment- The total Tenure is Sixty Months. however the company has already commenced repayment based on availability of funds"</p>	13.50%	442,044,213	-

Particulars	Interest Rate P.A.	Amount Outstanding	
		31.03.2017 ₹	31.03.2016 ₹
"others: secured against the asset/ property for which the loan has been obtained"	12% to 18%	89,408,000	127,616,307
TOTAL		1,131,757,354	1,031,615,147
GRAND TOTAL		1,636,383,221	1,221,883,521

PARTICULARS	Note No	AMOUNT	
		AS ON 31.03.2017 (12 Months) ₹	AS ON 31.03.2016 (15 Months) ₹
DEFERRED TAX	6		
Deferred Tax Liability		108,180	108,180
LESS:- Deferred Tax Asset provided during the year		319,544,165	135,676,481
Deferred Tax Liability/(Asset)- Net		319,652,345	135,784,661
OTHER LONG TERM LIABILITIES	7		
Other long term liabilities		318,869,357	307,747,303
LONG TERM PROVISIONS	8		
Provision for Employment benefits		6,501,809	5,062,779
Provision Dividend		209,850	
SHORT TERM BORROWINGS.	9		
(a) Loans and advances from related parties		700,383,471	803,818,498
TRADE PAYABLES	10		
		617,136,017	398,106,532
OTHER CURRENT LIABILITIES	11		
Current maturities of Long term Loans (refer note no. 4)		252,246,052	169,643,829
Interest Accrued but not due		4,378,996	4,208,617
Income Received in Advance		71,239	66,861
Other Payables			
Advance from customers and for projects		1,053,527,431	918,987,507
Statutory dues Payable		42,206,130	18,552,942
Other Sundry Current Liabilities		407,742,138	472,572,224
To Related Parties - Advances recoverable in cash or kind		-	
Security Deposit		110,922,717	
		1,871,094,703	1,584,031,981
SHORT TERM PROVISIONS	12		
Provision for Employee Benefit		-	-
Other Provisions			
Provision for Tax		41,904,861	65,548,532
		41,904,861	65,548,532
FIXED ASSETS	13		
A. TANGIBLE ASSETS			
Gross Block		206,145,323	192,526,406
Less:Depreciation		87,466,947	73,538,635
Net Block		118,678,376	118,987,771
B. INTANGIBLE ASSETS			
(i) Computer Software		4,562,440	222,109,502
Less:Depreciation		1,983,651	1,604,577
Net Block		2,578,789	220,504,925
(ii) Goodwill on acquisition		304,569,028	-
		425,826,193	339,492,696

Note No. 13
CONSOLIDATED FIXED ASSETS
DEPRECIATION SCHEDULE AS PER THE COMPANIES ACT, 2013 FOR THE PERIOD FROM 01.04.2016 TO 31.03.2017

Name of The Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance As On 01.04.2016	Additions During 01.04.2016 To 31.03.2017	Deletions During 01.04.2016 To 31.03.2017	Balance As At 31.03.2017	Balance As On 01.04.2016	For The Period 01.04.2016 To 31.03.2017	Deletions During 01.04.2016 To 31.03.2017	Total As On 31.03.2017	As On 31.03.2016	As On 31.03.2017
LAND	17,931,721.00			17,931,721.00	-	-			17,931,721.00	17,931,721.00
BUILDINGS										
Freehold Buildings	95,292,261.00	-	-	95,292,261.00	24,287,165.00	1,767,562.00	-	26,054,727.00	70,713,037.00	69,237,534.00
Leasehold Buildings	5,795,307.00	-	-	5,795,307.00	1,079,575.00	93,114.00	-	1,172,689.00	4,715,731.00	4,622,618.00
Furniture & Fixtures	22,924,805.00	744,555.00	-	23,669,360.00	19,505,614.00	1,918,550.00	-	21,424,164.00	3,183,908.00	2,245,196.00
Plant & Equipments	13,687,649.00	-	-	13,687,649.00	7,346,556.00	1,415,011.00	-	8,761,567.00	5,667,955.00	4,926,082.00
Office Equipments	13,517,008.00	881,575.00	-	14,398,583.00	10,370,940.00	1,354,097.00	-	11,725,037.00	623,731.00	2,673,546.00
Vehicles	27,606,588.00	8,651,003.00	887,149.00	35,370,442.00	13,241,929.00	5,471,655.00	384,821.00	18,328,763.00	12,413,253.00	17,041,679.00
TOTAL	196,755,339.00	10,277,133.00	887,149.00	206,145,323.00	75,831,779.00	12,019,989.00	384,821.00	87,466,947.00	115,249,336.00	118,678,376.00
INTANGIBLE ASSETS										
(i) Computer Software	1,917,015.00	2,645,425.00	-	4,562,440.00	1,604,577.00	379,074.00	-	1,983,651.00	312,438.00	2,578,789.00
TOTAL	1,917,015.00	2,645,425.00	-	4,562,440.00	1,604,577.00	379,074.00	-	1,983,651.00	312,438.00	2,578,789.00
Gr.Total	198,672,354.00	12,922,558.00	887,149.00	210,707,763.00	77,436,356.00	12,399,063.00	384,821.00	89,450,598.00	115,561,774.00	121,257,165.00
Previous Year Values	432,354,170.00	39,321,862.00	21,056,718.00	450,619,314.00	57,940,772.00	17,644,919.00	442,481.00	75,143,210.00	133,814,928.00	375,476,104.00

