



CONTINUING STABILITY

ARIHANT
SUPERSTRUCTURES LTD.
CONTINUING STABILITY

03.10.2017

Corporate Relations Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	Listing Compliance Department National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051
Scrip Code: 506194 Class of Security: Equity	Symbol: ARIHANTSUP Series: EQ

Subject: Submission of Annual Report in Compliance with Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Dear Sir,

This is to inform you that in terms of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith Annual Report of the Company for the Financial Year ended on 31st March, 2017.

Kindly take the same in your records and inform the Stakeholders accordingly.

Thanking You

Yours faithfully

For, ARIHANT SUPERSTRUCTURES LIMITED

ASHOK CHHAJER
CHAIRMAN & MANAGING DIRECTOR
DIN: 01965094



Encl: As above

L51900MH1983PLC029643

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

Tel.: 022 4111 3333
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ARIHANT

SUPERSTRUCTURES LTD.

CONTINUING STABILITY

RERA





Arihant Superstructures Ltd. has listed its 41159991 Equity Shares, face value of ₹ 10/- each on National Stock Exchange of India Limited, Mumbai. With effect from 28th March, 2017.

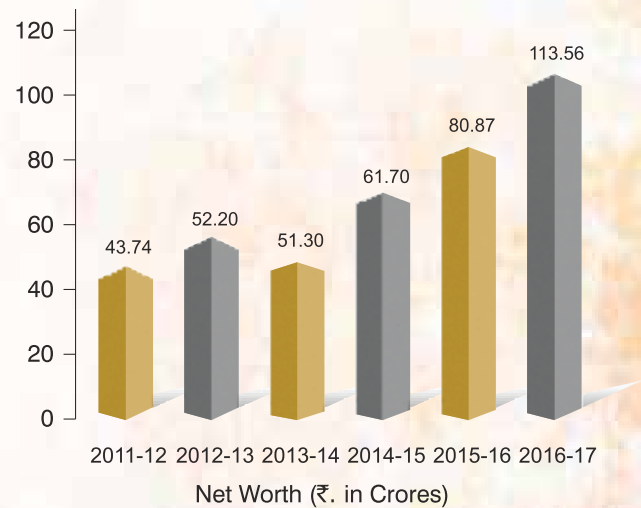
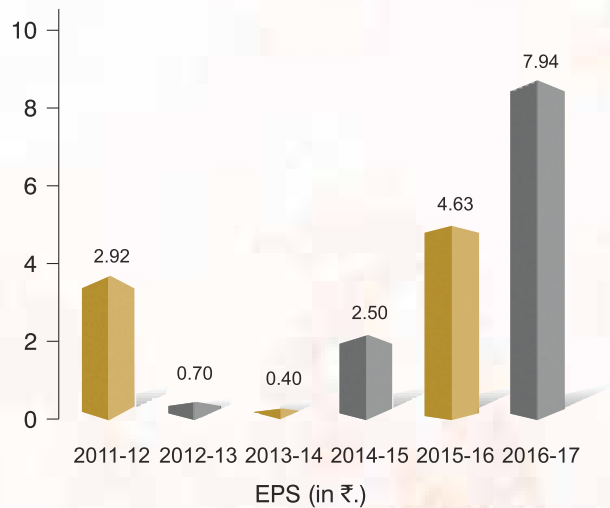
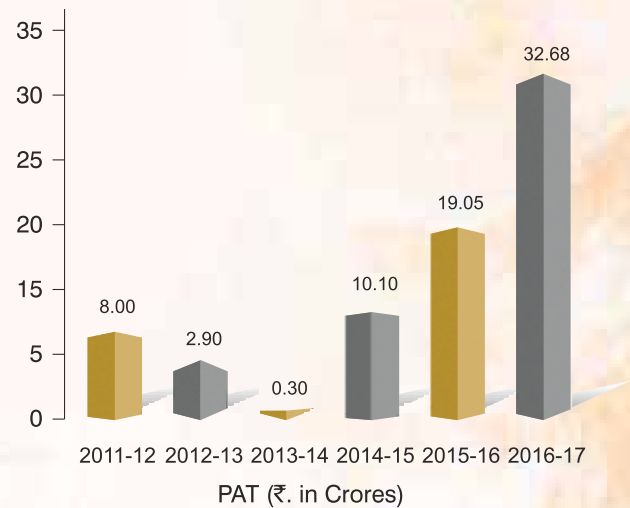
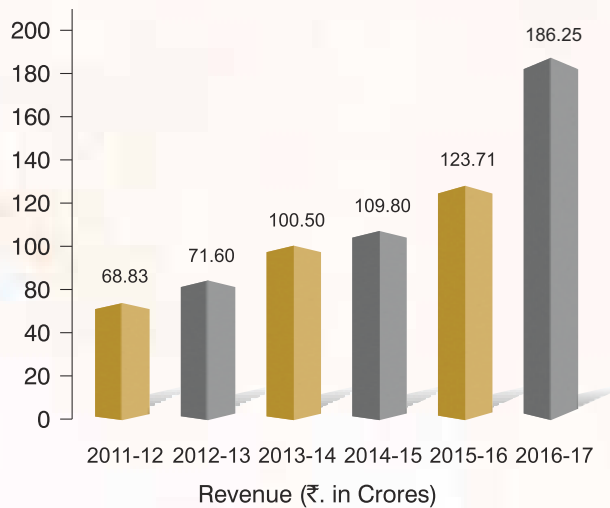
Financial Highlights

Year	Revenue (Rs. In Crores)	PAT (Rs. In Crores)	Net Worth (Rs. In Crores)	EPS (in Rs.)	EBIDTA (Rs. In Crores)	EBIDTA Margin	PAT Margin
2011-12	68.83	8.00	43.74	2.92	16.96	25%	12%
2012-13	71.60	2.90	52.20	0.70	9.70	14%	-4%
2013-14	100.50	0.30	51.30	0.40	20.60	20%	0%
2014-15	109.80	10.10	61.70	2.50	26.60	24%	9%
2015-16	123.71	19.05	80.87	4.63	36.16	29%	15%
2016-17	186.25	32.68	113.56	7.94	64.35	35%	18%

Ashok Chhajer

(Chairman & Managing Director)

“Despite disruptive moves viz. Demonetization, RERA & GST implementation and despite the general depressed market sentiments, Arihant has demonstrated robust performance on all key financial parameters”.



Notes:

1. Increased Revenue by 50% from ₹ 123.71 Cr in FY 2015-16 to ₹ 186.25 Cr in FY 2016-17.
2. Increased EBIDA by 78% from ₹ 36.16 Cr in FY 2015-16 to ₹ 64.35 Cr in FY 2016-17.
3. Increased Net Worth by 40% from ₹ 80.87 Cr in FY 2015-16 to ₹ 113.56 Cr in FY 2016-17.



Chairman's Speech

2016-17 has been a year full of challenges for the Real Estate Industry. These 12 months have proved to be both challenging and exhilarating for Arihant in more ways than one as every challenge presented us with an opportunity to unlearn, learn and grow. Demonetisation announced by the Indian Government played the role of a disruptor, adversely impacting consumer sentiments. Although, the plethora of announcements in Union Budget on Housing Sector did provide much needed respite to the industry while reversing the impact demonetisation.

We weathered all the storms successfully during the year and closed FY17 with a stellar financial performance. The company reported robust growth in revenues as well as margins for FY17. Total revenue was inked at Rs.1862.46 mn as compared to Rs. 1237.13 mn during FY16, reflecting an increase of 50%. EBITDA stood at Rs.643.50 mn, translating into margin of 35% and the Net profit stood at Rs. 359.46 mn for FY17 as compared to Rs.199.19 mn in FY16, a growth of 71%. We sold 527 units equivalent of 467205 sq feet in FY17 with an average realization of Rs. 3,795/- per square feet. Ready inventory of Mar 17 stood at 225 flats. Going forward these ready possession inventories as aided by our aggressive redefined sales strategy shall lead to enhanced cash flows and immediate revenue recognition.

At Arihant, we are actively conscious and aware about debt level and debt profile, keeping it extremely efficient vis-a-vis the pace of construction. Quarterly financial statements of Real Estate Sector seem to be lumpy due to the revenue recognition methodology but it is imperative to state this captures not just one quarter performance but cumulative performance of the several quarters based on the life cycle of each of the projects. Last 4 years were invested in getting a number of projects off the ground and we managed that very well with high degree of consistency.

Those efforts are yielding results which are there for all of you to see. Even as we speak, the momentum continues with greater intensity. The year was a landmark one in terms of the bold moves by the Modi Government such as Demonetisation, Budget, RERA & GST.

Demonetisation

Government's Demonetisation move has been an excellent initiative in building India's future by curtailing the parallel economy. Although the reform did lend a severe blow to businesses across the board due to paucity of cash in the country leading to adverse consumer sentiments in the short term, we believe it has been a step in the right direction for India and will surely prove to be a smart pay-off ultimately. We too were impacted by demonetisation due to overall aversion in the market but we channelized our organisational energy towards investing in a stronger structure through continued construction activity, team building exercises, skill enhancement and training for employees and strengthening the organisation's systems and processes to embrace any future challenges. We also gainfully utilized the time to strategize the post-demonetisation scenario. One of the outcomes was the successful launch of Arihant Anika discussed later.

Union Budget 2017: Housing Policy

Budget 2017 primarily focused on Housing sector in general and "Affordable Housing" in particular, echoing Prime Minister's vision of "Housing for All by 2022". The budget has incentivized both the developer as well as the home buyer through this budget within the gambit of Prime Minister's vision towards 'Affordable Housing'. Further, Housing sector has been granted "Infrastructure" status which is expected to boost the real estate by renewing interest amongst the financial investors, both Domestic as well as Foreign institutions. For developers it will provide an opportunity to access low cost funds while encouraging funding transparency.

An interesting feature in the 2017 Budget has been 'Total exemption from tax for the project under affordable housing'. This is a novel initiative by the Government which will boost growth in affordable housing segment for the next 7 years in turn proving beneficial for the developers catering to this segment in particular. We are confident of Arihant being one of the beneficiaries of this opportunity. Home buyers are being incentivized through attractive Interest subsidy coupled with processing fee exemption which would provide much needed impetus to home buyer sentiments. Change in base year from 1981 to 2001 as well as reduction of holding period from 3 years earlier to 2 years for capital gains will make Real Estate Investment more attractive as an asset class. We are pleased to inform, three of Arihant's projects (Arihant Aanchal, Arihant Aangan & Arihant Akanksha) were selected for Affordable Housing under "Housing for All by 2022" initiative by Gol & CREDAI.

Introduction of RERA Regime:

Real Estate (Regulation and Development) Act, 2016 (RERA) is another path breaking initiative intended to bring in much needed order, transparency and discipline in the Industry's functioning. With introduction of Real Estate Regulator, Industry is expected to witness lot of churn, maturity and consolidation in times to come. Granting Infrastructure status to the Industry will bring recognition, eminence and investor interest towards this sector.

Arihant has been observing the best practices to do business in the real estate sector. Most principles defined under RERA have been in practice at Arihant Group since past decades such as: disciplined utilization of funds for construction, timely completion, uncompromised quality and customer-oriented approach highlighted by our Policy of 'No Transfer charges', 'No Escalation' and 'No lock in period'.

Our philosophy has been: "Ek Sasta Ghar, Kharab Ghar Nahi Ho Sakta".

GST – A Game Changer

Goods & Services Tax (GST) is One-Nation, One-Tax philosophy. This innovative and progressive tax regime will avoid complexity, provide ease & simplicity, better compliance & adherence and wider tax base. This is in line with International tax practice prevalent across the Globe, will facilitate interest of International Investors to Invest in India which shall provide momentum and growth to the Indian Economy.

As GST is set to play the role of a Disruptor, in the short term we expect some challenges as well as resistance amongst the business fraternity. Yet, focusing on the long term benefits to the Indian economy, Arihant is supportive of GST and we welcome this legislation whole-heartedly.

Theme of the Annual Report – Success Stories evolve out of Challenges

The adage 'Change is the only Constant' has never seemed as correct as it is now for the real estate sector in India. We are in the midst of transformation on back of various challenges posed, many sectoral reforms undertaken as well as unfolding of macro events all of which are expected to leave a deep imprint on our industry in the long term.

Although these challenges will lead to short term pain for the industry, the transformational journey has to be embarked upon keeping the long term gains in mind. Arihant too will be a part of this transition and we are confident of withstanding the challenges, successfully translating them into opportunities and emerging successful in this endeavor.

Project Launches

“Arihant Anaika” at Taloja, Mumbai was launched in February, 2017 saw a heightened traction from customers witnessing sale of 89 flats in just 7 days.

Awards

NDTV awarded Arihant as the 'Best developer in affordable category for budget housing in metro cities, 2016'. This reinforces the customer trust and belief in brand “Arihant” – which continues to deliver with stability.

Year 2016-17, posed many challenges but Arihant successfully converted every challenge into an opportunity taking the organization on a sustainable path of steady success. Our strategy is focused towards identifying long term business visibility for the next seven years which would propel the company on an exponential growth path. We express our gratitude to all our stake-holders viz. Board members, customers, employees, vendors, contractors, bankers & shareholders. We look forward to their steady support and thank them for their strong belief in our vision which continues to instill confidence in us.

Lehron se darker nauka paar nahi hoti; koshish karne walon ki kabhi haar nahi hoti!

Best Regards,
Ashok Chhajer
(Chairman & Managing Director)

Business Strenghts

We are not only strong but deep rooted

Contact Information

as on 12th August, 2017

Board of Directors

Mr. Ashok Chhajjer	Chairman & Managing Director
Mr. Nimish Shah	Whole-Time Executive Director
Mr. Dinesh Babel	Independent Director
Mr. Vinayak Nalavde	Independent Director
Mr. Virendra Mital	Independent Director
Mrs. Kamini Shroff	Independent Director
Mrs. Vijayalakshmi R. Iyer	Additional Independent Director
Mr. R. N. Bhardwaj	Additional Independent Director

Chief Financial Officer

Manish Mehta

Company Secretary & Compliance Officer

Naval Singh

Internal Auditors

MPK Associates
Chartered Accountants
201, Yudhisthir, Ganesh Path Lane
Dadar (W), Mumbai - 400 028

Statutory Auditors

Kailash Chand Jain & Co.
Chartered Accountants
Edena, 1st Floor, 97, Maharashi Karve Rd,
Near Income Tax Office, Mumbai - 400 020

Secretarial Auditors

D. A. Kamat & Co.
Company Secretaries
A/308, Royal Sands, Shastri Nagar,
Behind Infinity Mall, Andheri West,
Mumbai - 400 053

Registered Office

302, Persipolis Building,
Plot No. 74, Sector-17, Vashi,
Navi Mumbai – 400 703
CIN: L51900MH1983PLC029643
Tel: 91 22 41113333, Fax: 91 22 27882946
E-mail: investor@asl.net.in Website: www.asl.net.in

Bankers

The Federal Bank Limited
ICICI Bank Limited

Listing

BSE Limited
National Stock Exchange of India Limited

Registrars & Transfer Agent

Adroit Corporate Services Private Limited
19/20, Jaferbhoy Industrial Estate,
1st Floor, Makwana Road, Marol Naka,
Andheri East, Mumbai - 400 059

Corporate Social Responsibility

Arihant's Corporate Social Responsibility (CSR) initiatives believe that Corporates has inherent obligation to the Society at large vis-avis its own corporate Growth. Hence, all its acts are targeted to "Upliftment" & "Empowerment" with primary focus on education and skill development. Environment & Health are also other areas where Arihant do active participation on every available opportunity. Commitment to give back to the society has always been our driving force.



Success Stories Evolved on Challenges

Challenges separate Men from the Boys and creates an environment to push beyond limits, wherein lies the success. As World War II came to an end, there was one country which faced a massive challenge of resurrecting itself from the burdens of the war; Japan. Millions of Japanese had been killed, 40 percent of urban areas and over 600 industrial facilities had been destroyed and Japan had lost a quarter of the country's wealth. With the defeat in World War II, the Japanese economy faced numerous challenges and hurdles.

Unemployment was one of the major problems with the disbanding of Japanese military. This was followed by shortages of food and energy and subsequently high inflation. As the Allied Powers especially Americans occupied Japan, Japanese were forced to accept economic demilitarization.

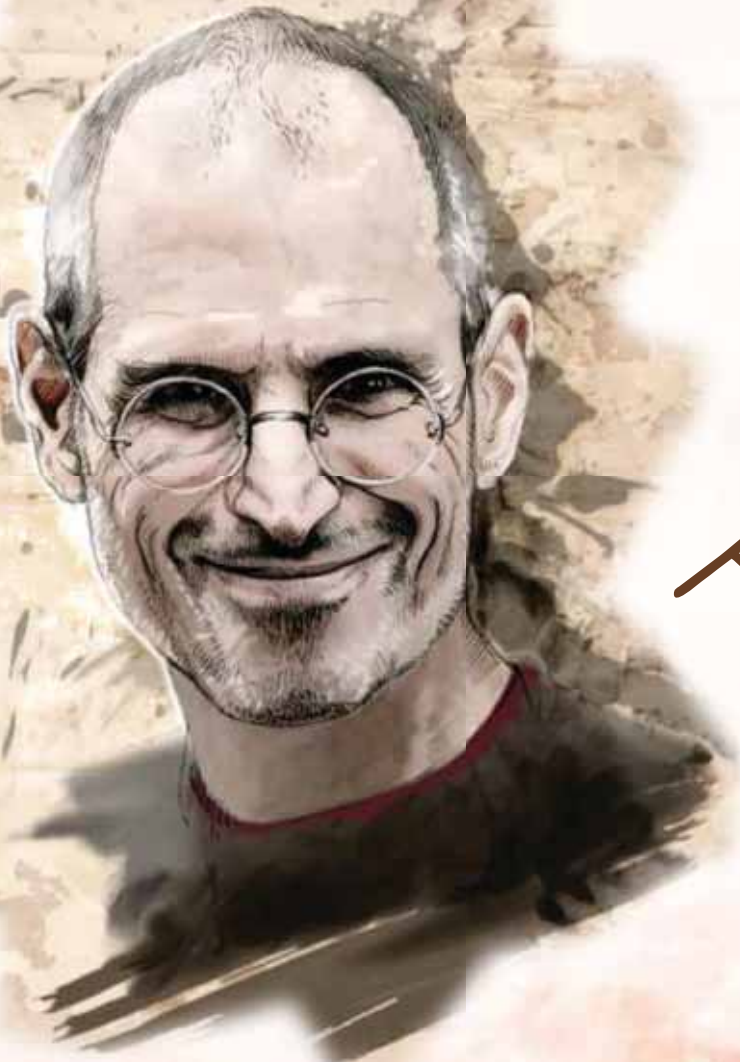
Complete demilitarisation was utilised by the Japanese to democratize Japan as well as to channelize manpower, economic surplus and resources towards 'Nation Building'. Military personnel and people employed by the military provided Japan with one of the most disciplined workforces ever created. The high literacy rate boosted labour productivity and competitiveness of the Japanese economy. Japan saw an opportunity in US occupation of Japan. Japan metamorphosed into a key ally of USA allowing the country preferential access to global markets. Despite all the challenges, Japanese sought an opportunity in adversity. Japan stunned the world with the country's resolve and determination to convert every challenge into opportunity. The world witnessed Japan's vertical economic growth from 1950 till early 1970s.



Coming to the world of business, Apple Inc is considered one of the most successful innovators with a market capitalisation greater than the GDP of many countries. Yet it is hard to believe that there was a time not so long ago in history when Apple Inc faced bankruptcy in 1997. While the tech industry was riding on an all-time high, Apple was struggling with annual losses of over USD 1bn. The board members were trying to sell the company but there were no takers. Apple was struggling with challenges both internal and external.

That is when Apple founder Steve Jobs returned to the company and challenged every challenges the company faced. He redirected the company's efforts and channelized the company's products to depict a simple word - "Simplicity" which looked too basic to bother about but it is this word that changed the parlance for what Apple means to the world today. Apple put its Consumers First and the entire company thought like a Consumer rather than like an Engineer.

It focussed on the end consumer's needs and focussed on an end product so simple and easy to use that it owned the consumer's loyalty towards the brand. Jobs' singular focus on design and innovation led him and Apple to play 'Disruptor' in the industry. Apple did not compete for a share of the old pie. It created new market opportunities by introducing path breaking innovative technology.



A New Chapter Begins.....

steven jobs

Real Estate in India is currently facing similar challenging times. The Indian Real Estate sector which remained unaffected even during global recession, has been staring at a slowdown in the last four years. Various reports and analysis carried out on the Indian real estate market concluded that there was a steep fall in the residential demand and launches although rental and capital value have largely remained stable. India is the second most populated country in the world with a population strength of 1.28 bn people and one of the fastest growing economies in the world, faces a shortage of 60 mn homes which is expected to rise to 110 mn homes in the next 7 years as per the KPMG report 'Decoding Housing for all by 2022'. How then are we suggesting that the sector is facing challenging times especially when such a huge opportunity is staring at us? Why does this sector figure in the Non-Performing Assets of lenders? Answer probably lies in the demand/supply mis-match both product-wise as well as geographically.

It is indeed a perplexing situation where high demand and high unsold inventories co-exist. The irony of the whole housing situation in India is, the supply is high, yet there is a housing shortage; the latent demand is high yet there are high unsold inventories. The Real Estate Market is experiencing a unique challenge of mis-match between the products



RERA

GST

which the customer is demanding and those which developers are offering. India has the fourth-largest population of millionaires with around 236,000 individuals who fall firmly in the high net worth category. Yet high proportion of unsold luxury inventory hints at an oversupply. With no capital appreciation and low rental yields, this segment stopped attracting investors. Most of the struggling projects fall in the Luxury Segment or those which are priced above the market since investor demand has been waning since last few years. Whereas the real end user demand is in the affordable space where buyers continue to be discerning and unwilling to settle for a cheap product.

As India moves towards greater economic growth, employment opportunities are expected to improve manifold in tier I and tier II cities. This will further gain impetus because of Government's initiative to create Smart Cities. The country is already witnessing large scale migration from rural to urban which is expected to compound over the years. Also, with greater economic growth comes improvement in lifestyle and socio-cultural changes. Increasing aspirational lifestyle needs by young professionals as well as high proportion of nuclear families are fuelling demand for housing. These customers will look for affordable housing to address their needs. As a result, the demand for Affordable Housing is set to increase exponentially.

With a requirement of 110 million houses by 2022 across India, urban housing requirements is expected to be 85-90 percent of the total investments. Affordable housing which makes up 70 percent of projected total urban housing needs will witness immense focus from the government as well as buyers. As per KPMG report on 'Housing for All by 2022' a total investment of over USD3.5 trillion may be required for urban housing and supporting infrastructure. ICRA in a recent report states that Affordable Housing is set to grow at a much faster pace than rest of the real estate industry. To boost affordable housing in India, the government has announced various measures which are expected to incentivise the developers catering to this segment. Government has provided 39 percent higher allocation for affordable housing under the Pradhan Mantri Awaas Yojana vis-a-vis FY2016-17. It has also granted Infrastructure status to affordable housing. This will ease financial credit available to developers. Government has also extended Credit linked subsidy scheme for loans. A humungous opportunity awaits the real estate players in the affordable housing segment in the coming decade in India which would require the players to improve their efficiency and productivity. This is where the challenge lies. A large part of these woes are also due to the inability of the players to adapt to transparent and effective business model as discussed in our Annual Report of FY2015 titled "Factory of Homes".

Although the developers are more inclined towards developing projects in the affordable housing space, it requires a change in the developer's psyche to gravitate from the inventory laden premium/luxury space to the high demand affordable space. Most of the luxury developers are not able to meet this requirement. The developer needs to adopt a lean style of operations to minimise costs and maximise margins. Developers already accustomed to acquiring land at a high cost and selling premium properties developed on such land need to learn the skill of acquiring land at reasonable prices as land costs in urban pockets hold the key to the developer's pricing strategy. Also, within the Affordable Housing space, efficient utilisation of resources and time management i.e. turnaround time for each project will be crucial for developer. Those days of constructing structures, holding on to unsold inventories and seeking profits on back of appreciation in property prices is proving to be a difficult. Thus only the developers who can combine cost effectiveness with product quality are expected to survive.

Financial Year 2016-17 witnessed host of reforms which directly impacted the real estate sector in India. These reforms brought with them lots of challenges for the sector as these reforms coupled with the existing issues attacked the entire style of operations and business models of many in the real estate industry.

Demonetisation

November 2016 heralded a new era for the Indian economy. As our Prime Minister highlighted his resolve to fight the menace of black money, the short-term impact of demonetisation was felt by all the citizens. However, this move significantly reduced liquidity in the market in the short term impacting consumer sentiments adversely as many buyers delayed their home purchase. As Indian Real Estate is highly unorganised, demonetisation led to a delay or stalling of projects as a major portion of real estate deals were still carried out through parallel economy. Although this has posed a challenge to the current workings in the real estate sector, it has been a step in the right direction as the sector will move towards greater financial transparency. Parallel economy will be ejected out as the industry gravitates towards all transactions being routed through the banking system.

Demonetisation has begun bearing fruit already as many banks have cut home loan rates to 8.25-9.00%, i.e. the lowest level in the last eight years. The government has also announced an interest subsidy of 3-4% for first-time affordable housing homebuyers in 2017. Many economists are predicting that rate cuts by the Reserve Bank of India would further reduce home loan rates and entice the buyer back into the residential market. In the long run, the demonetisation exercise will prove to be a watershed moment for the real estate sector to get its act together.

RERA

While Indian real estate has grown rapidly supported by India's rapid economic development, the sector has regrettably been unregulated resulting in lack of consumer protection and safeguard against unscrupulous developers, absence of professionalism and negligible standardisation all leading to the industry earning a questionable reputation over the years on back of few rotten apples. With a view to empower the home buyer and with an emphasis on encouraging transparency and professionalism in the Indian Real Estate sector, the Government approved Real Estate Regulation



and Development Act (RERA) in 2016. This act is focussed towards protecting the interests of consumers and promoting the growth of real estate sector through institutional infrastructure aimed at building trust and credibility between the buyer and the developer through efficient and time bound execution of projects.

Implementation of RERA brought with it fair share of challenges for the sector. RERA has led to certain amount of ambiguity and confusion. As RERA requires various applications to be filled online, many developers will have to strengthen their IT systems and processes and train the employees for undertaking these tasks. RERA requires all projects to be registered with the authority which will slow down the supply as developers commence compliance with the specifics in the Act. In the short term, certain non-compliant projects could get stalled and announcement of newer projects could be delayed. RERA will bring clarity and transparency to the real estate sector in India.

Higher compliance requirements will usher in greater use of IT and will strengthen the systems and processes adopted by the developers. This in turn will result in efficient and optimal utilisation of resources both financial as well as operational. It will also attract greater foreign investor interest. Although it has posed a challenge to the industry, in the long run, RERA will prove to be a reform which transforms the industry towards greater trust, reputation and professionalism. Introduction of RERA will also consolidate the sector as many smaller developers unable to improve their style of functioning and unable to introduce and improve their systems, processes and efficiencies will cease to exist. Only those developers who will retain the trust of the buyers will survive leading to a cleaner and healthier real estate industry in India.



GST

The country had been awaiting the GST legislation for more than a decade. India has long been a land of multiple taxations across states and centre. GST will simplify taxation for all businesses. “One Nation, One Market, One Tax” principle of GST will transform India by subsuming a host of indirect taxes and implementing a simpler tax on goods and services. Although prior to its implementation, GST brought with it a fair share of confusion and doubts in the minds of both the Buyer and the Developer, post implementation as clarity emerged, it is now seen as a game changer for both the Home Buyer as well as the Home Developer.

Developers are entitled to input credits on materials used for construction. Further, the cumbersome process of filing various taxes has been greatly reduced. Also, GST has reduced the Logistics expenses which will positively impact the costs involved on constructing the property. This would not only increase the profit margin for developers it will also result in improved efficiency and productivity. Here the affordable housing developer is in an advantageous position vis-à-vis luxury developers as the tax paid on sale of luxury house will be much more than the input credits available, nullifying the benefits accrued from GST. Wherein, for affordable housing, the developer will be able to pass on sizeable benefits of GST to the consumer.

Arihant: Front-runner in India's Affordable homes growth story

Arihant believes every cloud has a silver lining. Although 2016-17 has been a year of assessment for the entire industry with many players falling by the way side due to poor corporate governance practices and processes, Arihant has entrenched itself firmly in the ever-expanding opportunity basket of 'Affordable Homes'. Brand 'Arihant' overrides the concerns of selling cheap houses with offerings of homes of superior quality. Every home offering from Arihant's stable stands by the company's philosophy: “Ek Sasta Ghar, Kharab Ghar Nahi Ho Sakta”.

RERA has enforced many 'Buyer Friendly' regulations which going ahead will compel the industry to get its act together to build trust in the buyer's mind. At Arihant, home buyer's trust has always been of utmost importance. RERA has only underscored what Arihant has been practicing diligently since years. Brand Arihant has been built over decades of customer trust supported by pillars of customer centric approach, timely completion of projects, superior quality at affordable prices and disciplined utilisation of resources. It is precisely these foundations which helped Arihant tide over the short-term uncertainty and chaos that prevailed as an aftermath of Demonetisation.

Arihant has always focussed on prudent financial management on back of stringent assessment and disciplined cost supervision. Although the real estate industry is plagued by funding through parallel economy channels, Arihant has always steered clear of any transactions which are not channelized through the banking system. This practice benefited Arihant during demonetisation which temporarily paralysed many consumer centric businesses majorly operating through parallel economy.

As the demonetisation drive cleans the malice of parallel economy funding in real estate sector, many unscrupulous developers would exit the industry creating opportunity for compliant builders.