PPARTICULARS		AMOUNT AS ON 31.03.2017 (12 Months) ₹	AMOUNT AS ON 31.03.2016 (15 Months) ₹
NON-CURRENT INVESTMENTS	14		
1. UNQUOTED - TRADE			
A. INVESTMENT IN EQUITY INSTRUMENT			
Arihant Griha Limited (50,000 Equity shares of R.10/- Each fully paid)		-	-
Varenya Construction Limited (50,000 Equity shares of R.10/- Each fully paid)		-	-
Transperent Heights Real Estate Limited (50,000 Equity shares of R.10/- Each fully paid)		-	-
Vaikunt Housing Limited (5,00,000 Equity shares of R.1/- Each fully paid)		-	-
Escapade Real Estate Pvt Ltd (11,00,000 Equity Shares of R.10/- Each Fully Paid Up)		-	-
JOINT VENTURES / ASSOCIATES			
Mangalagiri Realty Projects Pvt Ltd (2,72,210 Equity shares of R.10/- Each Fully Paid Up)		2,722,100	91,577,840
Arihant Unitech Realty Projects Ltd. (5,00,000 Equity shares of R.10/- Each Fully Paid Up)		119,000,000	119,000,000
Heirloom Real Estate Pvt.Ltd. (2,500 Equity shares of R.10/- Each Fully Paid Up)		-	25,000
C. INVESTMENT IN DEBENTURES			
Mangalagiri Realty Projects Pvt Ltd (1,77,394 Optionally Redeemable Convertible Debenetures of R.100/- Each)*		17,739,400	20,389,400
d. INVESTMENT IN PARTNERSHIP FIRMS			
Arihant Heirloom		70,083,507	63,629,924
e. OTHER NON CURRENT INVESTMENT			
Development Rights Certificate		-	-
3. UNQUOTED - NON-TRADE			
A. INVESTMENT IN GOVT. BONDS			
National Savings Certificate		5,000	5,000
2. QUOTED - NON-TRADE (FULLY PAID AT COST)			
Happy Homes Profin Ltd (44,800 Equity shares of R 10/- each Fully Paid Up)		1	1
Hindustan Construction Company Ltd (500 Shares of Rs. 45.53 Each Fully Paid Up; market value is Rs.19,750 /-)		22,767	22,767

PARTICULARS	AMOUNT AS ON 31.03.2017 (12 Months) ₹		AMOUNT AS ON 31.03.2016 (15 Months) ₹	
	IDBI Bank Ltd (500 Shares of Rs.156.20 Each Fully Paid Up; market value is Rs.37,550 /-)	78,100		78,100
Indotech Transformers (691 Equity Shares of Rs.130.19 /- Each Fully Paid up; market value is Rs.1,43,452 /-)	89,830		89,830	
Tata Consultancy Servies Ltd (3,600 Shares of Rs.250.65 /- Each Fully Paid up; market vaue is Rs.87,51,960 /-)	902,352		902,352	
		210,643,057		295,720,213

Details of quoted/unquoted investments: Particulars	AS ON 31.03.2017 (12 Months) ₹	AS ON 31.03.2016 (15 Months) ₹
(a) Aggregate amount of quoted investments and market value thereof		
o Book Value	1,093,050	3,643,050
o Market Value	8,952,712	11,782,101
(b) Aggregate amount of unquoted investments		
o Book Value	90,550,007	294,627,164
(c) Aggregate provision for diminution in value of investments		

PARTICULARS	Note No	AMOUNT AS ON 31.03.2017 (12 Months) ₹		AMOUNT AS ON 31.03.2016 (15 Months) ₹	
LONG TERM LOANS AND ADVANCES	15				
Security Deposit		1,149,009,380		1,425,008,857	
Loans and advances to related parties		128,067,902	1,277,077,282	(276,027,937)	1,148,980,920
OTHER NON CURRENT ASSETS	16				
Long Term Trade Receivables		333,856,864	333,856,864	341,258,042	341,258,042
CURRENT INVESTMENTS	17				
Units of Mutual Fund under daily dividend plan Birla sunlife saving fund		30,300,000	30,300,000	-	2,550,000
		-	-	2,550,000	2,550,000
INVENTORIES	18				
(as taken, valued and certified by the Management) Land		7,508,922		7,508,922	
Raw Materials		3,266,232		2,065,895	
Work in Progress		1,775,735,567		1,027,087,599	
Finished Properties		185,915,474	1,972,426,195	256,361,157	1,293,023,573
TRADE RECEIVABLES	19				
Debt outstanding for a period of exceeding six months from the date they are due for payment Unsecured and considered good					

PARTICULARS	Note No	AMOUNT AS ON 31.03.2017 (12 Months) ₹	AMOUNT AS ON 31.03.2016 (15 Months) ₹
Debts due by Private companies, firms in which directors are directors or partners.		103,226,774	376,499,186
Others		155,705,943	99,272,646
Debt outstanding for a period of less than six months from the date they are due for payment			
Unsecured and considered good			
Debts due by Private companies in which directors are directors		57,934,457	32,203,693
Others		204,885,775	289,491,645
CASH AND CASH EQUIVALENTS	20	521,752,949	797,467,169
Balances with Banks		31,351,061	34,973,932
Cash On Hand		2,013,178	21,280,449
Others* mutual funds		-	-
Other Bank balances			
Deposit accounts		142,137,164	28,075,223
Earmarked accounts: Unpaid dividend		209,850	401,832
SHORT TERM LOANS AND ADVANCES	21	175,711,253	84,731,436
Unsecured and considered good			
Related Parties			
Other loans and advances		3,932,313	530,086,619
Others			
Prepaid Expenses		69,494,034	34,396,075
Advance for Land		32,965,685	223,690,685
Balance with Revenue Authorities		150,754,618	96,087,186
Advance given to suppliers and others		593,315,379	381,440,584
Other loans and advances		478,103,273	233,090,252
OTHER CURRENT ASSETS	22	1,328,565,302	1,498,791,402
Other Deposits		66,176,825	71,735,370
Other Receivables		161,621,538	17,779,811
REVENUE FROM OPERATIONS	23	227,798,363	89,515,181
Sales		1,248,600,388	1,111,147,357
Marketing fees received		6,023,549	14,697,376
Project management fees received		1,548,433	1,918,137
Share of profit from firms		(84,941)	-
Profit on Sale of TDR		129,639,203	43,960,536
		<u>1,385,726,631</u>	<u>1,171,723,405</u>
Other Operating Revenues			
Lease rentals		32,962,459	38,869,869
Car Park Sales		-	-
Maintenance charges received		26,241,063	29,606,967
Other operating income		954,850	11,432,352
		60,158,372	79,909,188
OTHER INCOME	24	1,445,885,003	1,251,632,593
Interest received		78,946,236	101,304,400
Dividend income		1,411,002	3,868,943
Other non-operating income (net of expenses)		-	21,000