The recent reform of GST too has been easily adapted by Arihant on back of its commitment to strong systems and processes as well as corporate practices which have been in place since many years within the organisation.

While GST would benefit home prices on back of benefits passed on the home buyer resulting in comparatively cheaper homes, the favourable impact of this would be greater in the Affordable Homes category contrary to Luxury Homes category which would get expensive. As Arihant caters mostly to Affordable Homes category, GST would prove beneficial in generating buyers' interest.

A professional and dedicated workforce aided by robust operational and financial management has only added to Arihant's strength which has allowed the organisation to mould, adapt and metamorphose itself in the face of any challenge posed to it. Arihant's strong resolve towards proving affordable homes backed by customer's trust as well as determination to see an opportunity in every challenge has led the organisation to achieve new heights of success each year.



ARIHANT AMODINI

KHARGHAR EXTENTION - TALOJA



ARIHANT CLAN AALISHAN

KHARGHAR ANNEXE, NAVI MUMBAI



ARIHANT ANSHULA

NEAR TALOJA PHASE-II, NAVI MUMBAI



ARIHANT ARSHIYA

NEAR KHALAPUR TOLL NAKA, KHAPOLI



ARIHANT ANMOL

BADLAPUR - EAST



ARIHANT AAROHI

KALYAN - SHIL ROAD



ARIHANT AKANKSHA

PALASPE - PANVEL (MUMBAI - GOA ROAD)



ARIHANT AMISHA

TALOJA – NEAR PANVEL



ARIHANT ALOKI

OPPOSITE KARJAT RAILWAY STATION



ARIHANT ANAIKA

NEAR TALOJA PHASE-II, NAVI MUMBAI



ARIHANT ADITA

NEAR DPS CIRCLE, PAL - GANGANA ROAD, JODHPUR



ARIHANT AYATI

DEVNAGAR - PAL LINK ROAD, JODHPUR



ARIHANT ANCHAL

DALI BAI CIRCLE, NEAR JAISALMER BYPASS HIGHWAY, JODHPUR



NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Thirty Fourth Annual General Meeting of Arihant Superstructures Limited ('the Company') will be held at 12:00 Noon on Saturday, 30th September, 2017 at Hotel, The Regenza by Tunga, Plot No. 37, Sector 30A, Vashi, Navi Mumbai – 400 703 to transact the following business:

ORDINARY BUSINESS:

Item No. 1: Adoption of Financial Statements:

To receive, consider and adopt the Audited Financial Statements (Stand-alone and Consolidated) of the Company for the Financial Year ended 31st March, 2017, and the Reports of Directors ('the Board') and Auditors thereon.

Item No. 2: Declaration of Dividend:

To declare a Final Dividend of ₹ 1.00/- per Equity Share for the Financial Year ended 31st March, 2017.

Item No. 3: Retirement by Rotation:

To appoint a Director in place of Mr. Nimish Shah (DIN: 03036904), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.

Item No. 4: Ratification for Appointment of Auditors:

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of M/s. Kailash Chand Jain & Co, Chartered Accountants, Mumbai (Firm Registration No. 112318W), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Thirty Fifth Annual General Meeting of the Company to be held in the Year 2018 to examine and Audit the Accounts of the Company at such Remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

Item No. 5: Appointment of Mrs. Vijayalakshmi R. Iyer (DIN: 05242960) as an Independent Woman Director of the Company:

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT**, pursuant to the provisions of Section 149, 150, 152, read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Vijayalakshmi R. Iyer (DIN: 05242960), who was appointed as an Additional Independent Woman Director of the Company with effect from 12th August, 2017 under Section 161 of the Companies Act, 2013, and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, and who qualifies for being appointed as an Independent Woman Director and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Independent Woman Director, and being so eligible, be appointed as an Independent Woman Director to hold office for a term of 5 (Five) consecutive Years commencing from 12th August, 2017 till 11th August, 2022.”

Item No. 6: Appointment of Mr. Raj Narain Bhardwaj (DIN: 01571764) as an Independent Director of the Company:

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT**, pursuant to the provisions of Section 149, 150, 152, read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Raj Narain Bhardwaj (DIN: 01571764), who was appointed as an Additional Independent Director of the Company with effect from 12th August, 2017 under Section 161 of the Companies Act, 2013, and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member

under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director, and being so eligible, be appointed as an Independent Director to hold office for a term of 5 (Five) consecutive years commencing from 12th August, 2017 till 11th August, 2022.”

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

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

**Place: Navi Mumbai
Date: August 12, 2017**

Registered Office:
302, Persipolis Building,
Plot No. 74, Sector-17, Vashi,
Navi Mumbai – 400 703
CIN: L51900MH1983PLC029643
Tel: 91 22 41113333 Fax: 91 22 27882946
E-mail: investor@asl.net.in Website: www.asl.net.in

NOTES:

1. The Explanatory Statement in pursuance to the provisions of Section 102 of the Companies Act, 2013, towards the Special Business proposed to be undertaken in the Annual General Meeting is attached to this Notice.
2. In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Secretarial Standard on General Meetings, the details and information of all Directors seeking appointment/ re-appointment is attached to this Notice.
3. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member of the Company. The instrument appointing the Proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the Annual General Meeting. Proxies submitted on behalf of Limited Companies, Body Corporates, etc., must be supported by appropriate resolutions / authority, as applicable. A person can act as Proxy on behalf of Members not exceeding Fifty (50) and holding in the aggregate not more than 10% of the total Share Capital of the Company. In case a Proxy is proposed to be appointed by a Member holding more than 10% of the total Share Capital of the Company carrying voting rights, then such Proxy shall not act as a Proxy for any other person or Shareholder.
4. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is Adroit Corporate Services Pvt. Ltd. (hereinafter referred to as "Company's Registrar and Transfer Agent") 19, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (East), Mumbai – 400 059.
5. The Register of Members and Share Transfer Books ("hereinafter referred to as Book Closure") of the Company will be closed, from Saturday, 23rd September 2017 to Saturday 30th September, 2017 (both days inclusive) for Annual General Meeting and for determining the names of the Members eligible for Dividend on Equity Shares, if declared in the Annual General Meeting.
6. Members, Proxies and Authorized Representatives are requested to bring to the Meeting, the attendance slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
7. If the Final Dividend, as recommended by the Board of Directors, is approved at the Annual General Meeting, payment of such Dividend will be made on or after 30th September, 2017 to those persons or their mandates as under:
 - I. Whose names appear as the Beneficial Owners in respect of Shares held in Dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as on the closure of business hours of 22nd September, 2017 (i.e. being last trading day before Book Closure) in respect of the Shares held in electronic mode; and;

- II. To all Members in respect of Shares held in Physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company or Company's Registrar and Transfer Agent as on the closure of business hours of 22nd September, 2017 (i.e. being last trading day before Book Closure).
8. Members holding Shares in Dematerialized form are requested to intimate all changes pertaining to their Bank details such as Bank account number, name of the Bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agent, to provide efficient and better services. Members holding Shares in Physical form are requested to intimate such changes to Company's Registrars and Transfer Agent.
- The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding Shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding Shares in Physical form can submit their PAN details to Company's Registrar and Transfer Agent.
9. Members holding Shares in Physical form are requested to consider converting their holdings to Dematerialized form to eliminate all risks associated with Physical Shares and for ease of Portfolio Management. Members can contact the Company or Company's Registrars and Transfer Agent for assistance in this regard.
10. Members holding Shares in Physical form, in identical order of names, in more than one folio are requested to send to the Company or Company's Registrars and Transfer Agent the details of such folios together with the Share Certificates for consolidating their holdings in one folio. A consolidated Share Certificate will be issued to such Members after making requisite changes.
11. In case of joint holders attending the Annual General Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
12. Members seeking any information with regard to the accounts are requested to write to the Company at an early date (i.e. not later than 7 days before Annual General Meeting), so as to enable the Management to keep the information ready at the Annual General Meeting.
13. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays and Sundays, between 11:00 a.m. to 1:00 p.m. upto the date of the Annual General Meeting.
14. As per the provisions of Section 72 of the Companies Act, 2013 the facility for making Nomination is available for the Members in respect of the Shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.asl.net.in (under 'Investors' Relation Section). Members holding Shares in Physical form may submit the same to Company's Registrars and Transfer Agent. Members holding Shares in electronic form may submit the same to their respective Depository Participant.
15. Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund (IEPF):

Pursuant to Sections 123, 124 and 125 of the Companies Act, 2013 and other applicable provisions, if any, of the Act, all unclaimed / unpaid Dividend, Application money, Debenture interest and interest on Deposits as well as the principal amount of Debentures and Deposits, as applicable, remaining unclaimed / unpaid for a period of Seven Years from the date they became due for payment, in relation to the Company, Arihant Superstructures Ltd. have been transferred to the IEPF established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred prior to March 31, 2017, nor shall any payment be made in respect of such claims. Members who have not yet encashed their Dividend Warrant(s) pertaining to the Final Dividend for the Financial Year 2009-10 and onwards are requested to make their claims without any delay to Company's Registrars and Transfer Agent. Pursuant to the provisions of IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company under the 'Investors' Relation Section as also on website of the Ministry of Corporate Affairs.

An amount of ₹ 6,725/- being unclaimed/ unpaid Dividend for the Financial Year 2008-09 was transferred to IEPF in September 2016.

The following table gives information relating to outstanding Dividend accounts and the dates by which they can be claimed by the Shareholders:

Financial Year	Date of declaration of Dividend	Last Date for claiming unpaid/unclaimed Dividend
2009-10	September 17, 2010	September 16, 2017
2010-11	August 03, 2011	August 02, 2018
2011-12	September 22, 2012	September 21, 2019
2012-13	September 26, 2013	September 25, 2020
2013-14	September 25, 2014	September 24, 2021
2014-15	September 25, 2015	September 24, 2022
2015-16	September 20, 2016	September 19, 2023

Further, pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the IEPF Rules, all Shares on which the Dividend has not been paid or claimed for Seven Consecutive Years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs, in due course. In accordance with the IEPF Rules, the Company has also sent notice to all the Shareholders whose Shares are due to be transferred to the IEPF Authority and has also published Newspaper Advertisement in this regard. The Shareholders whose Dividend/Shares is/will be transferred to the IEPF Authority can claim the same from the IEPF Authority by following the procedure as detailed on the website of the IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.

16. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.
17. The Notice of the Annual General Meeting along with the Annual Report for the Financial Year 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company's Registrars and Transfer Agent / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report for the Financial Year 2016-17 will also be available on the Company's website viz. www.asl.net.in
18. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with Depository Participant's / Company's Registrars and Transfer Agent. Through sending an email at info@adroitcorporate.com, the registered e-mail address will be used for sending future communications.
19. The route map showing directions to reach the venue of the Thirty Fourth Annual General Meeting is annexed at the end as the part of the Annual Report.
20. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
21. Members/ Proxies/ Representatives are requested to bring filled in attendance slip enclosed in the Annual Report for attending the Annual General Meeting.
- 22. Remote e-Voting Instructions for Annual General Meeting:**
 - i. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the Annual General Meeting.
 - ii. The Board of Directors has appointed CS Rachana Shanbhag, (Membership No. F8227), M/s. RHS & Associates, Practicing Company Secretaries, Mumbai as the Scrutinizers to scrutinize the voting at the Annual General Meeting and remote e-voting.
 - iii. The facility for voting, through polling paper shall also be made available at the Annual General Meeting and the Members attending the Annual General Meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the Annual General Meeting through polling paper.
 - iv. The Members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
 - v. Members can opt for only one mode of voting i.e. either by polling paper at the Annual General Meeting or remote e-voting. In case Members cast their vote s through both modes, voting done by e-voting shall prevail and votes cast through polling paper shall be treated as invalid.

The instructions for e-voting are as under:

- A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company / Depositories):
- i. Open the e-mail and also open PDF file, namely, “ASL e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your User ID and password/PIN for e-voting. Please note that the password is an initial password.
 - ii. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
 - iii. Click on Shareholder – Login.
 - iv. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.
 - v. If you are logging in for the first time, please enter the User ID and password provided in the PDF file attached with the e-mail as initial password. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
 - vi. Once the e-voting home page opens, click on e-Voting> Active Voting Cycles.
 - vii. Select “EVEN” (E-voting Event Number) of Arihant Superstructures Limited, Now you are ready for e-voting as ‘Cast Vote’ page opens.
 - viii. Cast your vote by selecting the appropriate option and click on “Submit” and also “Confirm” when prompted.
 - ix. Upon confirmation, the message “Vote cast successfully” will be displayed.
 - x. Once the vote on a resolution is cast, the Member shall not be allowed to change it subsequently.
 - xi. Institutional Shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution and / or Authority letter, etc., together with attested specimen signature of the duly Authorized Signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to rhsassociates1@gmail.com, with a copy marked to evoting@nsdl.co.in.
 - xii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) and e-voting user manual for Shareholders available at the downloads section of www.evoting.nsdl.com or call on toll free no: 1800-222-990.
- B. In case a Member receives physical copy of the Notice of the Annual General Meeting (for Members whose e-mail addresses are not registered with the Company’s Registrars and Transfer Agent / Depositories):
- I. Initial password is provided in the enclosed attendance slip: EVEN (E-voting Event Number) + USER ID and PASSWORD
 - II. Please follow all steps from Sl. No. 22. A (i) to (xii) above, to cast vote.
- C. Other Instructions
- i. The e-voting period commences on Wednesday, 27th September, 2017 (9:00 a.m. IST) and ends on Friday, 29th September 2017 (5:00 p.m. IST). During this period, Members holding Shares either in Physical form or in Dematerialized form, as on the cut-off date i.e. 23rd September, 2017, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
 - ii. The voting rights of Members shall be in proportion to their Shares in the Paid up Equity Share Capital of the Company as on the cut-off date i.e. 23rd September, 2017. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, as well as voting at the Meeting through polling paper.
 - iii. Any person, who acquires Shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding Shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting vote. If you forget your password, you can reset your password by using “Forgot User Details / Password” option available on www.evoting.nsdl.com.
 - iv. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses who is not in the employment of the Company and make, not later than three days of conclusion of the Meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the result of the voting forthwith.

- v. The result declared along with the Scrutinizer's Report shall be placed on the Company's website viz. www.asl.net.in and on the website of NSDL viz. www.evoting.nsdl.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited, Mumbai where the Shares of the Company are listed.

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

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

**Place: Navi Mumbai
Date: August 12, 2017**

Registered Office:
302, Persipolis Building,
Plot No. 74, Sector-17, Vashi,
Navi Mumbai – 400 703
CIN: L51900MH1983PLC029643
Tel: 91 22 41113333 Fax: 91 22 27882946
E-mail: investor@asl.net.in Website: www.asl.net.in

EXPLANATORY STATEMENT TO THE ANNUAL GENERAL MEETING NOTICE

ITEM NO. 5

The Board of Directors on the recommendation of the Nomination and Remuneration Committee had appointed Mrs. Vijaylakshmi R. Iyer (DIN: 05242960) as an Additional Independent Woman Director on the Board of Directors of the Company in their Meeting held on 12th August 2017. In terms of the provisions of Section 161 of the Companies Act, 2013, her tenure as an Additional Independent Woman Director expires at the 34th Annual General Meeting. The Company has received a Notice U/s 160 of the Companies Act, 2013, along with the necessary deposit proposing the appointment of Mrs. Vijaylakshmi R. Iyer as an Independent Woman Director on the Board for a period of 5 consecutive Years from 12th August, 2017 till 11th August, 2022. In terms of the provisions of Section 152 of the Companies Act, 2013, the Independent Director shall not be liable to retirement by rotation.

Mrs. Vijaylakshmi R. Iyer has provided her declaration of Independence under Section 149(7) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has also declared that she is eligible and not disqualified to be appointed as an Independent Woman Director on the Board of Directors of the Company. Considering her vast experience, her background in Banking and Finance and her qualifications, the Board of Directors is of the opinion that the appointment of Mrs. Vijaylakshmi R. Iyer as an Independent Woman Director and her contributions and guidance will greatly benefit the Company.

The said appointment is in line with the Nomination and Remuneration Policy of the Company.

The brief profile of Mrs. Vijaylakshmi R. Iyer along with the other disclosures required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards is attached as a Note to this Explanatory Statement. Members are requested to please refer to the same.

The Board of Directors recommends the appointment of Mrs. Vijaylakshmi R. Iyer as an Independent Woman Director for a period of 5 consecutive Years from 12th August, 2017 till 11th August, 2022.

None of the Directors, Key Managerial Personnel's or their relatives are deemed to be interested in this Resolution, except Mrs. Vijaylakshmi R. Iyer.

Item No. 6

The Board of Directors on the recommendation of the Nomination and Remuneration Committee appointed Mr. Raj Narain Bhardwaj (DIN: 01571764) as an Additional Independent Director on the Board of Directors of the Company in their Meeting held on 12th August, 2017. In terms of the provisions of Section 161 of the Companies Act, 2013, his tenure as an Additional Independent Director expires at the 34th Annual General Meeting. The Company has received a Notice U/s 160 of the Companies Act, 2013, along with the necessary deposit proposing the appointment of Mr. Raj Narain Bhardwaj as an Independent Director

on the Board for a period of 5 consecutive Years from 12th August, 2017 till 11th August, 2022. In terms of the provisions of Section 152 of the Companies Act, 2013, the Independent Director shall not be liable to retirement by rotation.

Mr. Raj Narain Bhardwaj has provided his declaration of Independence under Section 149(7) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has also declared that he is eligible and not disqualified to be appointed as an Independent Director on the Board of Directors of the Company. Considering his vast experience, his background in Capital Markets and Insurance and his qualifications, the Board of Directors is of the opinion that the appointment of Mr. Raj Narain Bhardwaj as an Independent Director and his contributions and guidance will greatly benefit the Company.

The said appointment is in line with the Nomination and Remuneration Policy of the Company.

The brief profile of Mr. Raj Narain Bhardwaj along with the other disclosures required under SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Secretarial Standards is attached as a Note to this Explanatory Statement. Members are requested to please refer to the same.

The Board of Directors recommends the appointment of Mr. Raj Narain Bhardwaj as an Independent Director for a period of 5 consecutive years from 12th August, 2017 till 11th August, 2022.

None of the Directors, Key Managerial Personnel's or their relatives are deemed to be interested in this Resolution, except Mr. Raj Narain Bhardwaj.

This information forms a part of the Notice and Explanatory Statement for the 34th Annual General Meeting:

Additional Information on the Directors seeking Appointment/ Re-appointment on the Board of Directors at the 34th Annual General Meeting under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2:

Name of the Director	Mr. Nimish Shah (DIN: 03036904)	Mrs. Vijayalakshmi R. Iyer (DIN: 05242960)	Mr. Raj Narain Bhardwaj (DIN: 01571764)
Age	43	62	72
Qualification	Mr. Shah is a B. E. (Civil) from University of Bombay.	Mrs. Iyer Graduated from M.L. Dahanukar College of Commerce and did her post Graduation from Sydenham College of Commerce, Mumbai. She is also a fellowship of CAIIB of Indian Institute of Banking and Finance.	Mr. Bhardwaj did his Graduation in B.A. (Hons.), and Post Graduation in M.A. (Economics) from Delhi School of Economics, affiliated to University of Delhi. Mr. Bhardwaj also did DIR & PM from Punjabi University, Patiala.
Brief Profile of the Director	Having more than 17 years of experience in construction and related activities. He is actively involved in all the activities of engineering includes detailed Planning and Execution, Project Estimations, Infrastructure and Site organization of the projects. He was Involved in several turnkey projects of Water supply and Sewerage Scheme for Govt. of Maharashtra and successfully commissioned them.	Mrs. Iyer is the Former Chairperson & Managing Director of Bank of India with nearly four decades of service and contribution to the Indian Financial Sector. In her assignment as Member (Finance & Investment) of IRDAI, Mrs. Iyer has contributed in redefining the regulations issues related to the Financial Stability Board (FSB), Financial Stability Development Council (FSDC), RBI, SEBI and other National / International Agencies are significant.	Mr. Bhardwaj is the Former Chairman & Managing Director of LIC of India. He is also former Member of Securities Appellate Tribunal, Government of India and Ministry of Finance. He has served as Executive Director (Investments) and Chief (Investments) in LIC of India between May 2000 to November 2002. Mr. Bhardwaj was nominated as Member of the Committee appointed by the Government of India in 2001 to study Investment Management and held discussions with Fund Managers in Europe and USA.
Date of First Appointment in current designation	13 th April, 2015	12 th August, 2017	12 th August, 2017
Shareholding in the Company	Nil	Nil	Nil

Name of the Director	Mr. Nimish Shah (DIN: 03036904)	Mrs. Vijayalakshmi R. Iyer (DIN: 05242960)	Mr. Raj Narain Bhardwaj (DIN: 01571764)
Inter-se relationship between - Directors - Key Managerial Personnel's	None of the Directors or Key Managerial Personnel's are related between themselves.		
No. of Board Meetings attended during the FY 16-17	3	NA	NA
Details of Remuneration last approved	Rupees Fifty Lakhs p.a. (As approved by Shareholders through Postal Ballot Result dated 12.08.2017)	NA	NA

Directorship & Committee Memberships held in other Companies:

1. Mr. Nimish Shah: Nil

2. Mrs. Vijayalakshmi R. Iyer:

Sr. No.	Directorships in Other Companies	Membership in Committees
1	SRT Ascendancy Solutions Private Limited	NA
2	Aditya Birla Capital Limited	NA
3	JRG Fincorp Limited	NA
4	Jammu and Kashmir Bank Limited	NA

3. Mr. Raj Narain Bhardwaj:

Sr. No.	Directorships in Other Companies	Membership in Committees
1	Jaiprakash Associates Limited	Audit Committee
2	Jaiprakash Power Ventures Limited	Audit Committee
3	Reliance Communications Limited	<ul style="list-style-type: none"> • Audit Committee • Corporate Social Responsibility Committee • Nomination and Remuneration Committee • Stakeholder Relationship Committee
4	Sastasundar Ventures Limited	<ul style="list-style-type: none"> • Audit Committee • Nomination and Remuneration Committee • Stakeholder Relationship Committee
5	Invesco Trustee Private Limited	NA
6	Milestone Capital Advisors Limited	NA
7	Reliance Infratel Limited	
8	Landmark Capital Advisors Private Limited	NA
9	IL&FS Milestone Realty Advisors Private Limited	NA
10	Invent Assets Securitisation and reconstruction Private Limited	NA
11	IBOF Investment Management Private Limited	NA
12	SBI Life Insurance Company Limited	NA

None of the Directors, Key Managerial Personnel's or their relatives except Mr. Nimish Shah, Mrs. Vijayalakshmi R. Iyer and Mr. Raj Narayan Bhardwaj are deemed to be interested in their respective Resolutions.

DIRECTORS' REPORT

To the Members,

The Directors are pleased to submit the Annual Report of your Company; Arihant Superstructures Limited (the "Company" or "ASL") along with the Audited Financial Statements for the Financial Year (FY) ended March 31, 2017. Consolidated Performance of the Company and its Subsidiaries has been referred to wherever required.

1. Financial Performance:

The Financial Performance of the Company, for the Financial Year ended 31st March, 2017 is summarized below:

(in ₹)

Particulars	Financial Year ended 31 st March, 2017		Financial Year ended 31 st March, 2016 *	
	Consolidated	Standalone	Consolidated	Standalone
Sales and Other Income	1,862,462,254	1,312,287,585	1,237,137,461	875,476,611
Profit before Interest, Depreciation & Tax	643,503,338	484,504,073	361,655,075	293,065,219
Interest	101,223,799	75,907,135	36,436,816	35,640,601
Depreciation	10,200,452	5,806,603	10,793,344	5,989,307
Profit/ (Loss) before Tax	532,079,086	402,790,335	314,424,915	251,435,311
Provision for Tax	172,932,907	136,602,361	104,149,313	80,180,237
Profit/ (Loss) after Tax	359,146,179	266,187,974	210,275,602	171,255,074
Profit/(Loss) for the Year	359,146,179	266,187,974	210,275,602	171,255,074
Add: Balance of Profit and Loss Account	344,635,234	453,623,265	198,673,224	326,953,467
Share of Minority	32,357,808	-	19,728,315	-
Profit available for Appropriation	671,423,606	719,811,239	389,220,511	498,208,541
Less: Appropriation				
Proposed Equity Dividend	-	-	37,043,992	37,043,992
Tax on proposed Equity Dividend	-	-	7,541,285	7,541,285
Add: Earlier Year provisions	47,300	-	-	-
Balance of Profit carried to Balance Sheet	671,470,906	719,811,239	344,635,234	453,623,265

* After Amalgamation of Adeshwar Realty Private Limited

The Audited Consolidated and Stand-alone Financial Statements of the Company are attached to this Report and the Audited Financial Statements of the Subsidiaries are available on the website of the Company at www.asl.net.in for the review of the Members. The Members are requested to note, that the Financial Statements pertaining to Financial Year 2015-16 are regrouped and re-classified, pursuant to the receipt of the approval of the Amalgamation of Adeshwar Realty Private Limited with Arihant Superstructures Limited.

2. Dividend:

Based on the Company's Performance, the Directors are pleased to recommend for approval of the Members at the Annual General Meeting a Final Dividend of ₹ 1.00/- per Equity Share of the Company for the Financial Year 2016-17. The Final Dividend on Equity Shares, if approved by the Members would involve a cash outflow of ₹ 49,539,197/- including Dividend Distribution tax resulting in a payout of 18.61% of the Standalone Profits of the Company.

The Register of Members will remain close from Saturday, 23rd September, 2017 to Saturday, 30th September, 2017 (both days inclusive) for the purpose of Final Dividend and Annual General Meeting.

3. Transfer to General Reserve:

The Company do not propose to transfer any amount to the General Reserves.

4. Company Financial Performance:

On Consolidated Basis, revenue from operations for FY 2016-17 at ₹1,848,085,197 was higher by 51.0% over last FY (₹ 1,223,645,626/- in FY 2015-16). Earnings before Interest, Tax, Depreciation and Amortization ("EBITDA") were ₹ 643,503,338/- registering a growth of 77.9% over EBITDA of ₹ 361,655,075/- in FY 2015-16. Profit after tax ("PAT") for the FY 2016-17 was ₹ 326,788,371/- recording a growth of 71.5% over the PAT of ₹ 190,547,287/- of FY 2015-16.

On Standalone basis, revenue from operations for FY 2016-17 at ₹ 1,288,623,644/- was higher by 55.1% over last FY (₹ 830,781,073/- in FY 2015-16). Earnings before Interest, Tax, Depreciation and Amortization (“EBITDA”) were ₹ 484,504,073/- registering a growth of 65.3% over EBITDA of ₹ 293,065,219/- in FY 2015-16. Profit after tax (“PAT”) for the FY 2016-17 was ₹ 266,187,974/- recording a growth of 55.4% over the PAT of ₹ 171,255,074/- of FY 2015-16.

5. Accounting Standards and Consolidated Financial Statements:

The Consolidated Financial Statements of the Company and its Subsidiaries, prepared in accordance with Accounting Standards, issued by the Institute of Chartered Accountants of India, which forms part of this Annual Report.

6. Indian Accounting Standards (Ind AS):

The Ministry of Corporate Affairs (MCA) notified its phase-wise roadmap for the adoption of Indian Accounting Standards (Ind AS), converged with the International Financial Reporting Standards (IFRS) vide its notification dated February 16, 2015, announcing the Companies (Indian Accounting Standards) Rules, 2015, for the application of IND AS.

Accordingly, your Company has adopted Ind AS with effect from 1st April, 2017.

Your Company believes in highest standards of Corporate Governance and recognizes that Financial Statements are an important source of information to the Shareholders and other Stakeholders.

7. Directors’ Responsibility Statement:

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

- (a) in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed and that no material departures have been made from the same;
- (b) such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit and loss of the Company for that period;
- (c) proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Annual Accounts of the Company have been prepared on a going concern basis;
- (e) Internal Financial Controls have been laid down to be by the Company and that such internal Financial Controls are adequate and were operating effectively;
- (f) proper system have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8. Deposits:

The Company has not accepted any Deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 and accordingly no disclosures are required in this regard.

9. Subsidiaries and Associate Companies:

All the Subsidiary Companies are Non-material, Non-listed Subsidiary Companies as defined under Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and pursuant to provisions of section 129(3) of the Companies Act, 2013 a statement containing salient features of the Financial Statements of the Company’s Subsidiaries in Form AOC-1 is attached to the Financial Statements of the Company.

Adeshwar Realty Private Limited, a Wholly Owned Subsidiary of the Company Amalgamated with the Company with effect from 22nd August 2016 pursuant to the Order of the Hon’ble High Court of Mumbai. The appointed date for the scheme of Amalgamation is 1st April, 2014. By virtue of the scheme of Amalgamation, the Financial Statements pertaining to the previous Financial Year have been regrouped and re-classified to give effect to the Scheme from the appointed date.

During the Year under review, the Company has Disinvested 43% out of the total 48% stake held by it in Arihant Technoinfra Private Limited, its Associate Company. The Disinvestment was undertaken on an Arm’s Length Basis under the guidance of the Disinvestment Committee and Audit Committee of the Board. Accordingly, Arihant Technoinfra Private Limited ceases to be an Associate Company within the meaning of the Companies Act, 2013.

10. Operations Review of Company Projects:

Project: Arihant Amodini

Residential project located at Taloja (Navi Mumbai). Amodini consists of approximately 126 flats, having approximately 1.36 lacs sq. ft. saleable area. Arihant Amodini consists of stilt+22 Storied Tower comprising elegant 2BHKs. The land has been conveyed in the name of Arihant Superstructures Limited by way of Tripartite Agreement. The project has internal & external amenities such as intercom facility, UPVC sound resistance French windows, Velvet touch paint with POP in all rooms, Children's play area, Health club, Gymnasium, landscape garden, Power backups for lifts, Indoor game room & library. Project is completed 100%, Occupation Certificate has been received and 100% Units of the project has been sold out.

Project: Arihant Aarohi

Residential project located at Kalyan Shil Road. Arihant Aarohi consists of 260 flats approx, over 2.5 acres area of land. Arihant Aarohi consists of stilt+18 Storied Towers comprising elegant 1BHK & 2BHK. The project is 90% completed. The project has internal & external amenities such as 2x2 vitrified tilling in all rooms, UPVC sound resistant french windows, granite top kitchen platform, swimming pool, library, children's play area, health club, gymnasium, landscape garden, indoor game room, power backups for lifts.

Project: Arihant Adita

Residential project is situated at Pal Road, Gangana, Jodhpur (Rajasthan) and is just 1 km from the National Highway. This is first of its type high rise Residential project in Jodhpur. The project will provide the people of Jodhpur all state-of-the-art facilities and amenities, in line with projects in Mumbai and other Metro cities. Project consists of five phases which have 14 buildings comprising 1069 Units, equivalent to saleable area of 1.3 Mn sq.ft. The project has amenities such as swimming pool, badminton court, basket ball court, kids play room, amphitheater, garden lawn, steam room, gymnasium, etc. to name a few.

Project: Arihant Ashray

This is an affordable housing project named as "Arihant Ashtray" situated at Pal Road, Gangana, Jodhpur (Rajasthan) consisting of 123 units out of which 120 units has been sold in just two days of its launch.

Project: Arihant Ayati

Residential project named as "Arihant Ayati" is situated at Devnagar, Jodhpur (Rajasthan). This Project is stilt+17 storied Towers consisting Super Luxurious Flats having the internal and external amenities like 3-burner gas hob & chimney in kitchen, UPVC sliding windows with tinted glass, high speed lifts, swimming pool, high health club with gymnasium & steam room, green concept at top terrace for cool temperature and external texture with pure acrylic paint etc.

Project: Arihant Anchal

This is an Affordable Housing Project named as "Arihant Anchal" located at Jodhpur (Rajasthan) consisting of 2504 units. Its internal and external amenities like super quality velvet touch paint, POP finished AAC brick walls, branded CP, sanitary and electrical fittings, molded panel doors and aluminum sliding window, vitrified flooring and designer wall tiles, lifts and beautiful entrance with grand club house.

Project: Arihant Angan

This is an Affordable Housing Project named as "Arihant Angan" located at Jodhpur (Rajasthan) consisting of 121 units. Its internal and external amenities like super quality velvet touch paint, POP finished AAC brick walls, branded CP, sanitary and electrical fittings, molded panel doors and aluminum sliding window, vitrified flooring and designer wall tiles, lifts and beautiful entrance with grand club house.

Project: Arihant Aakarshan

This is a residential project located at Chokha, Jodhpur. Arihant Aakarshan having approximately 6.5 acres kingdom with modern luxuries. Arihant Aakarshan consists of stilt+20 Storied, 7 Magnificent Tower comprising elegant 2BHK, 3BHK & 4BHK furnished Sky-bungalows with world-class fixtures & furniture's. The project has internal & external amenities such as 800mm x 800mm vitrified tile flooring, modern kitech with water purifier, gas hob & chimney, granite top kitchen platform with double bowls sink and service-platform, bathroom with bathtub, basin counter, glass partition, premium quality CP fitting and branded sanitary ware, module panel main door and bathroom door, FRP doors for bathrooms,

UPVC sound resistance French windows, luster/velvet touch paint with POP on all walls, world-class gymnasium with fitness equipment, swimming pool with changing rooms, elegant clubhouse lobby, banquet hall for parties & celebration, private theatre, exotic spa, children amusement, golf area, indoor games room, library, lawn tennis court.

Project: Arihant Arshiya

Residential project named as “Arihant Arshiya” is situated at Khalapur, Khopoli. This project consists of 2448 flats having 20 acres land area. The construction of 1st phase is completed and 2nd phase is in full swing. Arihant Arshiya is a part stilt+8 Storied Towers comprising elegant 1RK, 1BHK, 2BHK flats. The project is having internal & external amenities such as swimming pool, library, children play area, health club- gymnasium& steam room, landscape garden, indoor game room, temple, complex owned shuttle bus service.

11. Operations Review of Company Subsidiaries Projects:

Project: Arihant Akanksha

Residential project located at Panvel, Navi Mumbai. The project consists of 8 Buildings having 2600 flats approx. Arihant Akanksha a stilt + podium + 32 storied towers comprising elegant studio, 2BHK, 3BHK & 4BHK apartments. The project having internal & external amenities such as Laxmi Mataji Temple, intercom facility, velvet touch paint with POP in all rooms, elegant entrance lobby, 4 high speed lifts in each building, business lounge, landscaped garden, swimming pool with Kids pool, gymnasium with club house, children’s play area, amphitheater with party lawn, jogging track, meditation center, ample car parking, basket ball court, external camera for security checks.

Project: Arihant Anmol

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

Project: Arihant Amisha

Residential project named as “Arihant Amisha” situated at Wawanje Taloja, Panvel. This project consists of 555 flats having 7 acres land area. The construction of 1st phase is completed and 2nd phase is in full swing. The project has various amenities such as temple, swimming pool, health club with gymnasium & steam room, Community hall, cum social activity center & library, swimming pool, beautiful landscaped garden etc.

Project: Arihant Aloki

Residential project named as “Arihant Aloki” situated at Bhisegaon, Karjat (E). This project consists of 553 flats having 6 acres land area. The project is just launched. Arihant Aloki is a stilt + 8 storied, 8 towers comprising elegant 1BHK & 2BHK, 3BHK flats. The project has internal & external amenities such as 2x2 vitrified flooring in all rooms, granite top kitchen platform, luster paint, aluminum powder coated sliding windows, children’s play area, community hall, health club- gymnasium & steam room, landscape garden, indoor game room.

Project: Arihant Clan Aalishan

Residential project named as “Arihant Clan Aalishan” is situated at Kharghar Annex, Navi Mumbai. This is the tallest project of Navi Mumbai and is stilt + 53 Storied 3 Magnificent Towers consisting 2BHK, 3BHK and 4BHK Super Luxurious Flats having the internal and external amenities such as 800mm x 800mm vitrified tile flooring, modern kitchen with water purifier, gas hob & chimney, granite top kitchen platform with double bowls sink and service-platform, bathroom with bathtub, basin counter, glass partition, premium quality CP fitting and branded sanitary ware, moulded panel main door and bathroom door, FRP doors for bathrooms, UPVC sound resistance french windows, Luster/velvet touch paint with POP on all walls, herbal boulevard & gen garden, landscape party area, pairidaeza, senior citizen garden, children’s outdoor play area, rain dance arena with water fountain, hi-tech gymnasium, swimming pool, unisex aroma spa with jacuzzi, mini theatre, aerobics, yoga and meditation center, indoor sports club, badminton & squash court, children’s creche, library and business lounge.

Project: Arihant Anaika

Residential project named as “Arihant Anaika” is situated at Nr. Taloja Phase II, Navi Mumbai. This project consists of 348 flats. Arihant Anaika is a stilt + 4 Storied Towers consisting of 1 BHK, 2BHK and 3BHK flats having the internal and

external amenities such as 2x2 vitrified flooring tiles, POP on all walls, luster paint on internal walls, granite top kitchen platform, premium quality bathroom, moulded panel main door & bedroom doors, FRP doors for bathroom, mesmerizing elevation, elegant entrance lobby, beautiful landscape garden, swimming pool, health club with gymnasium, indoor games, children's play area.

Project: Arihant Anshula

Residential project named as “Arihant Anshula” is situated at Nr. Taloja Phase II, Navi Mumbai. This project consists of 488 flats. Arihant Anshula is a stilt + 4 Storied Towers consisting of 1 BHK, 2BHK and 3BHK flats and it is the dated township concept having the internal and external amenities such as Elegant entrance lobby, Ample car parking for all, Swimming pool, Beautiful landscaped garden, Health club, with gymnasium & steam room, Indoor games room, party hall, Reputed make elevator in each wing, pure acrylic external paint, External camera for security checks.

12. Board of Directors and Key Managerial Personnel's:

The Board of Directors comprise of eminent, experienced and reputed Individuals of the Industry. During the Year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees and reimbursement of expenses incurred by them for the purpose of attending Meetings of the Company.

Pursuant to the provisions of the Companies Act, 2013, following are the changes in the Board of Directors and Key Managerial Personnel's of the Company:

Name of the Director/Key Managerial Personnel's	DIN/PAN	Designation	Date of Appointment/ Resignation/ Retirement
Mr. Rajesh Agarwal	07327161	Additional Whole-time Executive Director	Resignation w.e.f. 24/07/2016
Mr. Dinkar Samant	00023459	Whole-time Executive Director	Retirement w.e.f. 20/09/2016
Mr. Aman Verma	AEPPV7010J	Chief Financial Officer	Resignation w.e.f. 06/10/2016
Mr. Ravindra Parakh	AORPP6684A	Chief Financial Officer	Appointment w.e.f 11/11/2016 and Resignation w.e.f. 11/02/2017
Mr. Manish Mehta	AACPM6559L	Chief Financial Officer	Appointment w.e.f 11/02/2017
Mr. Raj Narain Bhardwaj	01571764	Additional Independent Director	Appointed w.e.f. 12/08/2017
Mrs. Vijayalakshmi R. Iyer	05242960	Additional Independent Woman Director	Appointed w.e.f. 12/08/2017

The Current Compositions of the Board of Directors of the Company are as follows:

Name of the Director	DIN	Designation
Mr. Ashok Chhajjer	01965094	Chairman & Managing Director
Mr. Nimish Shah	03036904	Whole-time Executive Director
Mr. Virendra Mital	00376830	Independent Director
Mr. Vinayak Nalavde	02047436	Independent Director
Mr. Dinesh Babel	03042254	Independent Director
Mrs. Kamini Shroff	07141404	Independent Woman Director
Mr. Raj Narain Bhardwaj	01571764	Additional Independent Director
Mrs. Vijayalakshmi R. Iyer	05242960	Additional Independent Woman Director

Details of the Key Managerial Personnel's of the Company

Name	Designation
Mr. Naval Singh	Company Secretary & Compliance Officer
Mr. Manish Mehta	Chief Financial Officer

The Board places on record its appreciation towards the services and guidance received from Mr. Rajesh Agarwal and Mr. Dinkar Samant during their tenure with the Board.

The Board welcomes Mr. R. N. Bhardwaj and Mrs. V. R. Iyer on the Board as Independent Directors of the Company. The Board has approved their appointment in its Board Meeting held on 12th August, 2017 and recommended to the Shareholders for their approval in ensuing Annual General Meeting. The Company has received Notices U/s 160 proposing their appointment as Independent Directors for tenure of 5 Years, in the ensuing Annual General Meeting.

Pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013, Mr. Nimish Shah, (DIN: 03036904), Whole-time Executive Director of the Company who is liable to retire by rotation and offers himself for re-appointment as the Whole-Time Executive Director of the Company by stating his willingness to be re-appointed at this Annual General Meeting.

The complete details and disclosures pertaining to the qualification, experience, education and other details as required under the Companies Act, 2013, Secretarial Standards-2 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed to the Notice to the Annual General Meeting for the Directors seeking appointment/ re-appointment.

The disclosures pertaining to the Equity Shares held and the Remuneration received by the Directors and Key Managerial Personnel's during the Financial Year 2016-17 are disclosed in MGT-9 which forms a part of this Report.

13. Board and Committee Meetings:

The Board of Directors meets at regular intervals to discuss the business and compliance matters of the Company. The details of the Meetings of the Board of Directors and the Committees of the Board of Directors and their respective constitution are stated in the Corporate Governance Report attached which form part of this Board's Report.

The Board has constituted the following Mandatory and Non-mandatory Committees of the Board of Directors:

Sr. No.	Mandatory Committees	Non-Mandatory Committees
1	Audit Committee	Executive Committee
2	Nomination and Remuneration Committee	Disinvestment Committee
3	Stakeholders' Relationship Committee	Fund Raising Committee
4	Corporate Social Responsibility Committee	

The Company Secretary of the Company is the Secretary to each of these Committees.

Separate Meeting of Independent Directors is conducted during every Year, in terms of the requirements of Schedule IV to the Companies Act, 2013 and Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the Board of Directors have adopted various policies on the functioning and running of the Board of Directors as mandated by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and which are also available on the website of the Company at www.asl.net.in.

14. Declaration from Independent Directors:

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149(7) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

15. Board Evaluation:

The Board of Directors have carried out an Annual evaluation of its own performance, Board Committees and individual Director pursuant to the provisions of the Companies Act, 2013 and the Corporate Governance requirements as prescribed by SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

The Performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The Performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members on the basis of the criteria such as the composition of Committees, effectiveness of Committee Meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and Committee Meetings like

preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in Meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate Meeting of Independent Directors, Performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board Meeting that followed the Meeting of the Independent Directors, at which the performance of the Board, its Committees and individual Directors was also discussed. Performance evaluation of independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

16. Internal Financial Control Systems and their Adequacy:

The Management continuously reviews the Internal Control Systems and procedures for the efficient conduct of the Company's business. The Company adheres to the prescribed guidelines with respect to the transactions, Financial Reporting and ensures that all its assets are safeguarded and protected against losses. The Internal Auditor of the Company conducts the Audit on regular basis and the Audit Committee actively reviews Internal Audit Reports and effectiveness of Internal Control Systems.

Internal Control Systems are implemented to safeguard the Company's assets from loss or damage, to keep constant check on the cost structure, to prevent revenue leakages, to provide adequate Financial and Accounting Controls and implement Accounting Standards

17. Statutory Auditors:

M/s Kailash Chand Jain & Co., Chartered Accountants were in the 31st Annual General Meeting appointed as the Statutory Auditors of the Company for a period of Four Years i.e. till the conclusion of the Annual General Meeting to be held in the Year 2018, subject to ratification of the Members in every Annual General Meeting. Accordingly, The Board recommends the ratification for the appointment of the Statutory Auditors in this Annual General Meeting for the Financial Year 2017-18.

18. Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s D. A. Kamat & Co, Practicing Company Secretaries, Mumbai, to undertake the Secretarial Audit of the Company for the Financial Year 2016-17 under review. The Secretarial Audit Report is annexed as **Annexure I**.

19. Internal Auditors:

The Board of Directors had appointed M/s MPK & Associates, Chartered Accountants, Mumbai as the Internal Auditors for the Financial Year 2016-17. The Internal Auditors conduct their review and Audit on a quarterly basis and submit his report to the Board of Directors.

20. Comments by the Board on Qualification, Reservation or Adverse remark or disclaimer in Audit Report:

There is no Qualification, Reservation or Adverse remark in Statutory Audit Report for the Financial Year 2016-17.

Further, in respect of the comments/ observations, made by the Secretarial Auditor, the Board of Directors have taken note of the same and are undertaking necessary steps to ensure due compliance of the provisions therein.

21. Nomination and Remuneration Policy:

The Board has on the recommendation of the Nomination and Remuneration Committee framed a Policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The details and extract of the Remuneration Policy is disclosed in the Corporate Governance Report attached to this Annual Report. A copy of the Nomination and Remuneration Policy is available on the website of the Company on www.asl.net.in.

22. Particulars of Contract or Arrangements with Related Party:

The Board of Directors has a Related Party Transaction Policy approved as mandated by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. All Related Party Transactions are placed before the Audit Committee and the Board of Directors along with the Quarterly Financial Results. Further, details of Material Related Party Transactions are also reported to the Stock Exchanges in the Quarterly Corporate Governance Report. Omnibus Approvals for all repetitive transactions, are obtained from Audit Committee and Shareholders' approval for Material Related Party Transactions undertaken as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is obtained. A copy of the Related Party Transactions Policy is available on the website of the Company on www.asl.net.in.

Information on transactions with Related Parties pursuant to section 134(3)(h) of the Act read with rule 8(2) of the Companies(Accounts) Rules, 2014 are given in **Annexure II** in Form AOC-2 and the same forms part of this Report.

23. Particulars of Loans, Guarantees and Investments:

Particulars of Loans given, Investments made, Guarantees given and Securities provided along with the purpose for which the Loan or Guarantee or Security is proposed to be utilized by the recipient are provided in the Financial Statements, forming part of this Annual Report.

24. Risk Management:

The Board of Directors has reviewed the Risk Assessment and Minimization Procedures as per Regulation 17(9) of the SEBI (Listing Obligations and Disclosure Requirement), Regulations, 2015, in Board Meeting of every Quarter for the Financial Year 2016-17. There are no material risks, which in the opinion of the Management, affect the continuity and existence of the business.

25. Vigil Mechanism and Whistle Blower Policy:

The Company has put in place a Whistle Blower Policy to provide an open and transparent working environment and to promote responsible and secure Whistle Blowing System for Directors and Employees of the Company to raise concern. The Policy broadly cover instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct, alteration of documents, fraudulent financial reporting, misappropriation/misuse of Company's assets, manipulation of Company's data, pilferage of proprietary information, abuse of authority, etc. The Policy provides adequate safeguard against victimization of Director(s) / Employee(s) who raise the concern and have access to the Chairman of Audit Committee who is entrusted to oversee the Whistle Blower Mechanism. Further, no personnel have been denied access to the Audit Committee during the Financial Year under review.

The details of this Policy is explained in the Corporate Governance Report and also posted on the website of the Company at www.asl.net.in.

26. Code of Conduct:

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

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

27. Prevention of Insider Trading:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated Employees of the Company. The Code requires pre-clearance for dealing in the Company's Shares and prohibits the purchase or sale of Company Shares by the Directors and the designated Employees while in possession of Unpublished Price Sensitive Information in relation to the Company and during the period when the trading window is closed. The Board is responsible for implementation of the Code.

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

28. Prevention, Prohibition and Redressal of Sexual Harassment of Woman at the Workplace:

The Company has a zero tolerance policy towards Sexual Harassment of Woman at workplace. The Company has adopted a policy on Prevention, Prohibition and Redressal of Sexual Harassment of Woman at Workplace in accordance with the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and no complaints were received by the Company during the Year under review.

29. Investors' Relation and Grievances:

During the Year under review, the Company has not received any Complaint/Grievance from the Investors of the Company. The Company has a dedicated e-mail address investor@asl.net.in and cs@asl.net.in for communication with the Investors. Further, a section for Investors, with details of the Annual Reports, Financial Statements, Communications to Stock Exchanges and other necessary information is available on the website of the Company on www.asl.net.in. Further, the Company is registered on the website of SEBI Complaint Redressal System (SCORES).

30. Corporate Governance Report:

Your Company is committed to maintaining highest standards of Corporate Governance and adhering to the Corporate Governance requirements as set out by the Securities Exchange Board of India (SEBI). As required by SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, a detailed Corporate Governance Report is given which forms a part of this Annual Report.

31. Management Discussion and Analysis Report:

In accordance with the Listing Regulations, the Management Discussion and Analysis Report is attached and forms part of this Annual Report.

32. Particulars of Employees:

There are no Employees drawing Remuneration of ₹ 8,50,000 (Rupees Eight Lakhs Fifty Thousand) per month or ₹ 1,02,00,000/- (Rupees One Crore Two Lakhs) and above per annum during the Year under review.

Details pertaining to Remuneration as required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure III** of this Report.

33. Extract of the Annual Return

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

34. Corporate Social Responsibility

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the Financial Year 2016-17 are set out in **Annexure V** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, and Show Cause Notice received from the Registrar of Companies, Mumbai in the matter of non compliance of Section 134 (3)(o) read with Section 135 of the Companies Act, 2013 for the Financial Year 2014-15, please refer to the Corporate Governance Report, which forms part of this report. The CSR Policy is available on the website of the Company at www.asl.net.in.

35. Conservation of Energy, Technology Absorption and Foreign Exchange:

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

36. Other Disclosures:

- (i) There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future, during the Financial Year 2016-17
- (ii) There are no material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the Financial Year 2016-17 and the date of this report
- (iii) There are no details in respect of frauds reported by auditors under Section 143(12) of the Companies Act, 2013.

Acknowledgement:

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

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

Place: Navi Mumbai
Date: August 12, 2017

Ashok Chhajer
Chairman & Managing Director
DIN: 01965094

FORM NO MR-3
SECRETARIAL AUDIT REPORT
as on the Financial Year ended 31st March, 2017

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

To,
The Members,
ARIHANT SUPERSTRUCTURES LIMITED,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to Good Corporate Practices by **ARIHANT SUPERSTRUCTURES LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate conducts/Statutory compliances and expressing our opinion thereon. Our Report is to be read along with the attached Note in **Schedule A** which form an integral part of this Report.

Based on our verification of the Company's Books, Papers, Minute books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the Secretarial Audit, We hereby report that in our opinion, the company has during the Audit period covering the Financial Year ended on **31st March, 2017** complied with the Statutory provisions listed hereunder and to the extent stated in this Report and also that the Company has the proper Board-Processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- I. We have examined the Books, Papers, Minute books, Forms and Returns filed, Reports issued by various fellow Professionals and other applicable Records and Registers maintained by the Company on a test check basis for the Financial Year ended on **31st March, 2017** according to the provisions of:
1. The Companies Act, 2013 (the Act) and the Rules made there under;
 2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 4. 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 (Not applicable to the Company during the Audit period)
 5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
 - iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit period)
 - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit period)
 - vi. 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; (Not applicable to the Company during the Audit period)

- vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit period) and
 - viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit period).
6. Other laws applicable specifically to the Company namely:
- i. Environmental Protection Act 1986.
 - ii. The Water (Prevention and Control of Pollution) Act 1974.
 - iii. The Air (Prevention and Control of Pollution) Act 1981.
 - iv. The Noise Pollution (Regulation and Control) Rules 2000.
 - v. Building and Other Construction Workers Act 1996 and
 - vi. Building and Other Construction Workers Welfare Cess Act 1996.
- II. We have examined the applicable provisions of
- (a) Secretarial Standards I and II as issued by the Institute of Companies Secretaries of India and notified by the Ministry of Corporate Affairs and applicable with effect from July 1, 2015.
 - (b) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on the declarations given and the information provided, during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above, except that:

- i. The Company has filed Compounding Application U/s 441 of the Companies Act, 2013 against the Show cause Notice No. ROC/CSR/141/2017 dated 20th February, 2017 received from the Registrar of Companies, Mumbai.
- ii. The Company has filed various e-forms with the ROC within due date/with additional fees wherever applicable.

We further report that:

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

Adequate Notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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. Majority decision is carried through while the dissenting Members' views, if any, are captured and recorded as part of the Minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure Compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that during the Year under Report, the Company has undertaken following event / action having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc. referred to above viz.

1. The Company has obtained approval through Postal Ballot for Approval of the Scheme of Amalgamation between Arihant Superstructures Limited and its Wholly owned Subsidiary Adeshwar Realty Private Limited.
2. The Hon'ble Bombay High Court passed an order approving the scheme for Amalgamation Between Arihant Superstructures Limited and Aadeshwar Realty Private Limited.(Wholly Owned Subsidiary) on 22nd July 2016. The said Order has also been intimated to the Registrar of Companies and the necessary NOC's have been obtained from the Stock Exchange.
3. The Company has got its Equity Shares listed on National Stock Exchange of India Limited with effect from 28th March, 2017.

We further report that between the closure of the Financial Year 2016-17 and the date of this Report the following events have taken place:

- (a) The Company has obtained the approval through Postal ballot on 10th August, 2017 for the following transactions:
- (i) To raise funds upto an amount not exceeding ₹ 300 Crores including premium if any, through issue of Securities.
 - (ii) To fix the Remuneration of Mr. Nimish Shah (DIN: 03036904), Whole-time Executive Director of the Company for the Year 2017-18.
 - (iii) To fix the Remuneration of Mr. Ashok Chhajer (DIN: 01965094) Managing Director of the Company for the Financial Year 2017-18.
 - (iv) To approve the proposed Material Related Party Transactions for the Year 2017-18.

For D.A. Kamat & Co.
Company Secretaries

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

Place: Mumbai
Date: August 12, 2017

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

Schedule A – Notes on the Secretarial Audit Report of Arihant Superstructures Limited dated 12th August, 2017

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

- i. Maintenance of Secretarial Record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
- ii. We have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- iii. We have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
- iv. Where ever required, we have obtained the Management Representation about the Compliance of Laws, Rules and Regulations and happening of events etc.
- v. The Compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
- vi. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Annexure II

Form No. AOC - 2

as on the Financial Year ended 31st March, 2017

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 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 Arm's Length Transactions under third proviso thereto:

1. Details of Contracts or Arrangements or Transactions not at Arm's Length Basis:

- (a) Name(s) of the Related Party and nature of relationship: NIL
 (b) Nature of Contracts/Arrangements/Transactions: NIL
 (c) Duration of the Contracts / Arrangements/Transactions: NIL
 (d) Salient terms of the Contracts or Arrangements or Transactions including the value, if any: NIL
 (e) Justification for entering into such Contracts or Arrangements or Transactions: NIL
 (f) Date(s) of approval by the Board: NIL
 (g) Amount paid as advances, if any: NIL
 (h) Date on which the Special Resolution was passed in General Meeting as required under first provision to Section 188 of the Companies Act, 2013: NIL

2. Details of material Contracts or Arrangement or Transactions at Arm's Length Basis:

Name of the Related Party and Nature of Relationship	Nature of Contracts/ Arrangements/ Transaction	Duration of the Contracts / Arrangements/ Transactions	Salient terms of the Contracts or Arrangements or Transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Mr. Ashok Chhajer – KMP	Rent paid	On-going	₹ 480,000/-	Board Meeting of every Quarter	NA
Mrs. Sangeeta Chhajer – Relative of KMP	Rent paid	On-going	₹ 480,000/-	Board Meeting of every Quarter	NA
Arihant Technoinfra Private Limited - Entities in which KMP / relatives of KMP have significant influence	Purchases	On-going	₹ 1,688,600/-	Board Meeting of every Quarter	NA

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

**Place: Navi Mumbai
 Date: August 12, 2017**

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

Annexure III

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

- i) **Ratio of the Remuneration of each Executive Director to the Median Remuneration of the Employees of the Company and Percentage increase in Remuneration of each Executive Director, Chief Financial Officer, Chief Executive Director and Company Secretary for the Financial Year 2016-17 as under:**

Sr. No.	Name of Director/KMP	Designation	Ratio of Remuneration to each Director and KMP to median remuneration of Employees (on Gross)	% increase in Remuneration in FY 2016-17
1	Mr. Ashok Chhajer	Chairman & Managing Director and Chief Executive Officer	8.63 : 1	NA
2	Mr. Nimish Shah	Whole-time Executive Director	5.52 : 1	10
3	Mr. Dinkar Samant*	Whole-time Executive Director	5.53 : 1	NA
4	Mr. Rajesh Agarwal**	Additional Whole-time Executive Director	4.31 : 1	NA
5	Mr. Aman Verma***	Chief Financial Officer	NA	5
6	Mr. Ravindra Parakh****	Chief Financial Officer	NA	NA
7	Mr. Manish Mehta*****	Chief Financial Officer	NA	NA
8	Mr. Naval Singh	Company Secretary	NA	NA

* Mr. Dinkar Samant had retired at the 33rd Annual General Meeting of the Company held on 20.09.2016.

** Mr. Rajesh Agarwal had resigned w.e.f. 24.07.2016.

*** Mr. Aman Verma had resigned w.e.f. 11.11.2016.

**** Mr. Ravindra Parakh had been appointed on 11.11.2016 and resigned w.e.f. 11.02.2017.

***** Mr. Manish Mehta had been appointed on 11.02.2017.

- ii) **The Percentage increase in the Median Remuneration of Employees in the Financial Year: 15.94%**
- iii) **The number of Permanent Employees on the rolls of Company: 78**
- iv) **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 point out if there are any exceptional circumstances for increase in the Managerial Remuneration:**

Average percentile increase in salaries of Employees other than Managerial Personnel in the last Financial Year 2016-17 was approx. 5.5%. Percentile increase in Managerial Remuneration was 8.8%.

- v) **Affirmation that the Remuneration is as per the Remuneration Policy of the Company:**

The Company affirms Remuneration is as per the Remuneration Policy of the Company.

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

**Place: Navi Mumbai
Date: August 12, 2017**

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

Form No. MGT - 9**EXTRACT OF ANNUAL RETURN****as on the Financial Year ended on 31st March, 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	:	L51900MH1983PLC029643
Registration Date	:	26/03/1983
Name of the Company	:	Arihant Superstructures Limited
Category/Sub-Category of the Company	:	Company Limited by Shares
Address of the Registered office and Contact details	:	302, Persipolis Building, Plot No 74, Sector 17, Vashi, Navi Mumbai - 400703 Tel: 91 22 41113333, Fax: 91 22 27882946 Email: investor@asl.net.in , cs@asl.net.in , Website: www.asl.net.in
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent	:	Adroit Corporate Services Pvt. Ltd. 17-20, jafferbhoy Ind. Estate. 1st Floor, Makwana Road, Marole Naka, Andheri (E), Mumbai - 400059 Tel: 91 22 4227040 Fax: 91 22 28503784 Email: support@adroitcorporate.com Website: www.adroitcorporate.com

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY:

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

Sr. No.	Name and Description of main Products/ Services	NIC Code of the Product/Service	% to the total turnover of the Company
1.	Development and construction of properties	410	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Arihant Aashiyana Pvt. Ltd.	U45400MH2010PTC210759	Subsidiary	60%	2(87)
2	Arihant Abode Ltd.	U70102MH2009PLC197090	Subsidiary	60%	2(87)
3	Arihant Gruhnirman Pvt. Ltd.	U45400MH2010PTC210844	Subsidiary	60%	2(87)
4	Arihant Vatika Realty Pvt. Ltd.	U70102MH2008PTC187732	Subsidiary	60%	2(87)
5	Arihant Technoinfra Pvt. Ltd.*	U45203MH2010PTC210594	Associated up to 17.03.2017	48%	2(6)

*Arihant Technoinfra Private Limited ceased to be Associate of the Company w.e.f. 17.03.2017 under Companies Act, 2013 through Disinvestment of 43% stake by Arihant Superstructures Limited.