PARTICULARS	Note No	AMOUNT AS ON 31.03.2017 (12 Months) ₹	AMOUNT AS ON 31.03.2016 (15 Months) ₹
Profit on Sale of Investment		3,521,915	1,796,853
Miscellaneous income		15,138,161	5,591,493
Profit on Sale of Fixed Asset		-	30,846
Remission of Liability		-	-
Accounts writtenoff		-	4,174
		99,017,314	112,617,709
25. CONSTRUCTION AND PROJECT EXPENSES	25		
Cost of land		10,150,000	12,980,000
Materials		93,248,130	85,699,757
Labour & sub-contract expenses		1,090,423,226	735,090,126
Legal expenses		18,305,340	1,085,450
Consultancy charges		5,823,310	6,241,046
Interest charges and other finance costs related to projects		53,181,503	133,664,015
Marketing Expenses		-	1,815,130
Other Project Expenses		43,502,520	31,077,814
		1,314,634,029	1,007,653,339
CHANGES IN INVENTORIES OF MATERIALS, WORK- IN-PROGRESS AND FINISHED GOODS	26		
a. Inventories at the beginning of the year			
i. Land			
ii. Raw Materials		2,065,895	1,982,496
iii. Work-in-progress		1,677,061,904	1,135,886,650
iv. Finished goods		256,361,157	273,223,148
		<u>1,935,488,957</u>	<u>1,411,092,294</u>
b. Inventories at the end of the year			
i. Land			
ii. Raw Materials		3,266,232	2,065,895
iii. Work-in-progress		1,775,735,567	1,034,596,521
iv. Finished goods		185,915,474	256,361,157
		<u>1,972,426,195</u>	<u>1,293,023,573</u>
Net (increase) / decrease		(36,937,238)	118,068,721
EMPLOYEES BENEFIT EXPENSES	27		
Salaries & Wages		29,933,048	29,580,524
Contribution to provident and other funds		1,889,839	1,411,762
Staff Welfare		1,473,554	2,045,555
Other Employee benefit expenses		2,341,825	290,715
		35,638,266	33,328,556
FINANCE COSTS	28		
Interest Expense;		165,429,561	185,450,796
Other borrowings costs;		206,061	4,607,969
Processing fees- (for Loan)		-	10,394,427
		165,635,621	200,453,192
DEPRECIATION AND AMORTIZATION	29		
Depreciation of tangible fixed asset		9,842,821	16,540,038
Amortization of intangible fixed asset		2,556,242	1,104,880
		12,399,063	17,644,918

PARTICULARS	Note No	AMOUNT AS ON 31.03.2017 (12 Months) ₹		AMOUNT AS ON 31.03.2016 (15 Months) ₹	
30. OTHER EXPENSES	30				
Power & Fuel		1,884,800		2,584,110	
Rent		6,842,300		6,549,856	
Contribution to employee funds and defined benefit expenses		-		-	
General Expenses		2,294,192		2,427,693	
Resale Compensation		-		-	
Insurance		344,343		(170,651)	
Rates & Taxes		1,291,974		1,430,128	
Repairs & Office Maintenance		46,949,172		34,673,989	
Advertisement & Business Promotion		11,531,882		31,217,674	
Legal, Professional & Consultancy Charges		15,759,429		17,126,705	
Travelling & Conveyance		2,768,449		2,049,721	
Vehicle Maintenance		1,314,428		1,556,739	
Telephone, Postage, Printing & Stationery		2,361,744		2,728,057	
Miscellaneous Expenditure		156,299		(34,656)	
Bad Debt		-		27,741,030	
Donation		1,570,370		618,500	
Directors' Fees		112,000		150,000	
Commission		467,983		196,118	
Bank Charges		252,649		73,113	
Share of Loss		-		27,539	
Audit Fees					
- For Statutory Audit		1,673,975		1,416,628	
- For Tax Audit		-		179,250	
- For Income tax representation		151,850		171,750	
Loss on sale of fixed assets		12,328		14,355	
			97,740,166		132,727,646

31. CONTINGENT LIABILITIES, PROVISIONS AND CONTINGENT ASSETS

- 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 Income tax are as follows