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the Year				No. of Shares held at the end of the Year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	8346562	0	8346562	20.28	8346562	0	8346562	20.28	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks /FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other									
f-1) Directors	22151306	0	22151306	53.82	22170157	0	22170157	53.86	0.04
Total Shareholding of Promoter (A)	30497868	0	30497868	74.10	30516719	0	30516719	74.14	0.04
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	969151	0	969151	2.35	964151	0	964151	2.34	-0.01
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (Specify)									
i-1) Directors Relatives	87763	0	87763	0.21	437	0	437	0.00	-0.21
Sub-total (B) (1)	1056914	0	1056914	2.57	964588	0	964588	2.34	-0.22
(2) Non - Institutions									
a) Bodies Corporate									
i) Indian	740580	0	740580	1.80	1917570	0	1917570	4.66	2.86
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual Shareholders holding Nominal Share Capital upto ₹ 1 Lakh	361546	52392	413938	1.01	650940	52392	703332	1.71	0.70
ii) Individual Shareholders holding Nominal Share Capital in excess of ₹1 Lakh	8403612	0	8403612	20.42	6451053	0	6451053	15.67	-4.74
c) Others (Specify)									
c-1) Non Resident Indians(Individuals)	1449	0	1449	0.00	116	0	116	0.00	0.00
c-2) Clearing Member	19232	0	19232	0.05	606613	0	606613	1.47	1.43
c-3) Directors	26398	0	26398	0.06	0	0	0	0	-0.06
Sub-total (B)(2)	9552817	52392	9605209	23.34	9626292	52392	9678684	23.51	0.18
Total Public Shareholding(B)= (B) (1)+(B)(2)	10609731	52392	10662123	25.90	10590880	52392	10643272	25.86	-0.05
C. Shares held by Custodian for GDRs & ADRs.									
Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
Public -	0	0	0	0	0	0	0	0	0
Sub-total (C)	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	41107599	52392	41159991	100	41107599	52392	41159991	100	0

ii. Shareholding of Promoters (including Promoter Group):

Sr. No.	Shareholder's Name	No. of Shares held at the beginning of the Year			No. of Shares held at the end of the Year			% Change during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1	Ashokkumar B Chhajer	22151306	53.82	0.00	22170157	53.86	0.00	0.04
2	Meena Vijay Ranka	148	0.00	0.00	148	0.00	0.00	0.00
3	Sangita A Chhajer	2138990	5.20	0.00	2138990	5.20	0.00	0.00
4	Lalitkumar Parasmal Bothra	207424	0.50	0.00	207424	0.50	0.00	0.00
5	Parth Ashokkumar Chhajer	6000000	14.58	0.00	6000000	14.58	0.00	0.00
	TOTAL	30497468	74.10	0.00	30516719	74.14	0.00	0.04

iii. Change in Promoters' (including Promoter Group) Shareholding (please specify, if there is no change):

Sr. No.		Name of Promoter's	As on Date	No. of Shares held at the beginning of the Year		Cumulative Shareholding during the Year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	At the beginning of the Year	Ashok Kumar B Chhajer	01/04/2016	22151306	53.82	22151306	53.82
	Date wise Increase / Decrease in Promoters Share holding during the Year		10/06/2016	5000	0.01	22156306	53.83
			08/07/2016	13400	0.03	22169706	53.86
			25/11/2016	451	0.00	22170157	53.86
	At the end of the Year		31/03/2017	0	0.00	22170157	53.86
2	At the beginning of the Year	Meena Vijay Ranka	01/04/2016	148	0.00	148	0.00
	Date wise Increase / Decrease in Promoters Share holding during the Year			NIL	NIL		
	At the end of the Year		31/03/2017	0	0.00	148	0.00
3	At the beginning of the Year	Sangeeta A Chhajer	01/04/2016	2138990	5.20	2138990	5.20
	Date wise Increase / Decrease in Promoters Share holding during the Year			NIL	NIL		
	At the end of the Year		31/03/2017	0	0.00	2138990	5.20
4	At the beginning of the Year	Lalitkumar Parasmal Bothra	01/04/2016	207424	0.50	207424	0.50
	Date wise Increase / Decrease in Promoters Share holding during the Year			NIL	NIL		
	At the end of the Year		31/03/2017	0	0.00	207424	0.50
5	At the beginning of the Year	Parth Ashokkumar Chhajer	01/04/2016	6000000	14.58	6000000	14.58
	Date wise Increase / Decrease in Promoters Share holding during the Year			NIL	NIL		
	At the end of the Year		31/03/2017	0	0.00	6000000	14.58

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

Sr. No.	For each of the Top 10 Shareholders	Name of Shareholder's	As on Date	No. of Shares held at the beginning of the Year		Cumulative Shareholding during the Year	
				No. of Shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1	At the beginning of the Year	India Opportunities Growth Fund Ltd - PI	01/04/2016	969151	2.35	969151	2.35
	Date wise Increase / Decrease in Share holding during the Year			NIL	NIL		
	At the end of the Year		31/03/2017	-5000	0.01	964151	2.34
2	At the beginning of the Year	Prabhudas Lilladher Financial Services P	01/04/2016	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the Year		10/03/2017	50000	0.12	50000	0.12
			17/03/2017	100000	0.24	150000	0.36
	At the end of the Year		31/03/2017	491967	1.20	641967	1.56
3	At the beginning of the Year	Mohnish O Chhajer	01/04/2016	602579	1.46	602579	1.46
	Date wise Increase / Decrease in Share holding during the Year			NIL	NIL		
	At the end of the Year		31/03/2017	0	0.00	602579	1.46
4	At the beginning of the Year	Sangeeta Doshi	01/04/2016	388145	0.94	388145	0.94
	Date wise Increase / Decrease in Share holding during the Year			NIL	NIL		
	At the end of the Year		31/03/2017	0	0.00	388145	0.94
5	At the beginning of the Year	Comfort Securities Ltd	01/04/2016	369675	0.90	369675	0.90
	Date wise Increase / Decrease in Share holding during the Year		09/09/2016	10069	0.02	379744	0.92
			13/09/2016	-9934	0.02	369810	0.90
			14/09/2016	-135	0.00	369675	0.90
	At the end of the Year		31/03/2017	0	0.00	369675	0.90
6	At the beginning of the Year	Madhumati Punamchand Malu	01/04/2016	302096	0.73	302096	0.73
	Date wise Increase / Decrease in Share holding during the Year			NIL		NIL	
	At the end of the Year		31/03/2017	0	0.00	302096	0.73

Sr. No.	For each of the Top 10 Shareholders	Name of Shareholder's	As on Date	No. of Shares held at the beginning of the Year		Cumulative Shareholding during the Year	
				No. of Shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
7	At the beginning of the Year	Earnest Shipping And Ship Builders Limited	01/04/2016	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the Year		17/02/2017	70000	0.17	70000	0.17
			24/02/2017	30000	0.07	100000	0.24
			24/03/2017	1500000	0.36	250000	0.61
	At the end of the Year		31/03/2017	0	0.00	250000	0.61
8	At the beginning of the Year	Anjali Boob	01/04/2016	231000	0.56	231000	0.56
	Date wise Increase / Decrease in Share holding during the Year			NIL		NIL	
	At the end of the Year		31/03/2017	0	0.00	231000	0.56
9	At the beginning of the Year	Abhisek Kumar Balar	01/04/2016	207425	0.50	207425	0.50
	Date wise Increase / Decrease in Share holding during the Year			NIL		NIL	
	At the end of the Year		31/03/2017	0	0.00	207425	0.50
10	At the beginning of the Year	Akshay Agarwal	01/04/2016	183306	0.45	183306	0.45
	Date wise Increase / Decrease in Share holding during the Year			NIL		NIL	
	At the end of the Year		31/03/2017	0	0.00	183306	0.45

v. Shareholding of Directors and Key Managerial Personal:

Sr. No.		Name of Shareholder's	As on Date	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
				No. of Shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
1	At the beginning of the Year	Dinkar Pandharinath Samant*	01/04/2016	26398	0.06	26398	0.06
	Date wise Increase / Decrease in Share holding during the Year		23/09/2016	-3600	0.01	22798	0.06
			30/09/2016	-5933	0.01	16865	0.04
			21/10/2016	-1000	0.00	15865	0.04
			28/10/2016	-2000	0.00	13865	0.03
			04/11/2016	-1000	0.00	12865	0.03
			11/11/2016	-2000	0.00	10865	0.03
			18/11/2016	-700	0.00	10165	0.02
			25/11/2016	-1300	0.00	8865	0.02
			09/12/2016	-865	0.00	8000	0.02
			23/12/2016	-1000	0.00	7000	0.02
			20/01/2017	-1000	0.00	6000	0.01
			03/02/2017	-1000	0.00	5000	0.01
	At the end of the Year		31/03/2017	0	0.00	5000	0.01

* Mr. Dinkar Samant had retired w.e.f. 20.09.2016.

V. INDEBTEDNESS:

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

(in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	472,104,575	151,915,338	0	624,019,913
ii) Interest due but not paid	0	0	0	
iii) Interest accrued but not	0	0	0	
Total (i+ii+iii)	472,104,575	151,915,338	0	624,019,913
Change in Indebtedness during the Financial Year				
- Addition	97,231,158	55,768,145	0	152,999,303
- Reduction	0	0	0	
Net Change	97,231,158	55,768,145	0	152,999,303
Indebtedness at the end of the Financial Year	569,335,733	207683483	0	77,7019,216
i) Principal Amount	569,335,733	207683483	0	77,7019,216
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due				

VI. REMUNERATION OF DIRECTOR AND KEY MANAGERIAL PERSONNEL:

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

(in ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total
		Ashok Chhajer	Dinkar Samant*	Nimish Shah	Rajesh Agarwal**	
		MD	WTD	WTD	AWTD	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	2385000	1,171,250	3,563,397	800,000	7,919,647
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	15,000	3,750	-	-	18,750
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	
2	Stock Option	-	-	-	-	
3	Sweat Equity	-	-	-	-	
4	Commission	-	-	-	-	
	- as % of profit					
5	Others, please specify	-	-	-	-	
	Total (A)	2400,000	1,175,000	3,563,397	800,000	7,938,397
	Ceiling as per the Act (@10% of the profit calculated under Section 198 of Companies Act, 2013)					25,143,531.1

* Mr. Dinkar Samant had retired w.e.f. 20.09.2016.

** Mr. Rajesh Agarwal had resigned w.e.f. 24.07.2016.

B. Remuneration of other Directors:

(in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors				
		Dinesh Chandra Babel	Vinayak Nalavde	Virendra* Mital	Kamini Shroff	Total
1.	Independent Directors					
	Fee for attending Board/Committee Meetings	285,000	230,000	295,000	150,000	960,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	285,000	230,000	295,000	150,000	960,000
2.	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending Board/Committee Meetings					
	Commission					
	Others, please specify					
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	285,000	230,000	295,000	150,000	960,000
	Total Managerial Remuneration	285,000	230,000	295,000	150,000	960,000
	Overall Ceiling as per the Act(@ 1% of the profit calculated under Section 198 of the Companies Act, 2013)					2,514,353.11

*The Sitting fees paid to Mr. Virendra Mital included ₹ 30,000 of Sitting fees paid for attending Board Meeting of Adeshwar Realty Private Limited which was Amalgamated with Arihant Superstructures Limited by appointed date 1st April, 2014 vide Bombay High Court order dated 22.07.2016 w.e.f. 01.04.2015 vide high court dated 22.07.2016.

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

(in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				
		Mr. Aman Verma* (CFO)	Mr. Ravindra** Parakh (CFO)	Mr. Manish Mehta*** (CFO)	Mr. Naval Singh (Company Secretary)	Total
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,001,602	546,000	338,105	284,374	2,170,081
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6,104	-	-	13,542	19,646
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	1,007,706	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total	1,007,706	54,6000	338,105	297,916	2,189,727

* Mr. Aman Verma had resigned w.e.f. 11.11.2016.

** Mr. Ravindra Parakh had been appointed on 11.11.2016 and resigned w.e.f. 11.02.2017.

*** Mr. Manish Mehta had been appointed on 11.02.2017.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: Nil

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

Place: Navi Mumbai
Date: August 12, 2017

Ashok Chhajer
Chairman & Managing Director
DIN: 01965094

Annexure V

CORPORATE SOCIAL RESPONSIBILITY REPORT

as on the Financial Year ended on 31st March, 2017

[Pursuant to Section 135 of the Companies Act, 2013 and Rule 8(1) of the Companies
(Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

Philosophy:

An Organisation is successful in its true sense if it ensures the progress of the society along the milestone achieved in the corporate world.

Arihant Superstructures Limited believes that as a Corporate it is our duty to give back to the society. Our focus areas of Corporate Social Responsibility (CSR) would be around Education & Skill development, Environment, Health, Heritage protection, Rural development and support to citizens during National calamities.

Objectives:

To engage in affirmative action towards Health, Education and surrounding Environment which would lead to increase in the Country's Human Development Index (HDI) and Sustainable Development for the under privileged or the common man of society.

We would like to impact and contribute to the Environmental, Economic and Social Development of the communities in which we operate and society at large by series of CSR activities.

Website Link: <http://www.asl.net.in/corporate-governance-report.html>.

Guiding Principles:

In accordance with the requirements under the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014, Arihant Superstructures Ltd CSR activities will focus on:

Education and Skill Development:

- To promote education, including special education and employment-enhancing vocational skills especially among children, Woman, elderly and the differently abled, and livelihood enhancement projects in CSR.
- To support acquiring skill building, basic education and vocational training among schools, colleges & institutes by kind or monetary contribution to enhance employability and generate livelihoods for persons from disadvantaged sections and society at large.

Health:

- To support and enhance the health awareness and actions leading to health improvement in the society Eg: eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation, and making available safe drinking water.

Environment:

- To engage in preservation and protection of ecological system by way of ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining the quality of soil, air and water.

National Heritage, Art and Culture:

- Protecting national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promoting and developing traditional arts and handicrafts.

Response to Natural Calamities:

- To provide help to the affected citizens and their families who are devastated by the natural calamities/disasters like Earthquake, Flood, Tsunami, Famine or any other nature induced calamities to the human life and its settlement area and contributions towards Prime Minister's / Chief Minister's Relief Funds.

Rural Developments:

- To provide/ repair/ restore or construct rural / village infrastructure and social amenities like community centres/ halls and schools, dams and bridges, healthcare centres and hospitals, roads and rural electrification, homes for the homeless, Irrigation and water storage structures, renovation of ponds, construction of box culverts/ drains, toilets etc.

2. Composition of CSR Committee as on 31st March, 2017:

Members	Designation
Mr. Dinesh Babel	Chairman
Mr. Vinayak Nalavde	Member
Mr. Ashok Chhajjer	Member
Mr. Nimish Shah	Member

3. Average of Net Profit of the Company for last three Financial Years:

Financial Year	Net Profit (₹)
2013-14	42,030,542
2014-15	143,266,200
2015-16	222,843,182
Total	408,139,924
Average of the Net Profit of last 3 Years	136,046,641.33

4. Prescribed CSR Expenditure (2% of the average Net Profit for last three Financial Years):

Based on above calculation the Committee noted the actual CSR liability of the Company of ₹ 2,720,932.82 for the Financial Year 2016-17. The CSR Committee proposed and recommended a round sum of ₹ 2,725,000 towards CSR Spend for the Financial Year 2016-17.

5. Details of actual CSR spent during the Financial Year 2016-17:

- The total amount spent on the CSR activities during the Financial Year : ₹ 744,740 (Rupees Seven Lakhs Forty Four Thousand Seven Hundred and Forty only).
- Details of unspent Amount, if Any: ₹ 1,980,260 (Rupees Nineteen Lakhs Eighty Thousand Two Hundred and Sixty only).
- Manner in which the amount was spent:

Sr. No	CSR Project or activity identified	Sector in which the Project is covered	Project 1) Local area or other 2) Specify State and District where project was undertaken	Amount Outlay (Budget) Project wise	Amount spent on Project Subheads: 1)Direct expenditure 2) Overheads	Cumulative expenditure up to the reporting period	Amount spent Directly or through Implementing Agency
1	Promotion of Education including Special Education.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Navi Mumbai, Maharashtra	₹ 55,000	₹ 55,000	₹ 55,000	Implementing agency- House of God
2	Promotion of Education.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Panvel, Raighar, Maharashtra	₹ 288,740	₹ 288,740	₹ 288,740	Implementing agency- Raighar Jila Parishar School, Khutari
3	Promoting Education, among Economically and specifically backward Childrens.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Ghatkopar (E), Mumbai, Maharashtra	₹ 250,000	₹ 250,000	₹ 593,740	Implementing agency- Mahavir Rahat Kendra Trust
4	Company has provided funds and assistance for setting up old age homes and other facilities for Senior Citizens.	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically back ward group.	Navi Mumbai, Maharashtra	₹ 51,000	₹ 51,000	₹ 644,740	Implementing agency- Indian Society of U3As Trust

5	Company has provided funds for Hunger and Poverty and promoting Education among Socially and Economically backward classes.	i)Eradicating hunger, poverty and malnutrition, promoting preventive health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water. AND/OR ii) Promoting education, including special education and employment enhancing vocation skills especially among children, Woman, elderly, and the differently abled and livelihood enhancement projects.	Navi Mumbai, Maharashtra	₹ 100,000	₹ 100,000	₹ 744,740	Implementing agency- Mahavir International Trust
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- 6. In case the Company has failed to spend 2% of the average net profit of the last 3 financial years or any part thereof, the Company shall provide the reasons for not spending the amount:** the Company not found any suitable opportunity to spent entire CSR amount, hence the CSR Committee in its Meeting held on 30th March, 2017 has decided to carry forward the unspent amount to next Financial Year.
- 7. Responsibility statement of the CSR Committee:** The CSR Committee hereby confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and CSR policy of the Company.

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

**Place: Navi Mumbai
Date: August 12, 2017**

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

**Dinesh Babel
Chairman of CSR Committee
DIN: 03042254**

Annexure VI

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE REPORT:

as on the Financial Year ended on 31st March, 2017

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY:

I. Measures adopted for conservation of conventional energy:

- a. Use of CFLs, metal halide and LED light fixtures in all common areas of residential projects.
- b. Use of occupancy sensors in commercial project & common areas of large scale residential projects.
- c. Use of best quality wires, cables, switches and low self power loss MCCB's and RCCB's.
- d. Following standard specifications like colour codes, independent neutral and earthing for each circuit to curb energy leakage.
- e. Selection of high efficiency transformers (BEE rated) , DG sets and other equipments.
- f. Integration of auto-correction power factor capacitors and harmonic filters in all HT/LT feeder pillars.
- g. Use of energy efficient lifts with group control in residential projects.
- h. Use of high performance glasses for double glazing facades of commercial buildings to maintain optimum & ambient indoor environment of occupied spaces which helps in reducing air conditioning load.
- i. Use of highly energy efficient air conditioning screw chillers & compressors with VFD's for commercial building projects.
- j. Use of low water flow CP fixtures for common areas of buildings.

II. Measures adopted for utilizing renewable sources of energy:

Use of solar hot water system consisting of Flat plate solar panels & insulated water storage tanks & insulated separate piping for all flats in all our projects thereby reducing almost 20% demand of conventional energy. This system is also successfully installed & in operation in 2 our projects.

III. Water Preservation:

a. Rainwater harvesting:

Rain water harvesting is one of the most viable options to meet increasing water requirements & also helps in restoring depleted ground water levels of surrounding areas. We have been executing ground water recharge pits & harvesting rainwater through collection tanks for roof-based runoffs in all our projects. This helps in reduction of precious potable drinking water demand of the project by using rain harvested water (after primary sedimentation & filtration) for non potable uses such as washing & cleaning needs of residents .

b. Sewage treatment plant:

The sewage treatment plants (STP) of total 1200 KLD capacities based on Moving Bio bed Reactor technology has been successfully commissioned in 3 of our projects and are also committed to install 9650 KLD capacity by inclusion of STP's in the sewerage design of all our ongoing & future projects. The generated waste water is treated up to the tertiary level conforming to applicable IS standards and is used for flushing of toilets and landscaping. This helps in reduction of fresh water requirement of projects by almost 40%. We also ensure that operation & maintenance of STP's are done by efficient STP vendors for atleast initial 3 years after installation so that it becomes an integral part of daily society maintenance affairs.

Few environment friendly measures adopted for construction phase of all projects:

- a. Use of Aerated Autoclaved blocks & fly ash bricks for all our projects including affordable housing projects of upto 4 floors buildings.

- b. Use of available rain harvested water for construction purposes.
- c. Use of energy efficient CFL & LED lamps & highly efficient motors during construction phase.
- d. Following standard specifications like colour codes, independent neutral and earthing for each electrical circuit's to curb energy leakage.
- e. For FY 2016-2017, to install portable & modular STP's for treating grey water generated from Labour camps of our large scale projects & use the treated water for construction purposes thereby committing ourselves to reduce impact on fresh water sources.

(B) TECHNOLOGY ABSORPTION:

The efforts made towards technology absorption:

- I. VS1 system used for façade glazing:** The VS-1 system developed by Franz Safford of USA, is a point supported glass wall system for the glass walls. The system is comprised of vertical high grade aluminum "blade" extrusions and through-the-joint point supported aluminum cast fittings, the system does not have any horizontal member. This allows the use of standard glass panels (non-drilled glass) supplied by any glass manufacturer, at clients discretion. The system is also very fast to erect. Unlike all other glass façade systems, there are neither aluminium horizontal members nor their associated connections in the VS-1 system solution and thus aesthetically a complete glass wall look is achieved. Our project is the only the second project in India to be executed with this technology.

The benefits derived:

VS1 system is more structure efficient. Larger size of vision glass panel is possible with this system. Replacement of glass is convenient. The installation is very fast as compared to semi unitized systems

- II. High speed elevators with Destination dispatch system:** As one accesses the elevators through the lobby, he or she passes through security, which can be cleared by an identification card, which includes the information for one's desired floor. All passengers need to do is walk to the designated elevator and wait for its arrival.

The benefits derived:

Elevators with DOAS technology not only helps improve traffic flow and reduce power consumption, it also enhances building security.

- III. In case of imported technology (imported during the last three Years reckoned from the beginning of the Financial Year:**

No Technology was imported during the Year under review.

(C) Foreign Exchange inflow and outgo during the Financial Year 2017-16 :

Foreign Exchange outgo during the Financial Year 2016-17 was ₹ 7,274,201.

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

**Place: Navi Mumbai
Date: August 12, 2017**

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

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Corporate Governance:

The Company believes that sound Corporate Governance is a key element for enhancing and retaining the trust of Investors and various other Stakeholders. As a responsible corporate citizen your Company has evolved best practices which are structured to institutionalize policies and procedures that enhance the efficacy of the Board and inculcate a culture of Accountability, Transparency and Integrity across the Arihant Group as a whole.

2. Board of Directors:

Composition:

The Board as on 31st March, 2017 comprised of six Directors out of which four Directors are Non-Executive Independent Directors including a Woman Director, one Chairman & Managing Director and one Whole-time Executive Director. The Managing Director and Whole-time Executive Director are responsible for the day-to-day Management of the Company subject to the supervision, direction and control of the Board of Directors. The Chairman of the Company is an Executive Director.

The Non-Executive Directors are eminent and experienced persons in their respective fields of industry, finance and law.

Directorship held by Directors of Arihant Superstructures Limited:

Name of the Director	Category	Number of Board Meetings during the FY 2016-17		Whether attended last AGM held on September 20, 2016	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies#	
		Held	Attended		Chairman	Member	Chairman	Member
Mr. Ashok Chhajer (CMD) DIN: 01965094	Non- Independent Executive	4	4	Yes	1	-	-	-
Mr. Nimish Shah (WTD) DIN:03036904	Non- Independent Executive	4	3	Yes	-	-	-	-
Mr. Rajesh Agarwal* DIN:07327161	Non- Independent, Executive	1	0	NA	NA	NA	NA	NA
Mr. Dinkar Samant** DIN:00023459	Non- Independent Executive	2	0	No	NA	NA	NA	NA
Mr. Dinesh Babel DIN:03042254	Independent, Non-Executive	4	4	Yes	-	-	-	-
Mr. Vinayak Nalavde DIN: 02047436	Independent, Non-Executive	4	3	Yes	-	1	-	-
Mr. Virendra Mital DIN: 00376830	Independent, Non-Executive	4	4	Yes	-	3	-	-
Mrs. Kamini Shroff DIN:07141404	Independent, Non-Executive	4	4	Yes	-	-	-	-

In accordance to Regulation 18 and 20 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, Chairmanship/Membership of only Audit Committee and Stakeholders Relationship Committee in all public Companies (excluding Arihant Superstructures Limited) have been considered.

* Mr. Rajesh Agarwal (DIN: 07327161) had resigned from the post of Additional Whole-time Executive Director of the Company w.e.f. 24th July, 2016 and his resignation was noted by the Nomination and Remuneration Committee and Board of Directors in there Meeting held on 3rd August, 2016.

** Mr. Dinkar Samant (DIN: 00023459) Whole-time Executive Director of the Company was liable to retire by Rotation in the 33rd Annual General Meeting of the Company held on 20th September, 2016 and was eligible for re-appointment. However, he stated his unwillingness to be re-appointed on the Board of Directors and retires as the Director of the Company with immediate effect.

3. Board Procedures and Related Disclosures:

The Board of Directors meet at least once in each Quarter to, inter alia, review Annual operating and Capital expenditure plans and budgets, Financial Statements of business segments, Compliance report(s) of all laws applicable to the Company, major legal issues, Minutes of the Board Meetings of Subsidiary Companies, Significant transactions and arrangements entered into by the unlisted Subsidiary Companies, presentations on Risk Management, transactions involving sale of Material nature of investments, Subsidiaries and Assets, details of joint ventures or collaborations, short-term borrowings, any other proposal from the Management regarding Mergers, Acquisitions and Restructuring of investments, etc.

The Senior Management of the Company make timely disclosures to the Board of Directors relating to all Material, Financial and Commercial transactions, where they have personal interest in any transaction or matter that may have a potential conflict with the interest of the Company.

The calendar of Meetings of the Board of Directors is decided in advance in consultation with the Board Members and the schedule for Meetings of the Board of Directors is published in the Annual Report.

- i. Four Board Meetings were held during the Financial Year 2016-17 and the gap between two Meetings did not exceed one hundred and twenty days. There was one Board Meeting held in each quarter of the Financial Year. The dates on which the said Meetings were held:

30th April, 2016, 03rd August, 2016, 11th November, 2016 and 11th February, 2017

The necessary quorum was present for all the Meetings.

- ii. During the Financial Year 2016-17, information as mentioned in Schedule II Part A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, has been placed before the Board for its consideration.
- iii. The Company through periodical presentation to Board of Directors and various Committees of Directors provide an opportunity to Independent Directors to facilitate their active participation and familiarize themselves with the Company's business. The details of the familiarization programmes are also available on the website of the Company at www.asl.net.in.
- iv. The Company has an informal plan for orderly succession for appointment to the Board of Directors, Key Managerial Personnel's and Senior Managements. All appointments to the Board of Directors and Senior Management are as per the Nomination and Remuneration Policy approved by the Board of Directors and available on the website of the Company at www.asl.net.in.
- v. The Company has in place a system of preparation of the Legal Compliance Report on quarterly basis of all applicable laws to the Company, and also a system to ratify any instance of Non-Compliance. The Board also reviews the Compliance Report periodically.

The terms and conditions of appointment of Independent Directors are also available on Company's website: www.asl.net.in.

The Independent Directors have provided their declaration of Independence as per Section 149(7) of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Details of Equity Shares of the Company held by the Directors as on March 31, 2017 are given below:

Name	Category of Director	Number of Equity Shares
Mr. Ashok Chhajer	Non Independent, Executive	22170157

Meeting of Independent Directors and Attendance Record:

Independent Directors meet at least once in a year to deal with matters listed out in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV to the Companies Act, 2013 which inter-alia includes, review the performance of Non-Independent Directors, Chairman and the Board as a whole and to assess the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary to perform the duties by the Board of Directors.

One Meeting of Independent Directors was held on 30th March, 2017.

Attendance Record of Meetings of Independent Directors:

Name of Director	Number of Meeting held	Number of Meeting attended
Mr. Dinesh Babel	1	1
Mr. Virendra Mital	1	1
Mr. Vinayak Nalavde	1	1
Mrs. Kamini Shroff	1	1

Board Evaluation:

The Companies Act, 2013 read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that the Board needs to undertake a formal Annual Evaluation of its own performance and that of its Committees and individual Directors. The Schedule IV of the Companies Act, 2013 read with the Rules issued thereunder states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

Keeping in line with the SEBI Guidance Note issued in this respect and the acceptable parameters, the assessment sheets were finalized to evaluate the performance of the Board, Committees of the Board and individual performance of each Director including the Chairman.

The evaluation process was facilitated by the Chairman of the Nomination and Remuneration Committee. These assessment sheets for evaluation of performance of the Directors were prepared based on various aspects which, amongst other parameters, included the level of participation of the Directors, understanding of the roles and responsibilities of Directors, etc. The parameters for performance evaluation of Board includes composition of the Board, process of appointment to the Board of Directors, understanding the different roles and responsibilities of the Board, timeliness for circulating the board papers, content and the quality of information provided to the Board, attention to the Company's long term strategic issues, evaluating Strategic Risks, overseeing and guiding major plans of action, Acquisitions, Disinvestment, etc.

Some of the performance indicators for the Committees include understanding of the terms of reference, effectiveness of the discussions at the Committee Meetings, information provided to the Committee to discharge its duties and performance of the Committee vis-à-vis its responsibilities.

The Nomination and Remuneration Committee evaluates the performance of the Managing Director and Whole-time Executive Director against their performance criteria set for the same. The performance of the Independent Directors was also evaluated taking into account the time devoted and attention given to professional obligations for independent decision making and acting in the best interest of the Company, strategic guidance to the Company and help determine important policies, external expertise provided and independent judgment that contributes objectively in the Board's deliberation, particularly on issues of strategy, performance and conflict management.

The outcome of the evaluation exercise was discussed and deliberated at the respective Meetings of the Board of Directors and Committees of the Board.

4. Director's Remuneration:

Details of Remuneration for the Financial Year ended 31st March, 2017 are as follows:

Remuneration paid to Non-Independent, Executive Directors:

Name of Director	Salary and Allowance (₹)
Mr. Ashok Chhajer Chairman & Managing Director	2,400,000
Mr. Nimish Shah Whole-time Executive Director	3,563,397
Mr. Dinkar Samant* Whole-time Executive Director	1,175,000
Mr. Rajesh Agarwal** Additional Whole-time Executive Director	800,000

* Mr. Dinkar Samant had retired w.e.f. 20.09.2016.

** Mr. Rajesh Agarwal had resigned w.e.f. 24.07.2016.

There are no separate Stock Options or performance linked incentives payable to the Executive Directors/ Managing Director. The complete break-up of the Remuneration paid to the Directors is also enclosed in MGT-9 (Extract of Annual Return) which forms a part of this Annual Report.

Remuneration paid to Independent, Non-Executive Directors:

Name of Director	Sitting Fees (₹)
Mr. Dinesh Babel	285,000
Mr. Virendra Mital	295,000*
Mr. Vinayak Nalavde	230,000
Mrs. Kamini Shroff	150,000

*The Sitting fees paid to Mr. Virendra Mital included ₹ 30,000 of Sitting fees paid for attending Board Meeting of Adeshwar Realty Private Limited for the Financial Year 2016-17 which was Amalgamated with Arihant Superstructures Limited by appointed date 1st April, 2014 vide Bombay High Court order dated 22.07.2016.

There are no Stock Options or Commissions payable to Non-Executive/ Independent Directors of the Company.

5. Committees of the Board:

A. Audit Committee:

The Board of Directors has constituted an Audit Committee of Directors in line with the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act 2013 and empowered the Committee to deal with all such matters which it may consider appropriate to perform as Audit Committee including items specified in Section 177(4) of the Companies Act, 2013 (as may be modified/amended from time to time), items specified in Part C of Schedule II in SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 under the head role of Audit Committee (as may be modified/amended from time to time) and such matters as may be assigned from time to time by the Board of Directors.

The Chairman of the Audit Committee is an Independent Director of the Company.

Terms of reference:

- i. Overseeing Financial Reporting process and disclosure of Financial information, to ensure that the Financial Statements are correct, sufficient and credible;
- ii. Recommending appointment and removal of the Statutory Auditors, fixation of Audit fee and approval for payment of any other services;
- iii. Reviewing with the Management, the periodical Financial Statements including of Subsidiaries/ Associates, in particular the investments made by the unlisted Subsidiaries of the Company, before submission to the Board for approval;
- iv. Reviewing with the Management and the Statutory and Internal Auditors, the adequacy of Internal Control Systems and recommending improvements to the Management;
- v. Reviewing the adequacy of Internal Audit function, approving Internal Audit plans and efficacy of the functions including the structure of the Internal Audit department, staffing, reporting structure, coverage and frequency of Internal Audit;
- vi. Discussion with Internal Auditor on any significant findings and follow-up thereon;
- vii. Reviewing the findings of any internal investigations by Internal Auditors into matters where there is suspected fraud or irregularity or failure of Internal Control Systems of a material nature and reporting the matter to the Board;
- viii. Discussion with Statutory Auditors before the Audit commences, about the nature and scope of Audit, as well as post-audit discussions to ascertain any area of concern;
- ix. Reviewing the Management Discussion and Analysis of financial condition and results of operations, statement of significant Related Party Transactions, Management letters/letter of Internal Control Weakness issued by Statutory Auditors, Internal Audit Reports etc;

- x. Reviewing the Company's Financial and Risk Management System.
- xi. Scrutiny of Inter-corporate Loans and Investments;
- xii. Reviewing any subsequent modification of transactions with the Related Parties.
- xiii. Reviewing the reasons for substantial defaults in the payments to the Depositors, Debentures holders, Shareholders (in case of non-payment of declared Dividends) and Creditors if any.
- xiv. Besides the Committee Members, Whole-time Executive Director, Chief Financial Officer and partners/other representatives of the firms of Statutory Auditors and Internal Auditors were also present at the Meetings to answer the queries raised by the Committee Members;
- xv. Establish a Vigil Mechanism for Directors and Employees to report genuine concerns in such manner as may be prescribed;
- xvi. The Chairman of Audit Committee was present at 33rd Annual General Meeting of the Company held on 20th September, 2016;
- xvii. To perform such other function(s) as may be delegated by the Board from time to time.
- xviii. The Company Secretary acts as the Secretary of the Committee.

Four Audit Committee Meetings were held during the Financial Year 2016-17. These were held on 30th April, 2016, 03rd August, 2016, 11th November, 2016 and 11th February, 2017.

The Composition of the Audit Committee and the details of Meetings attended by its Members are given below:

Name	Category	Number of Meetings during the Financial Year 2016 -17	
		Held	Attended
Mr. Dinesh Babel (Chairman)	Independent, Non-Executive	4	4
Mr. Virendra Mital	Independent, Non-Executive	4	4
Mr. Vinayak Nalavde	Independent, Non-Executive	4	3
Mr. Dinkar Samant*	Non-Independent, Executive	2	0
Mr. Nimish Shah**	Non-Independent, Executive	2	2

* Mr. Dinkar Samant had retired w.e.f. 20.09.2016.

** Mr. Nimish Shah had been appointment as a Member of the Audit Committee in the Meeting of the Board of Directors held on 03.08.2016.

B. Nomination and Remuneration Committee:

The Board of Directors has constituted a Nomination and Remuneration Committee of Directors in line with the provisions of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with Section 178 of the Companies Act 2013. The role of the Committee is to perform all such matters as prescribed under the Companies Act, 2013 and Schedule II - Part D about Role of Nomination and Remuneration Committee of Directors under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which interalia includes - recommendation to Board of Directors, the Remuneration Policy for the Company, formulation of criteria for performance evaluation of Directors, Board and Committee, appointment of Director, appointment and remuneration of Whole-time Director, Key Managerial Personnel's and Senior Management of the Company. The Committee will also deal with matters as may be assigned from time to time by the Board of Directors.

The Chairman of the Nomination and Remuneration Committee is an Independent Director.

Terms of reference:

- i. Determining Remuneration Policy of the Company;
- ii. Recommend to the Board the setup and composition of the Board and its Committees;
- iii. Recommend to the Board the appointment or reappointment of Directors;

- iv. Recommending remuneration including periodic revision, performance bonus, incentives, commission, stock options, other services, perquisites and benefits payable to the Managing, Whole-time and other Director(s) Key Managerial Personnel's and Senior Management of the Company including their relatives;
- v. Framing policies and fixation of compensation including salaries, incentives, bonuses, promotions, benefits, stock options and performance targets for executives of the Company;
- vi. Oversee familiarization programmes for Directors;
- vii. The Company does not have any Employee Stock Option Scheme.
- viii. The performance evaluation criteria for independent Directors are determined by the Nomination and Remuneration Committee.
- ix. Performing such other duties and responsibilities as may be consistent with the provisions of the Committee charter.
- x. The Company Secretary acts as the Secretary of the Committee.

Four Nomination and Remuneration Committee Meetings were held during the Financial Year 2016-17. These were held on 30th April, 2016, 03rd August, 2016, 11th November, 2016 and 11th February, 2017.

The Composition of the Nomination and Remuneration Committee and the details of Meetings attended by its Members are given below:

Name	Category	Number of Meetings during the Financial Year 2016 -17	
		Held	Attended
Mr. Vinayak Nalavde (Chairman)	Independent, Non-Executive	4	3
Mr. Dinesh Babel	Independent, Non-Executive	4	4
Mr. Virendra Mital	Independent, Non-Executive	4	4

C. Stakeholders' Relationship Committee:

The Board of Directors has constituted a Stakeholders' Relationship / Grievance Committee of Directors in line with the provisions of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with Section 178 of the Companies Act, 2013. The role of the Committee is to consider and resolve the Grievances of Security holders and perform such roles as may require under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Continuous efforts are made to ensure that Grievances are expeditiously redressed to the satisfaction of Investors. A status report of Shareholders complaints and redressal thereof is prepared and placed before Stakeholders' Relationship/Grievance Committee of Directors.

Terms of reference:

- i. The Committee looks into the Redressal of Shareholders'/Investors' Complaints/ Grievances pertaining to transfer or credit of Shares, non-receipt of Annual Reports, Dividend payments and other miscellaneous Complaints/Grievances.
- ii. The Committee reviews performance of the Registrar and Transfer Agent and recommends measures for overall improvement in the quality of Investor services.
- iii. The Company Secretary acts as the Secretary of the Committee.
- iv. Details of Investor Complaints received and redressed during the Financial 2016-17 are as follows:

Complaint at the beginning of the Year	Received during the Year	Disposed of during the Year	Unresolved as on 31 st March, 2017
Nil	Nil	Nil	Nil

- v. Name, designation and address of Compliance Officer:

Naval Singh
 Company Secretary
 Arihant Superstructures Limited
 302, Persipolis Building, Plot No. 74,
 Sector-17, Vashi, Navi Mumbai -400703
 Tel.: 022 - 41113333 Fax: 022 - 27882946

Four Stakeholder's and Relationship Committee Meetings were held during the Financial Year 2016-17. These were held on 30th April, 2016, 03rd August, 2016, 11th November, 2016 and 11th February, 2017.

The Composition of the Stakeholders' Relationship Committee and the details of Meetings attended by its Members are given below:

Name	Category	Number of Meetings during the Financial Year 2016 -17	
		Held	Attended
Mr. Virendra Mital (Chairman)	Independent, Non-Executive	4	4
Mr. Dinesh Babel	Independent, Non-Executive	4	4
Mr. Vinayak Nalavde	Independent, Non-Executive	4	3

The Company is registered on the SCORES Platform as provided by SEBI.

D. Corporate Social Responsibility Committee:

The Board of Directors has constituted Corporate Social Responsibility Committee of Directors in line with the provisions of Section 135 of the Companies Act, 2013. The Role of the Committee is to formulate and recommend to the Board, a Corporate Social Responsibility Policy, recommend the amount of expenditure to be incurred on CSR Projects and Programmes and monitor them.

The extract of the CSR Policy along with the projects undertaken by the Company during the Financial Year 2016-17 is attached to the Directors Report of this Annual Report.

During the Financial Year under review, the Company and its Official in default had received a Show Cause Notice No. ROC/CSR/141/2017 dated 20th February 2017 from Hon'ble Registrar of Companies, Mumbai towards the non-disclosure of the CSR spend and CSR Report in the Directors' Report for the Financial Year 2014-15. The Company and its Official in default has subsequently, filed a Compounding Application U/s 441 of the Companies Act, 2013 with the Registrar of Companies, Mumbai. The matter is under consideration with the Hon'ble Registrar of Companies, Mumbai.

Terms of reference:

- Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- Recommend the amount of expenditure to be incurred on the activities referred to above;
- Monitor the CSR Policy of the Company from time to time;
- The Company Secretary acts as the Secretary of the Committee.

Two Meetings of Corporate Social Responsibility Committee were held during the Financial Year. These were held on 03rd August 2016 and 30th March, 2017.

The Composition of the CSR Committee and details of the Meeting attended by its Members are given below:

Name	Category	Number of Meetings during the Financial Year 2016-17	
		Held	Attended
Mr. Dinesh Babel (Chairman)	Independent, Non-Executive	2	2
Mr. Vinayak Nalavde	Independent, Non-Executive	2	1
Mr. Ashok Chhajer	Non-Independent, Executive	2	2
Mr. Dinkar Samant*	Non-Independent, Executive	1	0
Mr. Nimish Shah**	Non-Independent, Executive	1	1

* Mr. Dinkar Samant had retired w.e.f. 20.09.2016.

** Mr. Nimish Shah had been appointment as a Member of the CSR Committee in the Meeting of the Board of Directors held on 03.08.2016.

6. Other Non-Mandatory Committees:

i. Executive Committee:

The Executive Committee is responsible for undertaking regular, routine administrative decisions as may be required from time to time. The Executive Committee is ensuring that the decisions made by the Board of Directors are executed and reported back to the Board on a regular and systematic basis. The Executive Committee is required to work within the mandate and limits set by the Board of Directors from time to time.

Five Executive Committee Meetings were held during the Financial Year 2016-17. These were held on 1st April, 2016, 12th April, 2016, 4th August, 2016, 11th November, 2016 and 15th February, 2017.

The Composition of the Executive Committee and details of the Meeting attended by its Members are given below:

Name	Category	Number of Meetings during the Financial Year 2016 -17	
		Held	Attended
Mr. Ashok Chhajer	Non-Independent, Executive	5	5
Mr. Dinkar Samant*	Non-Independent, Executive	3	0
Mr. Nimish Shah	Non-Independent, Executive	5	5
Mrs. Sangeeta Chhajer**	Member	1	1

* Mr. Dinkar Samant had retired w.e.f. 20.09.2016.

** Mrs. Sangeeta Chhajer had been appointment as a Member of the Executive Committee in the Meeting of the Board of Directors held on 11.11.2016.

ii. Disinvestment Committee:

The Disinvestment Committee was constituted for the purpose of ensuring that any Disinvestment made by the Company in any of its Material/Non-material Subsidiaries, Associate Companies or LLPs or any other entities where the Company has a substantial stake is undertaken in a fair and transparent manner. The Disinvestment Committee works in tandem with the Audit Committee to ensure that any Disinvestments undertaken by the Company follow the laid-out standard operating procedures by the Board of Directors and on an Arms' Length Basis. The Composition of the Disinvestment Committee includes only Independent Directors.

During the Financial Year 2016-17 only one Meeting of the Disinvestment Committee was held on 06th March, 2017.

The Composition of Disinvestment Committee of the Company consist of the following Directors:

Name	Category	Number of Meetings during the Financial Year 2016 -17	
		Held	Attended
Mr. Dinesh Babel (Chairman)	Independent Non-Executive	1	1
Mr. Vinayak Nalavde	Independent, Non-Executive	1	1
Mr. Virendra Mittal	Independent, Non- Executive	1	1

7. General Body Meeting:

Annual General Meeting:

a) Information about last three Annual General Meetings:

Year	AGM	Date	Time	Location
2014	31 st AGM	25.09.2014	12.00 Noon	Hotel, The Regenza by Tunga, Plot No 37, Sector 30A, Vashi, Navi Mumbai - 400703
2015	32 nd AGM	25.09.2015	11.00 A.M.	Hotel, The Regenza by Tunga, Plot No 37, Sector 30A, Vashi, Navi Mumbai - 400703
2016	33 rd AGM	20.09.2016	11: 00 A.M.	Hotel, The Regenza by Tunga, Plot No 37, Sector 30A, Vashi, Navi Mumbai - 400703

b) Information about Special Resolutions passed in previous three Annual General Meetings:

Year	AGM	Date	Particulars of Resolution Passed
2014	31 st	25.09.2014	Consent of the Company pursuant to Section 196, 197 read with schedule V and all other applicable Rules and provisions of the Companies Act, 2013, to increase in the remuneration of Mr. Dinkar Samant (DIN: 00023459), Whole-time Executive Director of the Company to ₹ 40,00,000/- (Rupees Forty Lacs) per annum for a period of one year with effect from 1st April, 2014.
2014	31 st	25.09.2014	Consent of the Company pursuant to Section 196, 197 read with schedule V and all other applicable Rules and provisions of the Companies Act, 2013, to increase in the remuneration of Mr. Nimish Shah (DIN: 03036904), Whole-time Executive Director of the Company to ₹ 36,00,000/- (Rupees Thirty Six Lacs) per annum for a period of one year with effect from 1st April, 2014.
2015	32 nd	25.09.2015	Consent of the Company pursuant to Section 196, 197 read with schedule V and all other applicable Rules and provisions of the Companies Act, 2013, to increase in the remuneration of Mr. Dinkar Samant (DIN: 00023459), Whole-time Executive Director of the Company to ₹ 4300,000/- (Rupees Forty Three Lacs) per annum for a period of one year with effect from 1st April, 2015.
2015	32 nd	25.09.2015	Consent of the Company pursuant to Sections 196 and 197 read with Schedule V and all other applicable provisions and Rules of the Companies Act, 2013 appointment of Mr. Nimish Shah (DIN: 03036904), with effect from 13th April, 2015 for a period of 5 years as a Whole-time Executive Directors liable to retire by rotation. In pursuance to the provisions of Section 197 and Schedule V of the Act the remuneration of Mr. Nimish Shah (DIN: 03036904), Whole-time Executive Director of the Company be ₹ 38,70,000/- (Rupees Thirty Eight Lacs Seventy Thousand only) per annum for a period of one year with effect from 13th April, 2015.
2016	33 rd	20.09.2016	To fix the Remuneration of Mr. Nimish Shah (DIN: 03036904), Whole-time Executive Director of the Company.
2016	33 rd	20.09.2016	To take the Approval of Shareholders for Material Related Party Transactions.
2016	33 rd	20.09.2016	To approve the remuneration paid/payable to Mr. Dinkar Samant (DIN: 00023459), Whole-time Executive Director of the Company from 1 st April, 2016 till 20 th September, 2016.
2016	33 rd	20.09.2016	To approve the remuneration paid to Mr. Rajesh Agarwal (DIN: 07327161), Additional Whole-time Executive Director of the Company from 01 st November, 2015 till 24 th July, 2016.

c) Extra Ordinary General Meeting:

No Extraordinary General Meeting of the Members was held during the Financial Year 2016-17.

d) Postal Ballot:

During the Financial Year 2016-17 under review, no Special Resolution was passed through Postal Ballot.

The Company conducted Postal Ballot in June 2016 for obtaining the approval of the Non-Promoter Shareholders through Ordinary Resolution on the Scheme of Amalgamation between Arihant Superstructures Ltd and its Wholly Owned Subsidiary Adeshwar Realty Private Limited. The results of the Postal Ballot were declared on 29th June 2016. The Non-Promoter Shareholders have approved the Resolution unanimously. CS Rachana Shanbhag, RHS & Associates, Company Secretaries in Practice, Mumbai was appointed as the Scrutinizer for the purpose of the Postal Ballot.

8. Disclosures:

i. Related Party Transaction:

None of the transactions with any of the Related Parties were in conflict with the interest of the Company. Details of transactions with Related Parties are disclosed in notes to the Accounts in this Annual Report. All Related Party transactions are negotiated at Arms' Length Basis and are only intended to further the interest of the Company. The Company has a Related Party Transaction Policy to determine the basis and means of entering into Related Party Transactions (in ordinary course of business or otherwise). The Audit Committee approves all the Related Party Transactions undertaken by the Company. Any recurring and routine Related Party Transactions are granted Omnibus Approval for every Financial Year, by the Audit Committee. However, all transactions covered under Omnibus Approval are also placed and approved subsequently by the Audit Committee. Any Material Related Party Transactions, i.e. Related Party Transactions exceeding 10% of the Consolidated Annual Turnover of the Company, are undertaken only pursuant to the approval of the Shareholders in a General Meeting/through Postal Ballot.

ii. Compliances:

The Company has complied with all the mandatory requirements specified in SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The Company has also complied with mandatory and Non - Mandatory applicable rules and regulations prescribed by Stock Exchanges, SEBI or any other Statutory Authority relating to the Capital Markets. All returns/reports were filed with Stock Exchanges/ other Authorities. The Company further strives and has obtained unmodified Audit opinion on Financial Statement for the Financial Year 2016-17. Further the Internal Auditor has access and report to Audit Committee.

iii. Reconciliation of Share Capital Audit:

M/s D.A. Kamat & Co. Practicing Company Secretaries carried out a Share Capital Audit to reconcile the total admitted Equity Share Capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed Equity Share Capital. The Audit report confirms that the total issued / paid-up capital is in agreement with the total number of Shares in Physical form and the total number of Dematerialized Shares held with NSDL and CDSL.

iv. Code of Conduct:

The Members of the Board, Key Managerial Personnel's and Senior Management have affirmed the Compliance with Code applicable to them during the Financial Year 2016-17. The Annual Report of the Company contains a Certificate by the Managing Director in terms of SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015 on the compliance declarations received from Independent Directors, Non-executive Directors, Key Managerial Personnel's and Senior Management.

9. Vigil Mechanism and Whistle Blower Policy:

The Company has put in place a Whistle Blower Policy to provide an open and transparent working environment and to promote responsible and secure Whistle Blowing System for Directors and Employees of the Company to raise concern. The Policy broadly cover instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct, alteration of documents, fraudulent financial reporting, misappropriation/misuse of Company's assets, manipulation of Company's data, pilferage of proprietary information, abuse of authority, etc. The Policy provides adequate safeguard against victimization of Director(s) / Employee(s) who raise the concern and have access to the Chairman of Audit Committee who is entrusted to oversee the Whistle Blower Mechanism. The Policy is available on the website of the Company at www.asl.net.in. Further, no Personnel have been denied access to the Audit Committee during the Financial Year under review.

10. Subsidiaries Companies:

The Subsidiaries of the Company are as follows:

- i. Arihant Abode Limited.
- ii. Arihant Vatika Realty Private Limited.
- iii. Adeshwar Realty Private Limited (Adeshwar Realty Private Limited has been Amalgamated with the Company (ASL) by appointed date 1st April, 2014 vide Bombay High Court order dated 22nd July, 2016).
- iv. Arihant Gruhnirman Private Limited.
- v. Arihant Aashiyana Private Limited.

The Audit Committee reviews the Consolidated Financial Statements of the Company, Financial Statements of the unlisted Subsidiary Companies and the investments made by its unlisted Subsidiary Companies. The Minutes of the Board Meetings along with a report on significant developments and transactions of the unlisted Subsidiary Companies are periodically placed before the Board of Directors of the Company.

The Company does not have any Material Listed Subsidiary Companies.

The Company has a policy for determining 'Material Subsidiaries' which is disclosed on its website www.asl.net.in.

11. Means of Communication:

The Company regularly intimates information like Quarterly/Half yearly/Annually Financial Results, updates and outcomes of Board and General Meetings, Investor and Earnings Presentation (Invitations and Outcomes) and media releases on significant developments in the Company to the Stock Exchanges. The Financial Results are normally published in Free Press Journal (English) and Navshakti (Marathi) News papers. All updates are also uploaded on the website of the Company on www.asl.net.in.

Website and Exclusive Designated E-mail id:

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

Further the Policies of Companies required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are available at <http://www.asl.net.in/corporate-governance-report.html>.

12. General Shareholder's Information:

a) Annual General Meeting:

Day : Saturday

Date : 30th September, 2017

Time : 12:00 Noon

Venue : Hotel, The Regenza by Tunga, Plot No. 37, Sector 30A, Vashi, Navi Mumbai – 400 703.

b) Financial Calendar:

The Financial Calendar of the Company is from 1st April, 2017 to 31st March, 2018.

Board Meetings for Quarterly Results:

(Tentative and subject to change)

Quarter ended	Latest by
30 th June, 2017	29 th July, 2017
30 th September, 2017	4 th November, 2017
31 st December, 2017	13 th February, 2018
31 st March, 2018	On or before 15 th May, 2018

c) Book Closure Dates:

From 23rd September, 2017 to 30th September, 2017 (both days inclusive).

d) Dividend Payment Date:

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

e) Liquidity of Shares:

The Equity Shares of the Company are listed on the BSE Limited and on National Stock Exchange of India Limited (the Equity Shares were listed w.e.f. 28th March, 2017 on National Stock Exchange of India Limited). The Shares of the Company are currently traded under the B Group Category. The Company has paid the listing fees to both the Stock Exchanges for the Financial Year 2017-18.

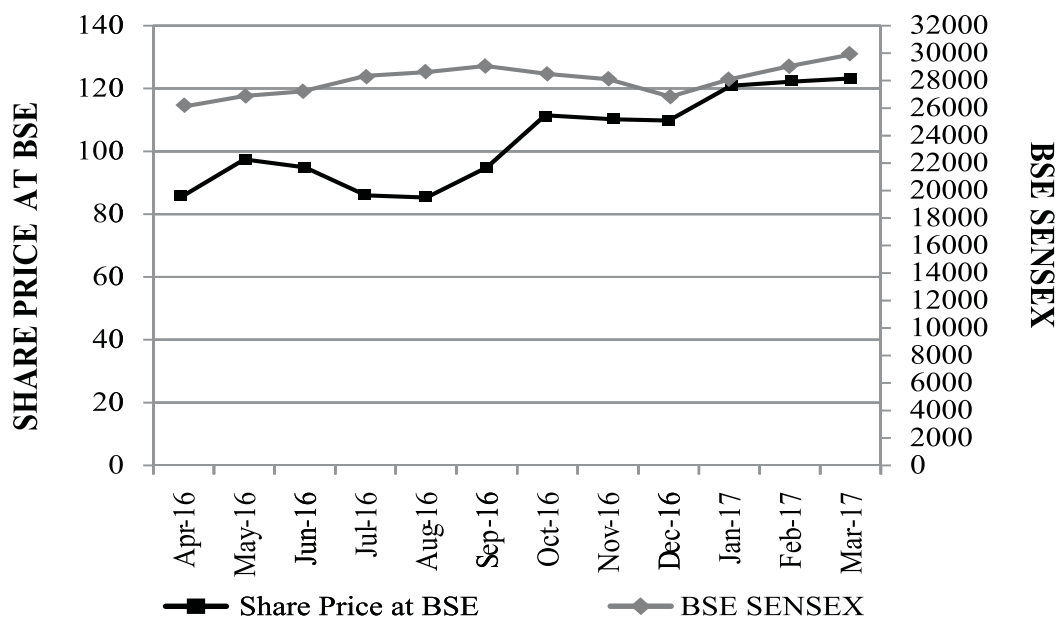
f) Listing of Equity Shares on Stock Exchanges:

Name and Address of Stock Exchanges	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051
ISIN	INE643K01018	INE643K01018
Scrip Code/Symbol	506194	ARIHANTSUP
Class/Series	Equity	EQ

g) Stock Price Data:
Share Price (in ₹)

Month	BSE Limited		National Stock Exchange of India Limited*	
	High Price	Low Price	High Price	Low Price
April 2016	84.50	75.60	NA	NA
May 2016	97.00	68.00	NA	NA
June 2016	94.80	71.20	NA	NA
July 2016	86.00	72.15	NA	NA
August 2016	84.55	68.70	NA	NA
September 2016	94.25	66.00	NA	NA
October 2016	112.00	87.85	NA	NA
November 2016	109.80	89.00	NA	NA
December 2016	109.80	91.00	NA	NA
January 2017	120.50	93.20	NA	NA
February 2017	121.90	102.00	NA	NA
March 2017	123.00	100.10	123.00	113.10

*The Equity Shares were listed w.e.f. 28th March, 2017 on National Stock Exchange of India Limited, Mumbai.

Stock Performance:


h) Registrar and Transfer Agent (RTA):

Adroit Corporate Services Private Limited

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

i) Share Transfer Mechanism:

The Equity Shares of the Company being in compulsory Dematerialized form are transferable through the Depository system. Shares in Physical form should be lodged for transfer with the office of the Company's Registrar and Transfer Agent. Transfers are processed if technically found to be in order and complete in all respects.

Distribution of Equity Shareholding as on 31st March, 2017:

No. of Equity Shares held	No. of Shareholders	%age of Shareholders	No. of Shares held	%age of Shareholding
001-500	1144	75.36	91613	0.22
501-1000	66	4.35	56255	0.14
1001-2000	59	3.89	100355	0.24
2001-3000	29	1.91	78586	0.19
3001-4000	12	0.79	42901	0.10
4001-5000	28	1.84	135963	0.33
5001-10000	39	2.57	306782	0.75
10001 & above	141	9.29	40347536	98.03
Total	1518	100.00	41159991	100.00

Category of Shareholders as on 31st March, 2017

Category	No. of Shareholders	%age of Shareholders	No. of Shares held	%age of Shareholding
Residential Individuals	1403	92.42	7154385	17.38
Non Resident Indians (Individuals)	3	0.20	116	0.00
Corporate Bodies	57	3.75	1917345	4.66
Corporate Body (Brokers)	2	0.13	225	0.00
Promoters	5	0.33	8346562	20.28
Promoter (Director)	3	0.20	22170157	53.86
Director Relatives	1	0.07	437	0.00
Foreign Institutional Investors (FIIs)	1	0.07	964151	2.34
Clearing Members	43	2.83	606613	1.47
Total	1518	100.00	41159991	100.00

j) Dematerialization of Shares:

The Shares of the Company are in compulsory Dematerialized segment and are available for trading in depository system of both National Securities Depository Limited and Central Depository Services (India) Limited. As on 31st March, 2017 41,107,599 Equity Shares (constituting 99.87 %) were in Dematerialized form.

k) Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund (IEPF):

Pursuant to Sections 123, 124 and 125 of the Companies Act, 2013 and other applicable provisions, if any, of the Act, all unclaimed / unpaid Dividend, Application money, Debenture interest and interest on Deposits as well as the principal amount of Debentures and Deposits, as applicable, remaining unclaimed / unpaid for a period of Seven Years from the date they became due for payment, in relation to the Company, Arihant Superstructures Ltd. have been transferred to the IEPF established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred prior to March 31, 2017, nor shall any payment be made in respect of such claims. Members who have not yet encashed their Dividend Warrant(s) pertaining to the Final Dividend for the Financial Year 2009-

10 and onwards are requested to make their claims without any delay to Company's Registrars and Transfer Agent. Pursuant to the provisions of IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company at www.asl.net.in.