Period to which the amount relates	Amount (Rs.)	Name of the Company	Forum where dispute is pending
AY 1999-2000	7,638,692	Arihant Foundations and Housing Limited	CIT Appeals
AY 2005-2006	9,558,275	Arihant Foundations and Housing Limited	Income tax Appellate Tribunal
AY 2013-2014	1,519,250	Arihant Foundations and Housing Limited	CIT Appeals
AY 2012-2013	1,499,288	Arihant Foundations and Housing Limited	CIT Appeals
AY 2011-2012	7,183,310	Arihant Foundations and Housing Limited	CIT Appeals
AY 2008-2009	2,902,911	Escapade Real Estate P Ltd	CIT Appeals
AY 2009-2010	7,464,520	Escapade Real Estate P Ltd	CIT Appeals
AY 2011-2012	5,468,298	Escapade Real Estate P Ltd	Income tax Appellate Tribunal

The cases pending in Hon'ble High Court of Madras are as follows:

Assessment Year	Amount (Rs.)	Name of the Company
AY 2004-2005	1,371,638	Arihant Foundations and Housing Limited
AY 2005-2006	5,323,956	Arihant Foundations and Housing Limited
AY 2013-2014	90,929,865	Varenya Constructions Ltd
AY 2011-2012	73,107,760	Arihant Heirloom

iii) The cases pending before the CESTAT are as follows

Period to which the amount relates	Amount (Rs.)
2007-2008 & 2008-2009	Rs.7,87,509/-
2007-2008 & 2008-2009	Rs.23,97,303/-
June 2005 to March 2007	Rs.23,16,081/-

iv) The company has given corporate guarantee of 150 Crores to its joint venture companies

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

CONTINGENT ASSETS :

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

The Company will receive reimbursement from the joint venture company if the corporate guarantee is invoked

Notes:

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

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

32. TRADE RECEIVABLES AND TRADE PAYABLES

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

33. INVESTMENT IN PARTNERSHIP FIRMS

Name of the firm	Name of all Partners	Share of each Partner	Total Capital as on 31-03-2017 in Rs.
1. Arihant Heirloom	Arihant Foundations & Housing limited A.V.Krishnan R.Raghavan Vasanth Lakshmi	49.39% 13.24% 16.17% 21.20%	24,086,213
2. Arihant Foundations	Arihant Foundations & Housing limited SPI properties pvt ltd Swaroop Reddy	4.50% 95.00% 0.50%	44,954,528
3. Arihant Foundations & Housing	Arihant Foundations & Housing limited SPI properties pvt ltd Swaroop Reddy	3.50% 95.00% 1.50%	16,430,952

34. SEGMENT REPORTING

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

In view of the above, in the opinion of the Management and based on the organizational and internal reporting structure, the company's business activities as described above are subject to similar risks and returns. Further, since the business activities undertaken by the company are within India, in the opinion of

the Management, the environment in India is considered to have similar risks and returns. Consequently the company's business activities primarily represent a single business segment. Similarly, this business operations in India represent a single geographical segment.

35. LEASED ASSETS

A. Operating lease taken

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

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

Particulars	31.03.2017 (12 MONTHS) Rs.	31.03.2016 (15 MONTHS) Rs.
Total lease recognised in Profit & Loss account	6,842,300	6,549,856

(iii) As per the lease agreement following are the details of Future minimum lease rentals payable as at 31st December, 2017.

Particulars	31.03.2017 (12 MONTHS) Rs.	31.03.2016 (15 MONTHS) Rs.
a) Not later than one year	6,024,000	5,040,000
b) Later than one year, but not later than five year	14,652,000	--

B. Operating lease given

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

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

Particulars	31.03.2017 (12 MONTHS) Rs.	31.03.2016 (15 MONTHS) Rs.
Total lease recognised in Profit & Loss account	32,962,459	38,869,869

(iii) As per the lease agreement following are the details of Future minimum lease rentals receivable as at 31st March, 2017

Particulars	31.03.2017 (12 MONTHS) Rs.	31.03.2016 (15 MONTHS) Rs.
a) Not later than one year	34,202,679	33,012,130
b) Later than one year, but not later than five year	117,842,013	32,899,600
c) More than five year	526,884	-