An amount of ₹ 6,725/- being unclaimed/ unpaid Dividend for the Financial Year 2008-09 has been transferred to IEPF in September 2016.

The following table gives information relating to outstanding Dividend accounts and the dates by which they can be claimed by the Shareholders:

Financial Year	Date of declaration of Dividend	Last Date for claiming unpaid/ unclaimed Dividend
2009-10	September 17, 2010	September 16, 2017
2010-11	August 03, 2011	August 02, 2018
2011-12	September 22, 2012	September 21, 2019
2012-13	September 26, 2013	September 25, 2020
2013-14	September 25 2014	September 24, 2021
2014-15	September 25, 2015	September 24, 2022
2015-16	September 20, 2016	September 19, 2023

Further, pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the IEPF Rules, all Shares on which the Dividend has not been paid or claimed for Seven Consecutive Years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs, in due course. In accordance with the IEPF Rules, the Company has also sent notice to all the Shareholders whose Shares are due to be transferred to the IEPF Authority and has also published Newspaper Advertisement in this regard. The Shareholders whose Dividend/Shares is/will be transferred to the IEPF Authority can claim the same from the IEPF Authority by following the procedure as detailed on the website of the IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.

l) Address for Investor Correspondence:

For Transfer/Dematerialization of Shares, payment of Dividend on Shares and any other queries relating to the Shares, the Investors may contact the Registrar and Transfer Agents on:

Adroit Corporate Services Private Limited

19/20, Jaferbhoy Industrial Estate, 1st Floor,
 Makwana Road, Marol Naka, Andheri (East), Mumbai 400 059
 Telephone: 022-28594060/022-40052115
 Fax: 022 - 28503748
 Email: info@adroitcorporate.com
 Website: www.adroitcorporate.com

m) Details of penalties imposed by Stock Exchange or SEBI:

No penalties have been imposed by Stock Exchanges or SEBI during the Financial Year 2016 – 2017.

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

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

**Place: Navi Mumbai
 Date: August 12, 2017**

Green Initiative in Corporate Governance

Dear Shareholders,

As a responsible corporate citizen, your Company welcomes and supports the 'Green Initiative in Corporate Governance' the initiative taken by the Ministry of Corporate Affairs, Government of India, vide its Circular nos. 17/2011 dated 21st April, 2011 and 18/2011 dated 29th April, 2011 by virtue of which Companies are now permitted to send the documents, such as Notices convening General Meetings, Audited Financial Statements, Directors' Report, Auditors' Report. etc. through electronic mode on the e-mail address of the Shareholders/Members.

Accordingly, we would like to take this opportunity to inform you that as per 'Green Initiative', Companies are permitted to send Annual Reports, Balance Sheets and other related documents to their Members through the electronic mode on their e-mail addresses as registered with the Company.

Pursuant to the same, your Company proposes to send the documents including Annual Report in electronic form at their e-mail addresses. We hereby request the Members to inform the Company or Company's Registrar and Transfer Agent about their e-mail addresses or any changes in their already registered e-mail addresses with the Company. The Company will continue to provide an option to the Members to continue to receive physical copies of the relevant documents / Annual Report, provided a specific request/response is received from them to that effect.

Members, who have not registered their e-mail addresses so far, are requested to register their e-mail addresses by sending an email at info@adroitcorporate.com or investor@asl.net.in, mentioning your **DP ID, Client ID or Registered Folio Number** with the message "Save paper". Your mail will be considered as an affirmation and accordingly the above mentioned documents will be sent to you in electronic form.

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

The Annual Report will also be displayed on Company's website www.asl.net.in in due course of time.

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

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

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

**Place: Navi Mumbai
Date: August 12, 2017**

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

CEO & CFO CERTIFICATION

To
The Board of Directors
Arihant Superstructures Limited

We, Ashok Chhajer, Chairman & Managing Director and Manish Mehta Chief Financial Officer of Arihant Superstructures Limited ('the Company') to the best of our knowledge & belief certify that:

- (A) We have reviewed Financial Statements and the Cash Flow Statement for the Year ended 31st March, 2017 and that to the best of their knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (C) We accept responsibility for establishing and maintaining Internal Controls for Financial Reporting and that we have evaluated the effectiveness of Internal Control Systems of the Company pertaining to Financial Reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit committee that:
- (i) there were no significant changes in Internal Control over Financial Reporting during the year;
 - (ii) there were no changes in accounting policies during the Year and that the same been disclosed in the notes to the financial statements; and
 - (iii) there were no instances of fraud of which we have become aware and the involvement therein of the Management or an Employee having a significant role in the Company's Internal Control System over Financial Reporting.

Place; Navi Mumbai
Date: May 27, 2017

Ashok Chhajer
Chairman & Managing Director
DIN: 01965094

Manish Mehta
Chief Financial Officer

DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

All the Members of the Board and Senior Management Personnel of the Company have affirmed due observance of the Code of Conduct, framed pursuant to Schedule V(D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in so far as it is applicable to them and there is no Non-compliance thereof during the Financial Year ended 31st March, 2017.

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

**Place: Navi Mumbai
Date: August 12, 2017**

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

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
Arihant Superstructures Limited

1. We, D. A. Kamat & Co, Company Secretaries in Practice, have examined the Compliance of conditions of Corporate Governance by Arihant Superstructures Limited ("the Company"), for the Year ended on 31st March, 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 Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of Internal Control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.
3. Our responsibility is limited to examining 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.
4. We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the Compliance with Corporate Governance requirements by the Company.
5. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance 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 Listing Regulations during the Year ended March 31, 2017.
6. We state that such Compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

**Place: Mumbai
Date: August 12, 2017**

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL STRATEGY:

India is in a sweet spot. Politically India has never witnessed such high stability in the last three decades. Not only is the current government a stable government with the parliamentary numbers favouring it; the Prime Minister still enjoys the nation's trust and continues to receive high approval ratings despite the completion of three years which is generally the time when anti-incumbency sentiments begin to gain the upper hand.

India has emerged as the fastest growing economies in recent times. The government has focussed all its efforts on reviving business and investor confidence and it seems to have paid off as India is set to embark upon a high economic growth path. The economic outlook of the Indian economy expects growth at more than 7.5% in FY18 as it graduates past the 8% trajectory in FY19. With a rapidly growing economy the rate of urbanisation is expected to hasten too. Large scale urbanisation is expected in India over the next decades with over one crore population expected to move to the urban areas. India's urban population is expected to reach about 810 million by 2050.

REAL ESTATE SECTOR: HOUSING DEMAND TO GROW RAPIDLY IN INDIA:

With such massive increase in the urban population, housing needs will grow too. Real Estate is currently the third largest highest contributor to the Indian economy as well as the third largest employer. Acknowledging the need for housing and the huge deficit in housing observed currently, the Indian Government too has launched a massive campaign 'Housing for All by 2022'. The initiative aims to build 50 million houses in the next five years. Overall, India would require 110 million houses by 2022 to take government's mission to completion. To achieve such a massive task, it is imperative to focus on the most important pillar i.e. 'Affordable Housing'. As per CLSA report, of the total 280 million households, only 190-200million are permanent structures. With the population growth per annum estimated at 1.3 percent, increasing socio-cultural shift towards smaller nuclear families, rapid shift from rural to urban areas as well as rising aspirational class demanding better living conditions, the market size for 'Affordable Homes' is expanding faster than ever. Currently the market size for Affordable Homes is ~INR 1.6 trillion which is expected to grow to INR4.6 trillion by FY24. Of this market, organised developers form a small share of the pie.

GOVERNMENT POLICIES AND REFORMS: PROPELLING REAL ESTATE SECTOR'S FUTURE GROWTH:

The government has been taking steps in the right direction with several policy changes and reforms.

- The Union budget of 2017-18 conferred Infrastructure status on Affordable Housing segment with the aim of easing access to funds and financing norms. This had been a long pending request from the real estate industry as lack of funding from the banking system had driven the developers to raise funds at high interest rates from private lenders.
- INR 24,043 crore has been allocated to Pradhan Mantri Awaas Yojana
- National Housing Bank to refinance individual housing loans of INR 20,000 crore
- Rationalisation of income tax deduction for affordable housing schemes to enhance deduction
- First time homebuyers to get additional deduction of INR 50,000 on interest for loan up to INR 35 lakh provided the total value of the house does not exceed INR 50 lakh.
- Interest subsidy of INR 235,000 on purchase of house for individual with income up to INR 18 lakhs per annum
- 100 per cent deduction in profits for the construction of affordable houses for developer
- Base year to compute capital gains tax shifted from 1981 to 2001 which will result in higher cost base and consequently lower tax on sale of immovable property.
- Also, holding period for immovable property reduced to 24 months to qualify as long-term capital asset

With government stepping on to the reforms peddle, India's real estate sector witnessed three big bang reforms in 2016-17 which will lead to consolidation in the real estate sector.

Demonetisation: India witnessed a massive drive to weed out parallel economy from the system when the government announced its demonetisation measure. It impacted all businesses due to depressed consumer sentiments in the short term. Real estate sector too witnessed a slowdown in purchases. As this sector is highly unorganised, many small developers were adversely affected by this move. However, the reform has brought much needed financial transparency in the sector as all transactions are being routed through the banking system. It is expected to consolidate the industry in favour of the developers adhering to best financial practices and professional management such as Arihant. Demonetisation has also led to a flush of funds in the banking system due to which banks have reduced their lending rates. This will only improve the wallet share for

home buyers. Arihant has always transacted only through the banking system and always adhered to financial compliance. Hence the sudden demonetisation did not cause any concern for the organisation.

RERA: Although real estate has been a big contributor to India's growth story, it has been unregulated resulting in poor compliance, financial irregularities and lack of consumer protection against unscrupulous developers which have earned the entire industry a poor reputation. Government introduced Real Estate Regulation and Development Act (RERA) in 2016. This act will weed out those developers who failed to adhere to good industry practices and who misled consumers. Arihant welcomes RERA. All Arihant projects are RERA compliant as Arihant believes that "Ek Sasta Ghar, Kharab Ghar Nahi Ho Sakta". RERA has only underscored what Arihant has been practicing diligently since years.

GST: "One Nation, One Market, One Tax" principle of GST is set to transform India by subsuming a host of indirect taxes and simplifying India's taxation for all businesses. For the developers GST will result in improved logistics, lower expenses and easing of tax payment process, leading to better efficiencies and improved margins. GST is beneficial towards affordable homes category in comparison to luxury homes category as the tax paid on sale of luxury house will be much more than the input credits available, nullifying the benefits accrued from GST. As ~70% of the players cater to high and luxury real estate, GST is expected to shift focus towards affordable housing developers i.e. towards high volume and low to medium income segment offerings which will benefit Arihant as the organisation is reputed as one of the best affordable housing developers in the country.

The reforms of 2016-17 led to a slowdown in the industry as confusion and reduced liquidity led the home buyer away from the market in the short term. This resulted in 2016-17 being a relatively lacklustre year for real estate players. In the long term these reforms are expected to constructively change the way real estate business is carried out in India. With clarity emerging on slew of measures, steadily improving economic environment, increasing consumer buying interest supported by the industry's rapid stride towards better management practices we are confident that the existing pressure points would abate.

With reduced home loan rates, the home buyer would choose a developer who is RERA compliant, who can offer good quality homes at cheaper rate and a developer who has gained the trust of consumers in the past. Arihant fits this description perfectly. Arihant is confident going ahead these reforms will only improve Arihant's growth visibility over the years.

ARIHANT'S MICRO MARKETS: OPPORTUNITIES ABOUND:

Arihant Superstructure operates in the Mumbai Metropolitan Area and Jodhpur micro markets.

Mumbai Metropolitan Area MMR:

MMR one of the fastest growing urban clusters in India, was mostly treated as an extended far suburb of Mumbai. UN estimates put the MMR as the second most populous in the world in 2015, with 27.4 million. Mumbai, Navi Mumbai, Thane, Mira-Bhayander, Vasai-Virar, Kalyan-Dombivli, Bhiwandi-Nizampur and Ulhasnagar comprise the MMR. Each has its own municipal corporation. The eight cities are spread across 4,355 square kilometres, predominantly a residential hub for those employed in Mumbai, it is also home to small industrial units and a services-driven economy projected to grow at 7% to 9% annually. As per Projections MMR is expected to house a staggering 37 million people by 2032 and nearly 44 million by 2052.

With Affordable Housing emerging as the future growth driver within the real estate space, the MMR region is perfectly poised to witness superior penetration and growth on back of a burgeoning population in comparison to Mumbai due to improved connectivity with the island city and affordable rentals and real estate options. In addition to this there are many growth drivers which will improve the connectivity of MMR.

- **Metro line in Navi Mumbai - from CBD Belapur via Kharghar to Pendhar / Talaja:** although facing many delays, CIDCO is confident of completing the project by December 2018
- **MTHL (Mumbai Trans Harbour Link) from Sewri to Nhava Sea:** Construction is expected to commence in October 2017 with the MMRDA already receiving 17 bids for this project.
- **200 acres Navi Mumbai Corporate Park in Kharghar:** The project will be developed in phases; CIDCO has already received 27 bids for selecting the architect.
- **Govt. Urban Development Department allocates INR 120 Billion for 23 NAINA villages:** under this project 23 villages under Panvel taluka will be developed into a modern township through participatory method by CIDCO with the aim to boost affordable housing in Navi Mumbai
- CIDCO awards contract INR 1.11 Billion for Navi Mumbai water transport (Foundation Stone by CM, Nov 2016): expected to be functional by 2018-19.
- **Navi Mumbai International Airport (NMIA):** GVK is slated to commence ground work from post monsoons

- **Additional metro corridor:** between Mankhurd and Ghatkopar proposed to go up to Panvel via NMIA
- **DMIC:** - Dedicated freight corridor (DFC) between Delhi & Mumbai (originating from JNPT) NAINA & KNT
- **Alibaug-Virar Multi Modal Corridor:** this corridor is expected to carry all the traffic from JNPT towards Navi Mumbai and Thane outside the city. It is also expected to result in development of the area and create job opportunities in Virar, Bhiwandi, Kalyan, Dombivali, Panvel, Taloja and Uran.

Jodhpur:

Jodhpur, the second largest as well as an important tourist destination in Rajasthan. Over the years, Jodhpur has not only become a ‘must visit’ city for the domestic travellers but it has also gained importance internationally as a top tourist destination. Jodhpur is well connected by rail, road and air. Off late the city has gained prominence due to a host of reasons with tourism being just one of the many. Jodhpur is now gaining distinction as another significant destination for real estate developments as the Sun City is poised to become an educational and industrial hub. The growth scenario for the city is vibrant on back of major educational, petrochemical projects as well as new connectivity projects taking shape. All these employment opportunities are bound to demand affordable housing considering the growing demand for quality lifestyle at affordable rates.

The key projects that underway in Jodhpur are:

- **HPCL refinery in Pachpadra - Barmer near Jodhpur:** although in Barmer district, geographically the complex is closer to Jodhpur. The of Rs 37,230 Crores project is expected to generate employment for over 1 lakh people
- **Petrochemical complex:** The HPCL complex will also result in many ancillary industrial units being established around Jodhpur.
- **New Airport:** transfer of land from Indian Air Force for the development of New Civil Airport has already commenced
- **Jodhpur Pali Marwar Industrial Area (JPMIA) project:** This project includes Integrated Multi-Modal Logistics Hub in Jodhpur. JPMIA has received environmental clearance and is expected to be completed in three phases of which Phase I is expected to be completed by 2022. The project is expected to generate total employment of 90,000 by phase I.
- **Mass Rapid Transit System (MRTS) in Jodhpur and Pali:** it will improve connectivity drastically.
- **Proposed Projects in Jodhpur:**
 - o *Proposed Mega leather cluster:* one out of seven in india, at an investment of INR 125 cr.
 - o *Proposed Handicraft cluster:* dedicated for high-quality manufacturing at an investment of INR 70 cr.
 - o *Proposed Guar gum testing facility:* at an investment INR 4 cr.

COMPANY REVIEW:

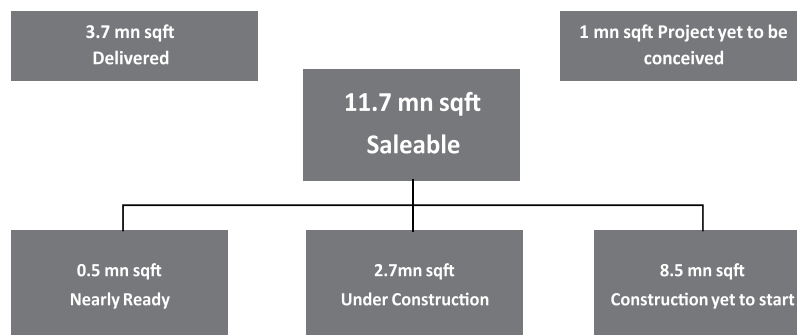
Arihant Superstructures is one of the leading developers in Mumbai Metropolitan Region and Jodhpur. Both these locations are witnessing rapid development on back of several government led initiatives. Arihant has been present in both these regions from the past two decades. Till date Arihant Group has delivered 8000 homes worth 7 million Sq. ft. across 50 projects over past 25 years. Arihant entered affordable housing in 2009. Now with the government focus on affordable housing, Arihant could be a major beneficiary.

While Arihant is present across all segments of the market, our main focus remains on the mid and affordable housing segments. The affordable housing segment accounts for around 66% of our project portfolio as on date, which has 100% tax exemption on earnings. The other two segments catered to by Arihant are Middle-Income Group and Upper Medium Income Group.

Arihant has a unique method and management on selection of projects. We select the projects with respect to population matrix in different income group classess and commence project which the same ratio between affordable housing (INR 2000-4000 per sft) middle income group (INR 4000-7000 ₹ per sft) and upper middle income group (INR 8000 per sft). This enables the company to complement the demand supply for individual segment and have a market share in each segment.

Also land acquisition is a major concern due to rising land prices as well as the litigious nature of land acquisition which makes it a cumbersome and time consuming process. Herein lies Arihant’s strength. Arihant’s business model is based on land bank created long ago at abysmally low historical prices. For newer acquisition, the company follows a unique business model wherein all new projects are mainly JV with the land owners. The land owner gets certain share of area to sell and earn from the project. Arihant outsources labour and building equipment to third party vendors and keeping critical departments of design, engineering and sales- marketing in house.

Currently, Arihant has total ongoing projects of 12.9 msf across 15 projects. Of this, nine ongoing projects are in Mumbai of 7.5 msf (7900 units) and six ongoing projects of 5.4 msf (4500 units) are in Jodhpur. The company is looking to complete these projects over the next six years. Arihant's projects are in 7 different locations with different approval authorities which reduces the risk of approval process and the risk geographic revenue concentration is mitigated.



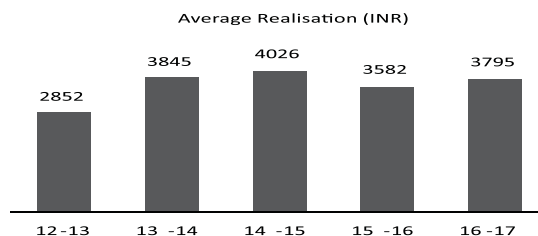
PROJECT WISE PERFORMANCE:

	Project	Location	Economic Interest	Saleable Area (SqFt)	Total Units	Units Sold	Project Completion %
1	Arihant Aalishan - I	Kharghar	60%	449,149	381	137	9%
	Arihant Aalishan - II	Kharghar	60%	544,692	356		0%
2	Arihant Anshula	Taloja (Nr Kharghar)	60%	509,483	504	230	41%
3	Arihant Anaika - I	Taloja (Nr Kharghar)	60%	201,289	188	95	45%
	Arihant Anaika - II	Taloja (Nr Kharghar)	60%	186,808	160		0%
4	Arihant Arshiya - I	Khopoli	100%	358,718	522	380	100%
	Arihant Arshiya - II	Khopoli	100%	148,052	251	142	54%
	Arihant Arshiya - III	Khopoli	100%	61,530	67	0	10%
	Arihant Arshiya - IV	Khopoli	100%	908,342	1608	0	0%
5	Arihant Anmol - III	Badlapur	60%	116,156	149	92	20%
	Arihant Aloki - I	Karjat	60%	240,758	246	66	31%
6	Arihant Aloki - II	Karjat	60%	111,299	75		0%
	Arihant Amisha - I	Taloja	60%	134,960	176	119	95%
7	Arihant Amisha - II	Taloja	60%	283,530	377		0%
	Arihant Aaroohi - I	Thane Shil Road	100%	210,192	223	175	84%
8	Arihant Aaroohi - II	Thane Shil Road	100%	51,990	37	6	0%
	Arihant Akanksha	Panvel	60%	3,030,000	2600	227	0%
				7,546,948	7920	1669	
10	Arihant Adita - I	Jodhpur	100%	506,941	408	360	100%
	Arihant Adita - II	Jodhpur	100%	180,330	164	79	84%
	Arihant Adita - III	Jodhpur	100%	187,875	165	93	82%
	Arihant Adita - IV	Jodhpur	100%	133,920	82	22	17%
	Arihant Adita - V	Jodhpur	100%	299,070	236	9	0%
11	Arihant Ashray	Jodhpur	100%	39,000	123	119	0%
12	Arihant Aangan	Jodhpur	100%	45,600	121	79	25%
13	Arihant Aanchal - I	Jodhpur	100%	478,800	532	408	12%
	Arihant Aanchal - II	Jodhpur	100%	1,612,800	1792		0%
14	Arihant Ayati	Jodhpur	100%	210,421	81	21	69%
15	Arihant Aakarshan	Jodhpur	100%	1,680,000	825		0%
				5,374,757	4529	1190	
				12,921,705	12449	2859	

OPERATIONAL HIGHLIGHTS:

2016-17 has been a tough year for the real estate industry with lots of regulatory and policy changes which created confusion amongst the buyers and developers thus leading to a dip in home buying. The tightening of purse strings at the buyer's end is expected to cease with easing liquidity and greater regulatory clarity. We expect FY18 to witness uptick in sales and reverse the pessimism of FY17.

Arihant has been steadily moving on the growth path. FY 2016-17 witnessed Revenue growth of 51% with reported Revenues at INR1862 million, EBITDA grew by 78% at INR 643mn with highest margins in the last five years at 35%. Arihant's Net Profit was INR 327mn i.e. growth of 71% over the previous year. We booked an area of 468,000 square feet during FY2016-17 which translates to 527 units sold. The average realisation for the company stood at INR 3795 per square feet.



PROJECT LAUNCHES (NEED ELABORATION FROM ARIHANT TEAM):

“Arihant Anaika” at Taloja, Mumbai was launched in Feb 2017. The project has witnessed heightened traction from customers with sale of 89 flats in just 7 days.

AWARDS AND RECOGNITION:

NDTV awarded Arihant as the 'Best developer in affordable category for budget housing in metro cities, 2016'. This reinforces the customer trust and belief in brand Arihant – which continues to deliver with stability.

FINANCIAL PERFORMANCE REVIEW:

STATEMENT OF PROFIT AND LOSS:

	FY17	FY16
Income		
Revenue from operations	1848.09	1223.65
Other income	14.38	13.49
Total Revenue	1862.46	1237.14
Expenses		
Cost of Construction, Land and Development expenses	2074.11	1143.81
Changes in inventories of finished goods, work in progress & Stock in trade	(1130.36)	(480.52)
Employee benefits expense	84.54	79.40
Finance costs	101.22	36.44
Depreciation and amortization expense	10.20	10.79
Other expenses	190.67	132.79
Total expenses	1330.38	922.71
Profit / (Loss) before tax	532.08	314.42
Tax expense:	-	-
Current tax	173.80	105.32
Deferred tax	(0.86)	(1.17)
Profit / (Loss) for the period before Minority Interest	359.15	210.28
Pre profit	-	-
Share of minority interest	32.36	19.73
Profit / (Loss) for the period	326.79	190.55
Earnings per equity share:		
(1) Basic	7.94	4.63
(2) Diluted	7.94	4.63
See accompanying notes to the financial statements		

STATEMENT OF ASSETS AND LIABILITIES:

(₹ In Mn)

Particulars	FY17	FY16
Shareholders' funds		
(a) Share capital	411.60	411.60
(b) Reserves and surplus	723.98	397.15
	1135.58	808.75
Minority Interest	78.95	46.59
Non-current liabilities	-	-
(a) Long-term borrowings	2013.27	1778.23
(b) Deferred tax liabilities (Net)	0.07	0.93
	2013.34	1779.16
Current liabilities	-	-
(a) Short-term borrowings	544.95	326.89
(b) Trade payables	244.13	154.33
(c) Other current liabilities	170.19	91.97
(d) Advance From Customers	1590.22	1485.41
(e) Short-term provisions	316.63	227.39
	2866.13	2285.99
TOTAL	6094.01	4920.50
ASSETS		
Non-current assets		
(a) Fixed assets		
Tangible assets	39.21	46.67
Intangible assets	1.42	1.78
(b) Deferred tax assets (net)	-	-
(c) Non-current investments	90.51	50.01
(d) Long-term loans and advances	322.85	272.17
	453.99	370.63
Current assets		
(a) Current investments	1.71	1.72
(b) Inventories	-	-
Finished Goods	336.63	91.10
Work In progress	3115.18	2230.35
(c) Trade receivables	335.33	93.45
(d) Cash and cash equivalents	90.27	45.66
(e) Short-term loans and advances	364.41	304.77
(f) Land	1366.20	1,743.80
(g) Other current assets	30.29	39.02
	5640.02	4549.87
TOTAL	6094.01	4,920.50

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

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

**Place: Navi Mumbai
Date: August 12, 2017**

MANAGEMENT DISCUSSION OF RISKS AND CONCERNS:

Risk Management is a structured process to manage uncertainties and threat/s to business, through a systematic process of risk identification, its management and mitigation. For all businesses its a strategy to overcome the threats and achieve their objectives, undetered. Essentially, Risk Management involves:

- Identification of events or circumstances relevant to objectives of the organisation
- Assessment of magnitude of their impact
- Implementation of all planned methods to mitigate the effect of the risks
- Clear Assignment of responsibilities and accountability
- Management Reporting
- Prioritisation of risks, Assessment of probabilities of their occurrence
- Ensuring fulfillment of Corporate Objective by Monitoring progress of risk mitigation measures

By identifying and proactively addressing risks and opportunities, business enterprises protect and create value for their stakeholders, including owners, employees, customers, regulators, and the society at large. Our Company has appropriate and adequate internal control systems for its business process at all the levels. The management has identified certain areas of risks to which the Company is susceptible.

Listed below are the various events and their possible impacts alongwith the actions taken to mitigate and control such probabilities:

COMPANY RISKS, APPROACH AND MITIGATION:

Sr. No.	Inherent Risk	Department	Impact Factors	Proposed Mitigation
1	Land Acquisition	Revenue	Unavailability or shortage of suitable parcels of land for development could lead to escalation in land prices. A drop in land prices may erode the book value carrying cost of land.	Direct procurement from the owners and Farmers Venture in lesser exploited territories
2	Contractors Manpower	Engineering	Shortage of skilled manpower could result in the delay of the completion of the project. This inturn would lead to increase in the cost of the project	Increased usage of mechanized equipment Supply of labour outsourced to Credible sub- contractors Dedicated Planning Department Contracts with Penalty clauses for delay in agreements with contractors
3	Input Costs Fluctuating input cost is a risk inherent to the real estate business.	Purchase	Increase in construction costs (raw materials), repair and maintenance costs, sub-contracted service costs and labour costs. Increased operating expenses may affect profit margins as the prices of properties sold cannot be altered. Correspondingly, if the selling price of unsold properties is increased, the demand may be adversely affected.	Multiple vendors with approved products Evaluate import vs local procurement Long term contracts & Full project contracts for unfluctuating cost and uninterrupted delivery
4	Competition	Sales & Marketing	Lower demand may affect the revenue of the company. Also competition may force to reduce margins as the flats may be sold at lower price	Continuous Training & re-skilling of Sales talen to maitain high Motivation levels Increase Channel partner engagement and strength Improve marketing plan & media planning Enhance Digital marketing Track competitors schemes

Sr. No.	Inherent Risk	Department	Impact Factors	Proposed Mitigation
5	Environment	Approvals	Any delay in approval from the environment committee would result in hampering the launch of the project	Improve liaisoning with the government departments Associate with the government ministry at platforms Use Industry associations various platforms to raise appropriate concerns & resolve
6	Funding Risk	Finance Department	Tightening of liquidity in the market may result issues in funding. Issues which may delay payments to vendors	Enhancing good relationship with Bankers & Financers results in finance available and at low cost Construction linked payment ensures self financing of the project
7	Geographical Concentration	Revenue	Projects running in the same locations may have internal competition which may impact sales	To keep time lag between launch timings of such projects To create different product mix for projects in close locations
8	Govt Regulations	Approvals	New regulations may slow down approvals and impact approvals	Anticipate the impact and prepare for contingencies Adopt the policies in advance for new regulations
9	Product selection	Design	Any mismatch in anticipating the demand of the product would result in low response to the project launched	Project feasibility before starting of a project Survey of market- customer demand
10	Receivable Risk	Accounts	A decline in the economy or the salaries of the people can have a negative impact on the receivables from the customers.	Maximise sales via home loans and various schemes Book sales of customers who have steady source of income Or who have finance available with them
11	Loss due to natural calamities	Engineering	Financial Loss, Inability to complete projects on schedule	Appropriate Insurance policies, Project started with phase wise strategy. Hence control in terms of limited selling and developing. 2nd with Pre launch strategy get atleast 15% booking and amount collected which takes care of the initial construction cost. Strategy of collection of major amount from customers only when a project building structure is ready ensures self financing and completion of project

INDUSTRY RISKS AND MITIGATION:

Sr. No	Risk description	Department	Impact factors	Mitigation measures (Proposed mitigation measures mentioned in italics)
1	Slump in the real estate market/ significant decline in property prices	Business development	<ul style="list-style-type: none"> Reduction in property prices Impact on demand for properties 	<ul style="list-style-type: none"> Land acquired at historical low prices don't hurt even in recession. Arihant has 66% of portfolio in the 'Affordable housing' of ₹ 2000 to 4000 per sq ft. While 27% of portfolio falls in MIG housing from ₹ 4000 to ₹ 7000 per sq ft Economies of scale due to inhouse integrated capabilities ensures low cost of construction & overheads Working in phase wise on a project gives flexibility to start /stop of the project
2	Declining affordability due to factors of demonetisation, GST & economy slow down	Business development	<ul style="list-style-type: none"> Decreased demand for properties above Rs 90 lacs 	<ul style="list-style-type: none"> 93% of housing portfolio falls under ₹ 90 lacs budget. Arihant Brand will be pulling factor for properties > ₹ 90 lacs. Premium houses are in Kharghar & Panvel location which are future premium residences Low cost affordable housing – Provident
3	Compulsory land acquisition by government due to development of infrastructure projects	Land acquisition	<ul style="list-style-type: none"> Delay in project completion Exposure to legal disputes and related costs Exposure to additional costs if changes are required to be made to the master plan 	<ul style="list-style-type: none"> Review of city infrastructure plan/ possibility of future expansion of roads considered NOC's from government prior to purchase Project commenced only after receipt of sanctions from relevant authorities
4	Loss due to natural calamities	Project execution	<ul style="list-style-type: none"> Financial loss Inability to complete projects on schedule 	<ul style="list-style-type: none"> Appropriate insurance policies Disaster recovery plan/Business continuity plan to be rolled out
5	Inability to grow existing land bank as desired due to inability/delay in procuring contiguous land for large projects, inability to build land bank at strategic locations at low costs, among others	Business development	<ul style="list-style-type: none"> Inability to grow business 	<ul style="list-style-type: none"> Arihant brand as ensured land owners prefer dealing with Arihant. JV / Development model being received from land owners The current 12.9 sq ft development will suffice for atleast 6 years

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

**Place: Navi Mumbai
Date: August 12, 2017**

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

INDEPENDENT AUDITORS' REPORT

**To the Members of
Arihant Superstructures Limited**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Arihant Superstructures Limited** ('the Company'), which comprise the balance sheet as at March 31, 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 the 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 a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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 flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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 and 4 of the order.

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) 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;
 - d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) on the basis of the written representations received from the directors as on March 31st, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**”; and
 - g) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. the company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses. and;
 - iii. there is no amount required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. the Company has provided requisite disclosures in the standalone Financial Statements as to holding as well as dealing in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 36 to the Standalone Financial Statements.

For Kailash Chand Jain & Co.
Chartered Accountants
Firm Registration No. : 112318W

Place: Mumbai
Date : May 27, 2017

Dipesh Mehta
Partner
Membership No. : 134607

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2017 we report that:

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets of the company have been physically verified by the management during the year. No material discrepancies have been identified on such verification. In our opinion the frequency of verification is reasonable.
- c) According to the information and explanations given to us and on the 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. Physical verification of Inventory has been conducted at regular intervals by the management and no material discrepancies were noticed on such verification.
- iii. The Company has granted loans to five 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. In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
 - c. There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- 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 Act, with respect to the loans and investments made, and guarantees and securities provided by it.
- v. The Company has not accepted any deposits from the public and the rules framed there under to the extent notified.
- vi. We have broadly reviewed the cost accounting records maintained by the Company pursuant to the Rules made by the Central Government under section 148(1) of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we are not required to make a detailed examination of such records.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues though there has been a slight delay in few cases, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise duty, value added tax as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
Maharashtra Vat Act, 2002	MVAT	2,71,23,501/-	F.Y. 2006-07	Commissioner Appeal
Maharashtra Vat Act, 2002	MVAT	1,92,09,455/-	F.Y. 2007-08	Commissioner Appeal
Maharashtra Vat Act, 2002	MVAT	1,23,90,749/-	F.Y. 2009-10	Commissioner Appeal
Maharashtra Vat Act, 2002	MVAT	10,28,74,516/-	F.Y. 2010-11	Commissioner Appeal
The Income Tax Act, 1961	Income Tax	32,24,840/-	F.Y. 2011-12	CIT Appeal

- viii. According to the information and explanation given to us and based on our examination of the records, the company has not defaulted in the repayment of loans or borrowing to any financial institutions, banks, governments and debenture holders at balance sheet date.
- ix. In our opinion and according to information and explanation given to us the money raised by way of term loan have been applied, on an overall basis, for the purpose for which they were obtained.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid 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. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give 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. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Kailash Chand Jain & Co.
Chartered Accountants
Firm Registration No. : 112318W

Place: Mumbai
Date :May 27, 2017

Dipesh Mehta
Partner
Membership No. : 134607

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

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 Superstructures Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 judgment, 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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) 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
- (3) 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 Kailash Chand Jain & Co.
Chartered Accountants
Firm's Registration No. : 112318W

Place: Mumbai
Date :May 27, 2017

Dipesh Mehta
Partner
Membership No. : 134607

STANDALONE BALANCE SHEET
CIN : L51900MH1983PLC029643

(Amount in ₹)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
A EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	411,599,910	411,599,910
(b) Reserves and surplus	4	772,251,225	506,063,251
		1,183,851,135	917,663,161
Share application money pending allotment			
		-	-
Non-current liabilities			
(a) Long-term borrowings	5	693,379,506	597,704,575
(b) Deferred tax liabilities (net)	27	178,645	817,164
		693,558,151	598,521,739
Current liabilities			
(a) Short-term borrowings	5	83,639,710	26,315,338
(b) Trade payables			
(i) dues to micro and small enterprises	6	-	-
(ii) dues to others		111,279,738	94,647,449
(c) Advance from Customers	7	430,226,530	758,672,823
(d) Other current liabilities	8	77,840,682	50,535,128
(e) Short term provisions	9	94,586,523	91,786,923
		797,573,183	1,021,957,660
Total		2,674,982,469	2,538,142,560
B ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10.a	19,800,316	25,070,373
(ii) Intangible assets	10.b	1,324,076	1,729,696
(b) Non-current investments	11	10,540,500	10,587,800
(c) Long term loans & advances	12	169,790,527	213,670,527
		201,455,419	251,058,396
Current assets			
(a) Inventories			
Finished Goods	13.a	321,398,645	91,104,951
Work in progress & Raw material	13.b	1,462,888,155	1,488,587,157
(b) Current Investment	14	22,206,684	41,719,755
(c) Trade receivables	15	259,520,900	74,865,036
(d) Cash and cash equivalents	16	32,043,626	11,350,548
(e) Short-term loans and advances	17	55,304,275	96,058,932
(f) Land	18	294,226,642	464,428,586
(g) Other current assets	19	25,938,123	18,969,199
		2,473,527,050	2,287,084,164
Total		2,674,982,469	2,538,142,560
See accompanying notes forming part of the financial statements			

1 to 37

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

Dipesh Mehta
Partner
M.No.: 134607

Place : Mumbai
Date : May 27, 2017

For and on behalf of the Board of Directors

Ashok Chhajer
Managing Director
DIN: 01965094

Nimish Shah
Whole Time Director
DIN: 03036904

Dinesh Babel
Independent Director
DIN: 03042254

Naval Singh
Company Secretary

Manish Mehta
Chief Financial Officer

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
CIN : L51900MH1983PLC029643

(Amount in ₹)

Particulars	Note No.	for the Year ended March 31, 2017	for the Year ended March 31, 2016
Income			
Revenue from operations	20	1,288,623,644	830,781,073
Other income	21	23,663,941	44,695,538
Total revenue		1,312,287,585	875,476,611
Expenses			
(a) Cost of construction, land and development expenses	22.a	920,315,309	685,237,866
(b) Purchase of stock in trade		-	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22.b	(204,594,692)	(217,317,193)
(d) Employee benefit expenses	23	36,398,966	49,529,175
(e) Finance costs	24	75,907,135	35,640,601
(f) Depreciation & Amortization expense	10	5,806,603	5,989,307
(g) Other expenses	25	75,663,929	64,961,544
Total expenses		909,497,250	624,041,300
Profit/(Loss) before tax		402,790,335	251,435,311
Tax expenses:			
(a) Current tax expense		137,240,880	81,061,900
(b) Deferred tax		(638,519)	(881,663)
Profit / (Loss) from continuing operations		266,187,974	171,255,074
Earnings per share (of ₹10/- each):			
(a) Basic	26	6.47	4.16
(b) Diluted		6.47	4.16
See accompanying notes forming part of the financial statements	1 to 37		

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

Dipesh Mehta
 Partner
 M.No.: 134607

Place : Mumbai
 Date : May 27, 2017

For and on behalf of the Board of Directors

Ashok Chhajer
 Managing Director
 DIN: 01965094

Nimish Shah
 Whole Time Director
 DIN: 03036904

Dinesh Babel
 Independent Director
 DIN: 03042254

Naval Singh
 Company Secretary

Manish Mehta
 Chief Financial Officer

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED

Particulars	(Amount in ₹)	
	for the Year ended March 31, 2017	for the Year ended March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and before Extra ordinary Items :	402,790,335	251,435,311
Adjustment for Non Cash Items		
Depreciation & Amortisation	5,806,603	5,989,307
Interest paid	69,316,835	36,416,818
Profit on sale of Investment	(38,700)	-
Loss on sale of Car	144,234	-
Interest Received	(22,582,451)	(43,156,745)
	<u>455,436,856</u>	<u>250,684,691</u>
Changes in Working Capital:-		
(Increase)/ Decrease in Inventories	(204,594,692)	(134,529,032)
(Increase)/ Decrease in Term Loans & Advances	84,634,657	179,744,333
(Increase)/ Decrease in Trade & Other Receivable	30,668,648	(152,072,182)
Increase/ (Decrease) in Current Liabilities & Provision	(296,011,434)	(75,015,319)
Cash flow from operating activities before tax and extraordinary items	<u>70,134,034</u>	<u>68,812,491</u>
Income tax paid	(101,819,726)	(62,115,480)
Cash flow from operating activities before extraordinary items	<u>(31,685,692)</u>	<u>6,697,011</u>
Adjustment for Extraordinary Items	-	-
Net cash flow from Operating Activities	<u>(31,685,692)</u>	<u>6,697,011</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Net)	(416,132)	(5,590,922)
Sale of Fixed Assets	140,969	1,323,855
(Purchase)/Sale of Investments	47,300	-
Interest Received	22,582,451	43,156,745
Profit on sale of Investment	38,700	(1,404,814)
Loss on sale of fixed assets	(144,234)	-
Net cash flow from Investing Activities	<u>22,249,054</u>	<u>37,484,864</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Secured Loans	95,674,931	108,227,577
Increase/(Decrease) in Unsecured Loans	57,324,372	(56,569,618)
Interest paid	(69,316,835)	(36,416,818)
Interest capitalised into land	(32,578,421)	(53,501,223)
Dividend and Dividend distribution tax Paid	(44,585,276)	(14,816,871)
Net Cash flow from Financing Activities	<u>6,518,771</u>	<u>(53,076,953)</u>
Net Increase in Cash & Cash Equivalents	(2,917,865)	(8,895,078)
Opening Balance of Cash & Cash Equivalents	(10,895,068)	(1,999,990)
Closing Balance of Cash & Cash Equivalents	<u>(13,812,933)</u>	<u>(10,895,068)</u>
(i) Cash in hand	2,031,214	2,689,523
(ii) Balance with bank (net of book overdraft)	(15,844,147)	(13,584,591)
Closing Balance of Cash & Cash Equivalents	<u>(13,812,933)</u>	<u>(10,895,068)</u>

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

Dipesh Mehta
Partner
M.No.: 134607

Place : Mumbai
Date : May 27, 2017

For and on behalf of the Board of Directors

Ashok Chhajer
Managing Director
DIN: 01965094

Nimish Shah
Whole Time Director
DIN: 03036904

Dinesh Babel
Independent Director
DIN: 03042254

Naval Singh
Company Secretary

Manish Mehta
Chief Financial Officer

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1 Corporate information

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

2 Significant accounting policies (Illustrative)

2.1 Basis of accounting and preparation of financial statements

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

2.2 Use of estimates

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

2.3 Cash flow statement

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

2.4 Investments

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

2.5 Inventories

i) Construction materials and consumables :

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

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

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

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

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

iii) Finished Stock of Completed Projects :

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

2.6 Depreciation and amortisation

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

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

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

2.7 Tangible fixed assets

Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Machinery spares which can be used only in connection with an item of

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

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

2.8 Revenue recognition

"Pursuant to issuance of revised Guidance Note on Accounting for Real Estate Transactions (Revised 2012), by The Institute of Chartered Accountants of India (ICAI), the Company revised its Accounting Policy of revenue recognition for all projects commencing on or after April 1, 2012 or project where the revenue is recognised for the first time on or after the above date. For project Arihant Aarohi, Arihant Amodini, Arihant Arshiya Phase I & Phase II, Arihant Aangan, Arihant Ayati, Arihant Adita Phase II & III revenue is recognized during the year due to the fulfilment of conditions of recognizing of revenue as per revised Guidance Note. Whereas projects Arihant Aanchal, Remaining Phases of Arihant Adita, Arihant Agrima & Remaining Phase of Arihant Arshiya which came under the purview of the revised guidance note but as at March 31, 2017, the conditions for recognizing revenue for these projects were not met."

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

2.9 Other income

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

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

2.10 Intangible fixed assets

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

2.11 Borrowing costs

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

2.12 Foreign currency transactions and translations

Treatment of exchange differences

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

2.13 Taxes on income

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

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

Deferred tax as per AS-22 is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

2.14 Earning Per Share

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

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

2.15 Contingent Liabilities

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

2.16 Provisions

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

2.17 Amalgamation

Pursuant to the scheme of amalgamation ('the Scheme') of the erstwhile Adeshwar Realty Pvt. Ltd. ('transferor company') with the Company under section 391 to 394 of the Companies Act, 1956, sanctioned by the Hon'ble High Court of Bombay on July 22, 2016, entire business and all assets and liabilities of the erstwhile Adeshwar Realty Pvt. Ltd., were transferred to and vested in the company with effect from April 1, 2014, being the 'appointed date'. Accordingly, the Scheme has been given effect to the financial statements of the Company for the year ended March 31, 2015.

The transferor company is been engaged in the business of real estate development, from the identification and acquisition of land, planning, execution, construction and marketing of projects.

2.18 Amalgamation Accounting

The company treats an amalgamation in the nature of merger if it satisfies all the following criteria:

- (i). All the assets and liabilities of the transferor company become, after amalgamation, the assets and liabilities of the transferee company.
- (ii). Shareholders holding not less than 90% of the face value of the equity shares of the transferor company (other than the equity shares already held therein, immediately before the amalgamation, by the transferee company or its subsidiaries or their nominees) become equity shareholders of the transferee company.
- (iii). The consideration for amalgamation receivable by those equity shareholders of the transferor company who agree to become shareholders of the transferee company is discharged by the transferee company wholly by the issue of equity shares, except that cash may be paid in respect of any fractional shares.
- (iv). The business of the transferor company is intended to be carried on, after the amalgamation, by the transferee company.
- (v). The transferee company does not intend to make any adjustment to the book values of the assets and liabilities of the transferor company, except to ensure uniformity of accounting policies.

All other amalgamations are in the nature of purchase.

The company accounts for all amalgamations in the nature of merger using the pooling of interest method as prescribed by Accounting Standard -14(Accounting for Amalgamations) The application of this method requires the company to recognize any non-cash element of the consideration at fair value. The company recognizes assets, liabilities and reserves, whether capital or revenue, of the transferor company at their existing carrying amounts and in the same form as at the date of the amalgamation. The balance in the statement of profit and loss of the transferor company is transferred to the general reserve. The difference between the amount recorded as share capital issued, plus any additional consideration in the form of cash or other assets, and the amount of share capital of the transferor company is adjusted in reserves.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 3 SHARE CAPITAL

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
6,00,00,000 Equity shares of ₹10 each.	60,000,000	600,000,000	60,000,000	600,000,000
1,50,00,000 Preference Shares of ₹10 each.	15,000,000	150,000,000	15,000,000	150,000,000
(b) Issued				
Equity shares of ₹10 each with voting rights	41,159,991	411,599,910	41,159,991	411,599,910
(c) Subscribed and fully paid up				
Equity shares of ₹10 each with voting rights	41,159,991	411,599,910	41,159,991	411,599,910
Total	41,159,991	411,599,910	41,159,991	411,599,910

Notes:

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

Particulars	Opening Balance	Changes	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2017			
- Number of shares	41,159,991	-	41,159,991
- Amount (₹)	411,599,910	-	411,599,910
Year ended 31 March, 2016			
- Number of shares	41,159,991	-	41,159,991
- Amount (₹)	411,599,910	-	411,599,910

Class of shares / Name of shareholder (holding more than 5%)	As at March 31, 2017		As at March 31, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Ashok B. Chhajjer	22,170,151	53.86	22,151,306	53.82
Sangeeta A. Chhajjer	2,138,900	5.20	2,138,900	5.20
Parth A. Chhajjer	6,000,000	14.58	6,000,000	14.58

NOTE 4 RESERVES AND SURPLUS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
(a) Share Premium		
Opening balance	52,439,986	52,439,986
Add: addition during the year	-	-
Closing balance	52,439,986	52,439,986
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	453,623,265	326,953,467
Add: Profit / (Loss) for the year	266,187,974	171,255,074
Less: Provision for Dividend	-	37,043,992
Less: Provision for Dividend Distribution tax	-	7,541,285
Closing balance	719,811,239	453,623,265
Total	772,251,225	506,063,251

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
NOTE 5 LONG-TERM BORROWINGS

(Amount in ₹)

Particulars	As at March 31, 2017		As at March 31, 2016	
	Long-term	Short-term	Long-term	Short-term
(a) Other loans and advances				
Secured Loans				
Vehicle Loans	465,454	956,227	2,792,466	-
Term Loans				
i) Federal Bank Ltd	-	-	143,299,486	-
ii) STCI Finance Ltd	273,621,659	-	-	-
iii) HDFC Bank Ltd - 9876	-	-	226,012,623	-
iv) HDFC Bank Ltd - 9378	294,292,393	-	100,000,000	-
Unsecured Loans				
From Directors				
Nimish Shah	-	-	600,000	70,004
Ashok B Chhajer	-	41,013,749	-	10,162,573
From Others				
Desert Eagle Security Services Pvt. Ltd	45,000,000	12,307,144	45,000,000	5,490,875
Good Fly Distributors Pvt Ltd	30,000,000	11,348,069	30,000,000	6,430,015
Adinath Realty Pvt. Ltd	20,000,000	12,768,106	20,000,000	3,107,762
Stone Crafts Estate Pvt. Ltd	30,000,000	5,246,415	30,000,000	1,054,109
Total	693,379,506	83,639,710	597,704,575	26,315,338

Note :

- Term Loan from STCI Finance Limited is secured against land (with all the buildings and structures thereon) at bearing Khasara No. 227/9,213/2 & 228 village Gangana Tehsil Luni District Jodhpur, Rajasthan .
- Term Loan from Federal Bank is secured against land (with all the buildings and structures thereon) at bearing plot no. 6, 7, 8 & 9 at pal link road, dev nagar, Jodhpur, Rajasthan.
- Vehicles loans are secured against the vehicle itself.
- Term loan from HDFC Bank Ltd. Is secured against mortgage of project land located at survey no. 20/1, 20/2, 20/3, 25/11, 22/4, 22/1, 21/2B, 22/2, 23/2, 25/9 and 22/3, pen road, adjacent to khalapur toll naka, dahivali, khopoli - 410203, Maharashtra.

NOTE 6 TRADE PAYABLES

(Amount in ₹)

Particulars	As at	As at
	March 31, 2017	March 31, 2016
(a)Trade payables:		
(i) dues to micro and small enterprises	-	-
(ii) dues to others		
Sundry creditors	72,021,270	63,574,853
Retention	39,258,468	31,072,596
Total	111,279,738	94,647,449

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 7 ADVANCES FROM CUSTOMERS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Bookings Received	430,226,530	758,672,823
Total	430,226,530	758,672,823

NOTE 8 OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
(a) Security deposit from customers	2,087,719	2,117,719
(b) Other payables		
(i) Statutory remittances		
VAT Payable	208,230	1,041,785
TDS Payable	3,773,048	3,935,765
WCT - Sales Tax	48,278	147,855
Professional Tax Payable	-	122,475
Labour Cess Payable	110,514	-
(ii) Others		
Society Maintenance	21,677,114	14,900,000
ESIC	21,110	14,851
Security Deposit (Electric Connection)	30,000	-
Book Overdraft	45,856,559	22,245,616
Salary Payable	3,928,110	5,404,643
Other liabilities	100,000	604,419
Total	77,840,682	50,535,128

NOTE 9 SHORT TERM PROVISIONS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for Income Tax (Net off Tax Paid)	75,174,993	44,948,644
Provision for Dividend	-	37,043,991
Provision for Dividend Distribution tax	-	7,541,285
Provision for Gratuity Payable	944,892	528,580
Provision for Expenses	18,466,638	1,724,423
Total	94,586,523	91,786,923

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
NOTE 10 FIXED ASSETS

A.	Tangible assets	Gross block			Accumulated depreciation and impairment			Net block		
		Balance as at April 1, 2016	Additions	Disposals	Balance as at March 31, 2017	Balance as at April 1, 2016	Depreciation for the year	Eliminated on disposal of assets	Balance as at March 31, 2017	Balance as at March 31, 2016
		₹	₹	₹	₹	₹	₹	₹	₹	₹
	(a) Building Owned									
	Shop (A. Siddhi)	1,644,720	-	-	1,644,720	203,030	55,911	-	258,941	1,441,690
	(b) Computer Owned									
	Computer	2,767,733	6,805	-	2,774,538	2,492,666	138,370	-	2,631,036	275,067
	Plotter	80,000	-	-	80,000	71,768	-	-	71,768	8,232
	Printer	184,183	58,026	-	242,209	167,543	7,648	-	175,191	16,640
	UPS	180,100	-	-	180,100	171,090	-	-	171,090	9,010
	Scanner	155,509	-	-	155,509	130,641	6,389	-	137,030	24,868
	(c) Plant and Equipment Owned									
	Construction Machinery	7,429,988	-	-	7,429,988	2,196,581	473,232	-	2,669,813	5,233,407
	Container	210,500	-	-	210,500	67,737	27,367	-	95,104	142,763
	Generator	810,007	-	-	810,007	256,605	53,390	-	309,995	553,402
	Projector	29,500	-	-	29,500	17,719	5,707	-	23,426	11,781
	(d) Furniture and Fixtures Owned									
	Owned	5,169,646	12,927	-	5,182,573	1,938,838	553,611	-	2,492,449	3,230,808
	(e) Vehicles Owned									
	Motor Cycle	112,495	-	-	112,495	63,243	15,722	-	78,965	49,252
	Motor Car	23,391,171	-	632,325	22,758,852	11,110,806	3,035,701	347,122	13,799,385	12,280,371
	(f) Equipment Owned									
	Owned	3,573,929	202,924	-	3,776,853	1,780,847	892,488	-	2,673,335	1,793,082
	Total	45,739,487	280,682	632,325	45,387,844	20,669,114	5,265,533	347,122	25,587,528	25,070,373
	Previous year	43,003,989	4,059,353	1,323,855	45,739,487	15,082,449	5,586,666	-	20,669,114	27,921,541
B.	Intangible assets	Gross block			Accumulated depreciation and impairment			Net block		
		Balance as at April 1, 2016	Additions	Disposals	Balance as at March 31, 2017	Balance as at April 1, 2016	Depreciation for the year	Eliminated on disposal of assets	Balance as at March 31, 2017	Balance as at March 31, 2016
		₹	₹	₹	₹	₹	₹	₹	₹	₹
	(a) Computer Software	5,227,157	-	-	5,227,157	3,497,461	529,920	-	4,027,381	1,729,696
	(b) Software JDH	25,357	-	-	25,357	25,357	-	-	25,357	-
	(c) Trade Mark	88,500	135,450	-	223,950	88,500	11,150	-	99,650	-
	Total	5,341,014	135,450	-	5,476,464	3,611,318	541,070	-	4,152,388	1,729,696
	Previous year	3,809,443	1,531,571	-	5,341,014	3,208,677	402,641	-	3,611,318	600,766

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 11 NON-CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at	As at
	March 31, 2017	March 31, 2016
	Unquoted	Unquoted
Investments (At cost):		
A. <u>Trade</u>		
(a) Investment in equity instruments of Subsidiaries & Associates		
Arihant Abode Limited	300,000	300,000
Arihant Aashiyana Private Limited	105,000	105,000
Arihant Gruhnirman Private Limited	60,000	60,000
Arihant Vatika Realty Private Limited	60,000	60,000
Arihant Technoinfra Private Limited	5,500	52,800
(b) Investment in Properties		
Sai Mahaavir Developers	10,000,000	10,000,000
(c) Investment in LLP		
Arihant Aksh Realty LLP	10,000	10,000
Total	10,540,500	10,587,800

NOTE 12 LONG TERM LOANS AND ADVANCES

(Amount in ₹)

Particulars	As at	As at
	March 31, 2017	March 31, 2016
Security Deposits		
Ashok B Chhajer	2,000,000	2,000,000
Jodhpur Development Authority	7,500,000	7,500,000
J.V.V.N. Ltd , Jodhpur	386,086	386,086
Nagar Nigam Jodhpur-Ayati	1,065,000	1,065,000
Debris Deposit A/c (A-Arohi)	610,056	610,056
Permission Deposit A/c (A-Arohi)	564,302	564,302
Registrar City Civil Court	45,083	45,083
Sangeeta Chhajer	120,000	20,000,000
Loan and advances to related parties		
(Unsecured, considered good)		
Arihant Technoinfra Private Limited	90,000,000	90,000,000
Arihant Abode Limited	5,000,000	15,000,000
Arihant Gruhnirman Private Limited	62,500,000	62,500,000
Arihant Vatika Realty Private Limited	-	14,000,000
Total	169,790,527	213,670,527

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
NOTE 13 INVENTORIES

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
(a) Finished goods	321,398,645	91,104,951
	321,398,645	91,104,951
(b) Work in Progress		
Work in Progress	1,430,238,080	1,448,081,327
Raw Material	32,650,075	40,505,830
	1,462,888,155	1,488,587,157
Total	1,784,286,800	1,579,692,108

NOTE 14 CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Investment in LLP		
Arihant Aksh Realty LLP (Current A/c)	1,706,684	1,719,755
Investment in Properties	20,500,000	40,000,000
Total	22,206,684	41,719,755

NOTE 15 TRADE RECEIVABLES

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Trade receivables		
Unsecured, considered good	259,520,900	74,865,036
Total	259,520,900	74,865,036

NOTE 16 CASH AND CASH EQUIVALENTS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
(a) Cash on hand	1,608,419	2,437,565
(b) Foreign Currency	422,795	251,958
(c) Balances with banks		
(i) In current accounts	22,897,459	5,157,950
(ii) In escrow account	2,241,572	1,219,075
Deposits with original maturity for more than 3 months but less than 12 months	-	-
Deposits with original maturity within 3 months	4,873,381	2,284,000
Total	32,043,626	11,350,548

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 17 SHORT-TERM LOANS AND ADVANCES

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
(a) Loans and advances to related parties		
Unsecured, considered good		
Arihant Aashiyana Private Limited	8,709,693	9,486,966
Arihant Abode Limited	4,476,163	10,103,664
Arihant Gruhnirman Private Limited	9,497,851	4,803,437
Arihant Technoinfra Private Limited	21,932,068	10,417,404
Arihant Vatika Realty Private Limited	3,404,541	28,138,413
	48,020,316	62,949,884
(b) Security deposits		
Unsecured, considered good		
Security Deposit-Cidco Ltd-Fire	20,000	20,000
Security Deposit - MSEDCL A-Abhilasha	91,300	91,300
Security Deposit-MSEDCL - A.Arham	16,780	16,780
Security Deposit-MSEDCL - Amodini	41,154	41,154
Security Deposit-Thane Municiple Corporation	40,000	40,000
Security Deposit-Diesel	50,000	50,000
Security Deposit-Cidco Ltd - Abhilasha	124,000	124,000
Deposit-Account Officer, Desem	15,000	15,000
Security Deposit	5,000	5,000
JDH- BSNL Security Deposit	10,000	-
Cidco Ltd	5,000	5,000
	418,234	408,234
(c) Loans and advances to employees	61,300	82,499
	61,300	82,499
(d) Advance Tax & Tds		
TCS Receivable (F.Y. 14-15)	451	451
TCS Receivable (F.Y. 15-16)	504	504
Entry Tax	510,000	510,000
	510,955	510,955
(e) Others		
Advances Against Land	5,700,000	5,700,000
Anil Corporation,Suchit Bachlli & Ankohley & Co.	593,470	593,470
	6,293,470	6,293,470
(f) Advances given to Creditors	-	25,813,890
Total	55,304,275	96,058,932

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
NOTE 18 LAND

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Land	294,226,642	464,428,586
Total	294,226,642	464,428,586