36. EARNINGS PER SHARE

Particulars	31.03.2017 (12 MONTHS) Rs.	31.03.2016 (15 MONTHS) Rs.
a) Weighted Average number of shares considered for calculation of EPS	8,600,000	8,600,000
b) Net profit after tax (in Rs.)	4,215,395	(116,068,299)

c) Basic earnings per share (in Rs.)	0.49	(13.50)
d) Face value per share (in Rs.)	10	10

DILUTED EARNINGS PER SHARE

Particulars	31.03.2017 (12 MONTHS) Rs.	31.03.2016 (15 MONTHS) Rs.
a) Weighted Average number of shares considered for calculation of EPS	8,600,000	8,600,000
b) Net profit after tax (in Rs.)	4,215,395	(116,068,299)
c) Basic earnings per share (in Rs.)	0.49	(13.50)
d) Face value per share (in Rs.)	10	10

37. a) CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

(Amount in Rs. Lakhs)

b) FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	31.03.2017 (12 MONTHS) Rs.	31.03.2016 (15 MONTHS) Rs.
i) Outgo*	11.49	1.93

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

38. INTEREST IN JOINT VENTURES AND ASSOCIATES:

Name of the Company	Country of incorporation	Proportion of ownership interest as at 31.03.2017	Proportion of ownership interest as at 31.03.2016
Joint Ventures Companies			
(a) Arihant Unitech Realty Projects Limited	India	50.00%	50.00%
(b) Managalagiri Realty Projects Private Limited	India	0.04%	16.87%
Partnership firms			
(a) Arihant Heirloom	India	49.39%	49.39%
(b) Arihant Foundations	India	4.50%	4.50%
(c) Arihant Foundations & Housing	India	3.50%	3.50%
Associates Companies			
Heirloom Real Estate Private Limited	India	-	25.00%

(a) The above joint venture entities are incorporated in India. The Company's share of the assets and liabilities as on 31st March, 2017 and income and expenses for the year ended 31st March, 2017, in respect of joint venture entities based on board adopted unaudited accounts are considered for consolidation as shown below:

Particulars	31.03.2017 (12 MONTHS) Rs.	31.03.2016 (15 MONTHS) Rs.
A. Assets		
- Non Current assets	632,792	994,045,084
- Current assets	779,866,749	1,631,377,882
TOTAL	780,499,540	2,625,422,965
B. Liabilities		
- Non Current Liabilities	167,918,301	571,515,917
- Current liabilities	363,412,746	1,814,087,901
TOTAL	531,331,047	2,385,603,818
C. Contingent Liabilities	NIL	NIL
D. Capital commitments	NIL	NIL
E. Income	96,379,555	577,049,698
F. Expenses	96,181,429	605,516,606

39. BENEFITS TO EMPLOYEES

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

(a) Defined contribution plans

Contributions recognized as expense for the year are as under:

Particulars	31.03.2017 (12 MONTHS) Rs.	31.03.2016 (15 MONTHS) Rs.
Employer's contribution to provident fund (in Rs.)	1,889,839	1,411,762

(b) Defined Benefit plans

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

i. Expense to be recognized in the statement of profit & loss	31.03.2017 (12 MONTHS) Rs.
a) Interest Cost	287,605
b) Current Service Cost	627,943
c) Past Service Cost	-
d) Expected Return on Plan Assets	-
e) Curtailment Cost (Credit)	-
f) Settlement Cost (Credit)	-
g) Net Actuarial (gain) / loss	885,750
h) Net Expenses to be recognized in the	1,801,298

ii. Amounts to be recognized in the Balance Sheet	31.03.2017 Rs.
a) Present Value of Obligations as on the Accounting Date	6,501,809
b) Fair Value of the Plan Assets	-
c) Liability Recognized in the	(6,501,809)
iii. Movements in accrued liability	
a) Accrued Liability as at the beginning of the period	4,700,511
b) Correction subsequently effected to last year's closing liability	287,605
c) Interest Cost	627,943
d) Current Service Cost	-
e) Past Service Cost	-
f) Curtailment Cost	-
g) Settlement Cost	885,750
h) Benefits paid	6,501,809
iv. Reconciliation	31.03.2017 (12 MONTHS) Rs.
a) Net Liability as at the beginning of the period	4,700,511
b) Correction subsequently effected to last year's closing liability	-
c) Net Expenses in statement of	1,801,298
d) Benefits paid	-
	6,501,809

v. Experience related adjustments	31.03.2017 Rs.
a) Liability side	(885,750)
b) Asset side	NA

vi. Principal Actuarial Assumptions:

Particulars	31.03.2017 (12 MONTHS) Rs.	31.03.2016 (15 MONTHS) Rs.
a) Mortality table - Indian assured lives	Ind. (2006-08)	Ind. (2006-08)
b) Discounting rate (per annum)	7.44%	7.80%
c) Rate of escalation in salary (per annum)	12.00%	12.00%
d) rate of return on plan assets	NA	NA
e) Attrition rate fixed by the enterprise	1.00%	24.00%

40. RELATED PARTY DISCLOSURES

Related Parties are classified as:

Key Management Personnel

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

Designation
Chairman and Managing Director
Whole time Director
Whole time Director

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

Mrs. Snehlatha Lunawath
Mrs. Preethi Lunawath
Mrs. Kavita Lunawath

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

Amount (₹)				
S. No	Description	Key management personnel	Entities, relatives of key management personnel and individuals owning directly indirectly, an interest in the voting power of the reporting enterprise and relatives of any such individual	TOTAL
1	Interest paid	43,781,827 (45,265,720)	- -	43,781,827 (45,265,720)
2	Loans received from	80,553,644 (50,120,220)	- -	80,553,644 (50,120,220)
3	Loans repaid to	96,548,607 (69,563,258)	- -	96,548,607 (69,563,258)
4	Remuneration paid	4,200,000 (5,000,000)	-	4,200,000 (5,000,000)

Note: Previous years' figures are given within brackets

41. PREVIOUS YEAR FIGURES

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

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For B.P.Jain & Co.

Chartered Accountants

Firm Reg No. 050105S

Sd/-

Devendra Kumar Bhandari

Partner

Membership No:208862

For and on behalf of Board of Directors

For Arihant Foundations & Housing Limited

Sd/-

Kamal Lunawath

Managing Director

DIN:00087324

Sd/-

Vimal Lunawath

Whole time Director

DIN:00586269

Sd/-

J. Meenakshi

Company Secretary

Place : Chennai

Date : 30-05-2017

ARIHANT FOUNDATIONS & HOUSING LIMITED

CIN: L70101TN1992PLC022299

Regd. Office: No.3, Ganapathy Colony, 3rd Street, Off. Cenotaph road, Teynampet, Chennai- 600018

24th Annual General Meeting of the Company held on 22nd September, 2017 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 24th Annual General Meeting on 22nd September, 2017.

 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**

ARIHANT FOUNDATIONS & HOUSING LIMITED
 CIN: L70101TN1992PLC022299
 Regd office: No.3, Ganapathy Colony, 3rd Street,
 Off. Cenotaph road, Teynampet, Chennai- 600018

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

Name of the member (s)	
Registered address	
E-mail Id	
Folio No/ Client Id: DP ID	
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 24th Annual General Meeting of the Company held on 22nd September, 2017 at 9.30 a.m. at "Arihant TIARA", Plot No. 2B, TCNS Gardens, Nandambakkam, Chennai- 600089 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 31.03.2017 together with the Directors' Report and the Auditors' Report and the consolidated financial statements for the period ended 31.03.2017 together with the Auditors' Report.
2. To appoint a Director in place of Mr. A.L. Jayabhanu (DIN: 01516502), who retires by rotation and being eligible, offers himself for reappointment.
3. Appointment of M/s. S. Ramachandra Rao & Associates (Firm Regn. No. 007735S), Chartered Accountants, as the Statutory Auditors of the Company and to authorize the Board of Directors to fix their remuneration.

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

Signature of shareholder

Affix
Revenue
Stamp

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.

**ROUTE MAP TO THE AGM VENUE OF :
ARIHANT FOUNDATIONS & HOUSING LIMITED
24TH ANNUAL GENERAL MEETING
AT 9.30 A.M.
FRIDAY, 22ND SEPTEMBER, 2017**