NOTE 19 OTHER CURRENT ASSETS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Prepaid expenses - Unsecured, considered good	330,193	976,435
Service Tax Credit Unutilised	22,349,762	15,129,844
Preliminary Expenses	18,400	36,800
CSR Activities	3,239,768	2,826,120
Total	25,938,123	18,969,199

NOTE 20 REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Sale of products (Refer Note (i) below)	1,288,623,644	830,781,073
Total	1,288,623,644	830,781,073

Note	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(i)	Manufactured finished/unfinished products		
	Arihant Arham	-	1,720,750
	Arihant Aarohi	323,039,978	166,465,250
	Arihant Adita	427,525,980	366,076,881
	Arihant Amodini	110,372,600	116,464,893
	Arihant Arshiya	257,172,794	180,120,049
	Arihant Aangan	8,219,144	-
	Arihant Ayati	161,573,446	-
	Extra amenities - Arihant Arham	-	(66,750)
	Other Operating Revenue	719,702	-
	Total - Sale of products	1,288,623,644	830,781,073

NOTE 21 OTHER INCOME

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Interest income (Refer note (i) below)	22,582,451	42,380,528
(b) Other non-operating income (Refer note (ii) below)	1,081,490	2,315,010
Total	23,663,941	44,695,538

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

		(Amount in ₹)	
Notes	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(i)	Interest income comprises:		
	Fixed Deposits	509,127	253,379
	Other balances	22,073,324	42,127,149
	Total	22,582,451	42,380,528
(ii)	Other non-operating income comprises:		
	Rate Difference	234,553	98,249
	Insurance Claim Received	-	108,061
	Profit on Sale of Share	38,700	-
	Share Profit/(Loss)-Arihant Aksh Realty LLP	(12,102)	1,404,814
	Brokerage on Flat Rent	75,138	12,650
	Welfare fund	240,844	333,375
	Income on Booking Cancellation	143,668	158,279
	Discount Received	169,638	199,582
	Other Income	191,051	-
	Total	1,081,490	2,315,010

NOTE 22.a COST OF CONSTRUCTION, LAND AND DEVELOPMENT EXPENSES

		(Amount in ₹)	
Particulars		For the year ended March 31, 2017	For the year ended March 31, 2016
Purchases (Refer note (i) below)		400,024,885	345,643,688
Land Cost (Refer note (ii) below)		206,748,638	16,123,820
Direct Expenses (Refer note (iii) below)		313,541,786	323,470,358
Total		920,315,309	685,237,866

Notes :

		(Amount in ₹)	
Particulars		For the year ended March 31, 2017	For the year ended March 31, 2016
i) Purchases			
	Arihant Adita	106,016,653	126,848,655
	Arihant Arohi	55,167,709	41,570,811
	Arihant Ayati	65,546,641	30,615,685
	Arihant Amodini	238,115	15,295,471
	Arihant Agrima	9,570,268	22,579,548
	Arihant Arshiya	113,848,281	108,733,518
	Arihant Anchal	47,476,548	-
	Arihant Aangan	2,160,670	-
		400,024,885	345,643,688
ii) Land Cost			
	Arihant Aarohi	-	9,410,500
	Arihant Adita	-	6,713,320
	Arihant Ayati	157,627,257	-
	Arihant Arshiya	49,121,381	-
		206,748,638	16,123,820

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

iii) Direct Expenses		
Arihant Arham	6,480	323,300
Arihant Adita	65,947,204	106,444,324
Arihant Arohi	50,727,550	50,198,985
Arihant Ayati	26,091,200	32,529,102
Arihant Amodini	1,251,109	10,208,092
Arihant Agrima	31,227,308	33,898,949
Arihant Arshiya	85,540,821	89,867,606
Arihant Abhilasha	77,750	-
Arihant Anchal	40,288,932	-
Arihant Aangan	12,383,432	-
	313,541,786	323,470,358

NOTE 22.b CHANGES IN INVENTORIES OF FINISHED GOODS

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<u>Inventories at the end of the year:</u>		
Traded goods (Refer note (i) below)	321,398,645	91,104,951
Incomplete projects (WIP) (Refer note (ii) below)	1,430,238,080	1,448,081,327
Raw Material at site (Refer note (iii) below)	32,650,075	40,505,830
	1,784,286,800	1,579,692,108
<u>Inventories at the beginning of the year:</u>		
Traded goods (Refer note (iv) below)	91,104,951	127,040,705
Incomplete projects (WIP) (Refer note (v) below)	1,448,081,327	1,192,383,951
Raw Material at site (Refer note (vi) below)	40,505,830	42,950,259
	1,579,692,108	1,362,374,915
Net (increase) / decrease	(204,594,692)	(217,317,193)

Notes :

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<u>Inventories at the end of the year :</u>		
i) Traded goods		
Arihant Amodini	-	74,215,994
Arihant Arham	16,888,957	16,888,957
Arihant Adita	84,126,183	-
Arihant Arshiya	220,383,505	-
	321,398,645	91,104,951
ii) Incomplete projects (WIP)		
Arihant Anchal	83,644,617	-
Arihant Arshiya	112,285,665	230,724,241
Arihant Adita	271,736,696	413,413,734
Arihant Arohi	157,615,996	187,876,855
Arihant Ayati	324,690,902	181,584,555
Adita - Land	-	3,995,733
Arihant Aangan	15,965,711	-
Arihant Agrima	464,298,493	430,486,209
	1,430,238,080	1,448,081,327

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
iii) Raw Material at site		
Arihant Arshiya	3,626,408	7,394,327
Arihant Arohi	5,187,077	5,398,053
Arihant Adita	12,059,433	17,787,748
Arihant Agrima	1,613,682	2,188,092
Arihant Ayati	6,212,250	7,737,610
Arihant Anchal	3,951,225	-
	32,650,075	40,505,830
Inventories at the beginning of the year :		
iv) Traded goods		
Arihant Amodini	74,215,994	110,151,748
Arihant Arham	16,888,957	16,888,957
	91,104,951	127,040,705
v) Incomplete projects (WIP)		
Arihant Arshiya	230,724,241	147,898,256
Arihant Adita	417,409,467	366,880,762
Arihant Arohi	187,876,855	179,696,310
Arihant Ayati	181,584,555	125,223,270
Arihant Agrima	430,486,209	372,685,353
	1,448,081,327	1,192,383,951
vi) Raw Material at Site		
Arihant Arshiya	7,394,327	7,432,151
Arihant Arohi	5,398,053	3,045,878
Arihant Adita	17,787,748	27,235,759
Arihant Agrima	2,188,092	3,524,911
Arihant Ayati	7,737,610	1,204,738
Arihant Amodini	-	506,822
	40,505,830	42,950,259

NOTE 23 EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries, wages and bonus (Refer note (i) below)	34,154,604	45,386,504
Staff welfare expenses	2,244,362	4,142,671
Total	36,398,966	49,529,175

Notes:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salary	25,966,207	35,288,107
Director Remuneration	8,188,397	10,098,397
Total	34,154,604	45,386,504

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 24 FINANCE COSTS

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Interest expense on:		
Secured loans	33,062,545	11,517,224
Unsecured loans	36,254,289	24,123,377
(b) Others		
Loan Processing fees	6,590,300	-
Total	75,907,135	35,640,601

NOTE 25 OTHER EXPENSES

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Selling & Distribution	34,247,878	27,480,855
Legal and Professional Fees	13,285,819	7,314,457
Rent, Rates & Taxes	1,904,006	1,682,840
Compensation	6,762,675	10,138,650
Donation	230,000	1,302,000
Directors Sitting Fees	960,000	565,000
Audit fees	575,000	575,000
ROC Fees	58,900	15,000
Loss on Sale of Car	144,234	923,859
Administrative Expenses	12,177,304	12,018,594
Others	5,318,113	2,945,289
Total	75,663,929	64,961,544

Notes:

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(i) Payments to the auditors comprises :		
As statutory fees (including tax audit)	575,000	575,000
Total	575,000	575,000

(ii) Revenue expenditure charged to statement of profit and loss in respect of Corporate Social Responsibility (CSR) activities undertaken during the year is ₹ 7,44,740 as compared to ₹ 18,19,552 for the year ended March 31, 2016.

NOTE 26 DISCLOSURES UNDER ACCOUNTING STANDARDS 20

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Earnings per share		
<u>Basic</u>		
<u>Continuing operations</u>		
Net profit / for the year from continuing operations attributable to the equity shareholders	266,187,974	171,255,074
Weighted average number of equity shares	41,159,991	41,159,991
Par value per share	10	10
Earnings per share from continuing operations		
Basic	6.47	4.16
Diluted	6.47	4.16

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 27 DISCLOSURES UNDER ACCOUNTING STANDARDS 22

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred tax (liability) / asset		
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of fixed assets	178,645	987,706
Tax effect of items constituting deferred tax liability	178,645	987,706
<u>Tax effect of items constituting deferred tax assets</u>		
Others	-	170,542
Tax effect of items constituting deferred tax assets	-	170,542
Net deferred tax (liability) / asset	(178,645)	(817,164)

NOTE 28 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of the transaction. All monetary items denominated in foreign currency are converted into Indian rupees at the year-end exchange rate.

NOTE 29 EMPLOYEE BENEFITS

Expenses and liabilities in respect of employee benefits are recorded in accordance with the noticed Accounting Standard 15 – Employee Benefits.

i) Provident fund

The Company makes contribution to statutory provident fund in accordance with the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. In terms of the Guidance on implementing the revised AS-15, issued by the Accounting Standards Board of the ICAI, the provident fund trust set-up by the Company is treated as a defined benefit plan since the Company has to meet the interest shortfall, if any. Accordingly, the contribution paid or payable and the interest shortfall, if any is recognised as an expense in the period in which services are rendered by the employee.

NOTE 30 : DUES TO MICRO ENTERPRISES AND SMALL ENTERPRISES

There are no parties/companies which have been identified as Micro and Small Enterprises. The auditor have accepted the representation of the management in this matter in the absence of database identifying the creditors which are Micro and Small Enterprises.

NOTE 31 : CONTINGENT LIABILITIES :

Contingent Liabilities :

(i) Claims against the Company pending appellate/judicial decisions not acknowledged as debts:

- | | |
|-----------------------------|------------------|
| (a) Income-Tax (AY 2012-13) | ₹ 32,24,840/- |
| (b) MVAT (FY 2006-07) | ₹ 2,71,23,501/- |
| (c) MVAT (FY 2007-08) | ₹ 1,92,09,455/- |
| (d) MVAT (FY 2009-10) | ₹ 1,23,90,749/- |
| (e) MVAT (FY 2010-11) | ₹ 10,28,74,516/- |

(ii) Guarantees:

- Guarantees given to Banks & Financial Institutions for ₹ 101.6 cr against financial facilities availed by the subsidiary company.
- Facilities against which Guarantee was given outstanding Fund amount is ₹ 79.35 cr.

NOTE 32 : DISCLOSURE FOR PROPOSED DIVIDEND

The Board of Directors at their meeting held on May 27, 2017 proposed a dividend of ₹ 1 per equity shares of ₹10 each for the year ended March 31, 2017 subject to the approval of the members at the ensuing Annual General Meeting. In terms of revised Accounting standard (AS) 4 “contingencies and Events occurring after the Balance Sheet date”, the company is not required to provide for dividend proposed/

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

declared after the Balance sheet date. Consequently, no provision has been made in respect of the aforesaid dividend proposed by the Board of Directors for the year ended March 31, 2017. If approved, the total liability arising to the Company would be ₹ 4.95 cr. (including Dividend Distribution Tax)

NOTE 33 : DISCLOSURE FOR DISINVESTMENT

Disinvestment Committee of the company decided to disinvest 4,300 equity shares in its Associate company, Arihant Technoinfra Private Limited. So now investment in Arihant Technoinfra Private Limited is reduced from 48% to 5%.

NOTE 34 DISCLOSURES UNDER ACCOUNTING STANDARDS 18

Related party transactions

Details of related parties:

Description of relationship	Names of related parties
Subsidiaries / Associates	Arihant Abode Limited Arihant Aashiyana Private Limited Arihant Gruhnirman Private Limited Arihant Vatika Realty Private Limited Arihant Technoinfra Private Limited
Key Management Personnel (KMP)	Ashok B. Chhajer Nimish Shah
Relative of KMP	Bhavik A. Chhajer Sangeeta A. Chhajer Parth A. Chhajer
Company in which KMP / Relatives of KMP can exercise significant influence	Abhinandan Agrofarms Private Limited Adinath Realty Private Limited Arihant Aksh Realty LLP Arihant Anandi Realty Private Limited Arihant Dream House Private Limited Arihant Dwellcons Private Limited Arihant Paradise Realty Private Limited Arihant Universal Realty Private Limited Sai Mahaavir Developers

Note: Related parties have been identified by the Management.

Details of related party transactions for the year ended March 31, 2017

	Subsidiaries / Associates	KMP	Relative of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Loans & Advances Given	218,579,017	-	-	-	218,579,017
Loan & Advances Repaid	274,257,503	-	-	-	274,257,503
Interest Received	19,057,333	-	-	-	19,057,333
Loan Taken	-	100,800,000	-	7,525,000	108,325,000
Loan Repaid	-	74,492,554	-	1,450,000	75,942,554
Interest Paid	-	4,304,140	-	3,983,716	8,287,856
Remuneration & Salary	-	7,588,397	600,000	-	8,188,397
Rent Paid	-	480,000	480,000	-	960,000
Purchases	1,688,600	-	-	-	1,688,600
Outstanding Loans and Receivables	205,520,316	43,013,749	120,000	42,768,106	291,422,171
Business Advances	-	-	1,050,000	-	1,050,000

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 35 HOLDING AND DEALING IN SPECIFIED BANK NOTES DURING THE PERIOD NOVEMBER 8, 2016 TO DECEMBER 30, 2016			
Particulars	Specified Bank Notes	Other Denominations	Total
Closing Balance as on 08-11-2016	2,365,500	786,901	3,152,401
Permitted Receipts	-	759,000	759,000
Permitted Payments	54,000	402,274	456,274
Deposits	2,311,500	-	2,311,500
Closing Balance as on 30-12-2016	-	1,143,627	1,143,627

NOTE 36 : PREVIOUS YEAR FIGURE'S REGROUPING

The previous year's figures have been regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

NOTE: 37 There is no other requirement of disclosure according to schedule III.

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

Dipesh Mehta
Partner
M.No.: 134607

Place : Mumbai
Date : May 27, 2017

For and on behalf of the Board of Directors

Ashok Chhajer
Managing Director
DIN: 01965094

Nimish Shah
Whole Time Director
DIN: 03036904

Dinesh Babel
Independent Director
DIN: 03042254

Naval Singh
Company Secretary

Manish Mehta
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To the Members of **Arihant Superstructures Limited**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Arihant Superstructures Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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, as applicable. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Holding 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 the 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 Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us 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 state of affairs of the Group as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

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 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 so far as appears from our examination of those books and reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and 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 the consolidated financial statements
- d) 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, as applicable.
- e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the auditors of its subsidiary company incorporated in India, none of the directors of the companies part of the Group and incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in “Annexure I”, which is based on the auditors’ reports of the Holding Company, and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting in respect of the Holding Company and its subsidiary companies incorporated in India, and
- g) 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 and to our best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the group and its jointly controlled entities, as referred in note no. 29 to the consolidated financial statements
 - ii. The Group has made provision in its consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts including derivatives contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.
 - iv. The company has provided requisite disclosures in the consolidated financial statements as to holding as well as dealing in specified bank notes during the period from November 08, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the company. Refer Note 32 to the consolidated financial statements.

For Kailash Chand Jain & Co.
Chartered Accountants
FRN: 112318W

Place: Mumbai
Date : May 27, 2017

Dipesh Mehta
Partner
Membership No.134607

ANNEXURE-I TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ARIHANT SUPERSTRUCTURES LIMITED

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

To the Members of **ARIHANT SUPERSTRUCTURES LIMITED**,

We have audited the internal financial controls over financial reporting of **Arihant Superstructures Limited** ('the Company') and its subsidiary companies incorporated in India as at March 31, 2017 in conjunction with our audit of the consolidated financial statements of the company for the year ended and as on that date..

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary companies incorporated in India are responsible for establishing and maintaining internal financial controls based on [the internal control over financial reporting criteria established by the companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India]. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 (the "Act").

Auditor's 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 as specified 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 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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 and its subsidiary companies incorporated in India have, in all material respects, an adequate internal financial control 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 Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Kailash Chand Jain & Co.

Chartered Accountants

FRN: 112318W

Dipesh Mehta

Partner

M. No.:134607

Place: Mumbai

Date: May 27, 2017

CONSOLIDATED BALANCE SHEET

(Amount in ₹)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
A EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	411,599,910	411,599,910
(b) Reserves and surplus	4	723,989,097	397,153,425
		1,135,589,007	808,753,335
Minority Interest		78,949,869	46,592,061
Non-current liabilities			
(a) Long-term borrowings	5	2,013,274,078	1,778,227,039
(b) Deferred tax liabilities (net)	28	67,243	929,970
		2,013,341,321	1,779,157,009
Current liabilities			
(a) Short-term borrowings	6	544,950,996	326,894,330
(b) Trade payables			
(i) dues to micro and small enterprises	7	-	-
(ii) dues to others		244,127,184	154,330,580
(c) Advances from customers	8	1,590,222,689	1,485,409,439
(d) Other current liabilities	9	170,197,259	91,972,989
(e) Short term provisions	10	316,635,460	227,389,658
		2,866,133,588	2,285,996,996
Total		6,094,013,785	4,920,499,401
B ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11.a	39,206,998	46,670,900
(ii) Intangible assets	11.b	1,424,279	1,775,820
(b) Non-current investments	12	90,510,000	50,010,000
(c) Long term loans & advances	13	322,848,462	272,170,527
		453,989,739	370,627,247
Current assets			
(a) Current Investment	14	1,706,684	1,719,755
(b) Inventories			
i) Finished Goods	15	336,629,244	91,104,951
ii) Work in Progress	15	3,115,179,989	2,230,348,565
(c) Trade receivables	16	335,330,469	93,448,930
(d) Cash and cash equivalents	17	90,271,878	45,658,705
(e) Short-term loans and advances	18	364,410,933	304,772,318
(f) Land	19	1,366,201,471	1,743,800,930
(g) Other current assets	20	30,293,378	39,018,000
		5,640,024,046	4,549,872,154
Total		6,094,013,785	4,920,499,401
See accompanying notes forming part of the financial statements	1 to 34		

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

Dipesh Mehta
Partner
M.No.: 134607

Place : Mumbai
Date : May 27, 2017

For and on behalf of the Board of Directors

Ashok Chhajer
Managing Director
DIN: 01965094

Nimish Shah
Whole Time Director
DIN: 03036904

Dinesh Babel
Independent Director
DIN: 03042254

Naval Singh
Company Secretary

Manish Mehta
Chief Financial Officer

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

(Amount in ₹)

Particulars	Note No.	for the Year ended March 31, 2017	for the Year ended March 31, 2016
Income			
Revenue from operations	21	1,848,085,197	1,223,645,626
Other income	22	14,377,057	13,491,835
Total revenue		1,862,462,254	1,237,137,461
Expenses			
(a) Cost of construction, land and development expenses	23.a	2,074,111,193	1,143,808,877
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23.b	(1,130,355,717)	(480,520,909)
(c) Employee benefit expenses	24	84,538,036	79,404,567
(d) Finance costs	25	101,223,799	36,436,816
(e) Depreciation & amortization expense	11	10,200,452	10,793,344
(f) Other expenses	26	190,665,404	132,789,850
Total expenses		1,330,383,168	922,712,545
Profit / (Loss) before tax		532,079,086	314,424,915
Tax expenses:			
(a) Current tax expense for current year		173,795,635	105,324,312
(b) Deferred tax		(862,728)	(1,174,999)
		172,932,907	104,149,313
Profit / (Loss) from continuing operations before minority interest		359,146,179	210,275,602
Minority Interest		32,357,808	19,728,315
Profit / (Loss) for the year		326,788,371	190,547,287
Earnings per share (of ₹10/- each):			
(a) Basic	27	7.94	4.63
(b) Diluted		7.94	4.63
See accompanying notes forming part of the financial statements	1 to 34		

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

Dipesh Mehta
 Partner
 M.No.: 134607

Place : Mumbai
 Date : May 27, 2017

For and on behalf of the Board of Directors

Ashok Chhajer
 Managing Director
 DIN: 01965094

Naval Singh
 Company Secretary

Nimish Shah
 Whole Time Director
 DIN: 03036904

Dinesh Babel
 Independent Director
 DIN: 03042254

Manish Mehta
 Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT

(Amount in ₹)

Particulars	for the Year ended March 31, 2017	for the Year ended March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and before Extra ordinary Items :	532,079,087	314,424,917
Adjustment for Non Cash Items		
Depreciation	10,200,451	10,793,343
Interest paid	94,633,499	36,436,815
Loss on Sale of Car	144,234	-
Profit on sale of Investment	(38,700)	-
Interest Received	(9,328,307)	(9,395,955)
Cash flow from operating Activities before working capital changes	627,690,263	352,259,120
Changes in Working Capital:-		
(Increase)/ Decrease in Inventories	(204,594,692)	-
(Increase)/ Decrease in Term Loans & Advances	84,634,657	-
(Increase)/ Decrease in Trade & Other Receivable	(538,548,904)	(744,806,125)
(Increase)/ Decrease in Current Assets & Loans and Advances	(658,508,939)	(744,806,125)
Increase/ (Decrease) in Current Liabilities & Provision	252,789,556	199,987,394
Cash Flow from Operating Activities before Tax & Extraordinary Items	221,970,879	(192,559,611)
Income tax paid	(132,179,900)	(45,072,089)
Cash Flow from Operating Activities Before extraordinary & exceptional items	89,790,979	(237,631,700)
Exceptional Items :	.	-
Net Cash flow from Operating Activities	89,790,979	(237,631,700)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Net)	(2,670,216)	(7,338,600)
Interest Received	9,328,307	9,395,955
Sale of Fixed Assets	140,969	1,323,855
Profit on sale of Investment	38,700	(1,404,814)
Loss on sale of Car	(144,234)	-
(Purchase)/Sale of Investments	(59,952,700)	-
Long term deposit made	(70,557,935)	(150,000,000)
Net Cash flow from Investing Activities	(123,817,109)	(148,023,604)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Secured Loans	257,247,194	737,358,405
Increase / (Decrease) in Unsecured Loans	145,412,248	(95,949,377)
Interest Expenses	(94,633,499)	(36,436,815)
Interest capitalised into land	(241,545,429)	(204,479,186)
Dividend and Dividend distribution tax Paid	(44,585,276)	(14,816,871)
Net Cash flow from Financing Activities	21,895,238	385,676,155
Net Increase in Cash & Cash Equivalents	(12,130,891)	20,851
Opening Balance of Cash & Cash Equivalents	978,104	957,253
Closing Balance of Cash & Cash Equivalents	(11,152,787)	978,104
(i) Cash and Cash Equivalent	90,271,878	45,658,705
(ii) Book Overdraft	(101,424,665)	(44,680,601)
Closing Balance of Cash & Cash Equivalents	(11,152,787)	978,104

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

For and on behalf of the Board of Directors

Ashok Chhajer
Managing Director
DIN: 01965094

Nimish Shah
Whole Time Director
DIN: 03036904

Dinesh Babel
Independent Director
DIN: 03042254

Dipesh Mehta
Partner
M.No.: 134607

Naval Singh
Company Secretary

Manish Mehta
Chief Financial Officer

Place : Mumbai
Date : May 27, 2017

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

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

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

2.1 Summary of significant accounting policies

a. Principles of Consolidation

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

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

- i) Consolidated Financial Statement normally includes Consolidated Balance Sheet, Consolidated Statement of Profit & Loss, Consolidated Statement of Cash Flows and Notes to the Consolidated Financial Statement and Explanatory Statements that form an integral part thereof. The Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the parent for Standalone Financial Statements.
- ii) The Consolidated Financial Statements include the Financial Statements of the Company and all its subsidiaries, which are more than 50 percent owned or controlled as at March 31, 2017.
- iii) The Financial Statements of the parent company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances / transactions and resulting unrealised profits in full. The amounts shown in respect of reserves comprise the amount of relevant reserves as per the balance sheet of the parent company and its share in the post acquisition increase in the relevant reserves of the subsidiaries.

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

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

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

b. Investments

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

c. Other Significant Accounting Policy

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
NOTE 3 SHARE CAPITAL

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
6,00,00,000 Equity shares of ₹10 each.	60,000,000	600,000,000	60,000,000	600,000,000
1,50,00,000 Preference Shares of ₹10 each.	15,000,000	150,000,000	15,000,000	150,000,000
(b) Issued				
Equity shares of ₹10 each with voting rights	41,159,991	411,599,910	41,159,991	411,599,910
(c) Subscribed and fully paid up				
Equity shares of ₹10 each with voting rights	41,159,991	411,599,910	41,159,991	411,599,910
Total	41,159,991	411,599,910	41,159,991	411,599,910

Notes:

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

Particulars	Opening Balance	Other changes	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2017			
- Number of shares	41,159,991	-	41,159,991
- Amount (₹)	411,599,910	-	411,599,910
Year ended 31 March, 2016			
- Number of shares	41,159,991	-	41,159,991
- Amount (₹)	411,599,910	-	411,599,910

NOTE 4 RESERVES AND SURPLUS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
(a) Capital Reserve	78,205	78,205
	78,205	78,205
(b) Share Premium		
Opening balance	52,439,986	52,439,986
Add: addition during the year	-	-
Closing balance	52,439,986	52,439,986
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	344,635,234	198,673,224
Add: Profit / (Loss) for the year	326,788,371	190,547,287
Add: Excess share of loss of associate booked now reversed	47,300	-
Less: Provision for Dividend	-	(37,043,992)
Less: Provision for Dividend tax	-	(7,541,285)
Closing balance	671,470,906	344,635,234
Total	723,989,097	397,153,425

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 LONG TERM BORROWINGS

(Amount in ₹)

Particulars	As at	As at
	March 31, 2017	March 31, 2016
Secured Loans	1,274,274,078	906,127,039
Car Loan with Fedral Bank-Jodhpur(Endever)	-	477,074
Car Loan with ICICI Bank (Mercedes)	2,020,313	4,303,934
Term Loan - ICICI (Anshula)	304,010,392	227,414,725
Car Loan with ICICI Bank (Jaguar)	-	2,303,806
Kotak Mahindra Prime Ltd (BMW GT)	-	(8,397)
STCI Finance Ltd	273,621,659	-
Term Loan A/c Federal Bank -13697100002334 (Ayati)	-	143,299,486
Term Loan -HDFC (Arshiya)	-	226,012,622
Term Loan -HDFC-6210219378 (Arshiya)	294,292,393	100,000,000
Capri Global Capital Ltd	399,863,867	200,000,000
Vehicle Loans (ASL)	465,454	2,323,789
Unsecured Loans	739,000,000	872,100,000
From Others		
Desert Eagle Security Services Pvt. Ltd	45,000,000	45,000,000
Good Fly Distributors Pvt Ltd	30,000,000	30,000,000
Viratra Investment Consultants & Trading P. L	20,000,000	20,000,000
Marnite Shoppe Pvt. Ltd.	17,000,000	17,000,000
Marnite Enterprises Pvt. Ltd.	5,000,000	5,000,000
Marnite Steel Pvt. Ltd.	5,000,000	5,000,000
Arihant Universal Realty Pvt. Ltd.	25,000,000	40,000,000
Akshay Agarwal	95,000,000	95,000,000
Kritika Akshay Agarwal	20,000,000	20,000,000
Sujata Agarwal	47,500,000	75,000,000
Sangeeta Chhajer	25,000,000	50,000,000
Jagdishchand Shankarlal Chhajer	12,000,000	12,000,000
Shankarlal Virdhichand Chhajer	17,500,000	17,500,000
Adinath Realty Pvt. Ltd	20,000,000	20,000,000
Stone Crafts Estate Pvt. Ltd	30,000,000	30,000,000
From Directors		
Ashok B Chhajer	325,000,000	390,000,000
Nimish Shah	-	600,000
Total	2,013,274,078	1,778,227,039

Note :

1. Term Loan from STCI Finance Limited is secured against land (with all the buildings and structures thereon) at bearing Khasara No. 227/9,213/2 & 228 village Gangana Tehsil Luni District Jodhpur, Rajasthan.
2. 17% Non-Convertible Debentures is secured against land (with all the buildings and structures thereon) at bearing survey no. 35/4, 36/1, Vilaage Koynavele, Taluka-Panvel, District-Raigad.
3. Term Loan from Federal Bank is secured against land (with all the buildings and structures thereon) at bearing plot no. 6, 7, 8 & 9 at Pal link road, Dev Nagar, Jodhpur, Rajasthan.
4. Term loan from HDFC Bank is secured against mortgage of project land located at survey no. 20/1, 20/2, 20/3, 25/11, 22/4, 22/1, 21/2B, 22/2, 23/2, 25/9 and 22/3, Pen road, adjacent to Khalapur toll naka, Dahivali, Khopoli - 410203, Maharashtra.
5. Term Loan from ICICI Bank is secured against land (with all the buildings and structures thereon) at bearing S. No. 1/1A, 67/4, 68/1+2, 68/3B, 68/4+5 & 6, Village Ghot, Taluka-Panvel, District-Raigad.
6. Vehicles loans are secured against the vehicle itself.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
NOTE 6 SHORT TERM BORROWINGS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Secured Loans		
Vehicle loans	3,017,203	-
Loans From Directors		
Ashok B Chhajjer	230,753,111	211,546,977
Nimesh Shah	-	70,004
Loan From Others		
Adinath Realty Pvt. Ltd	12,768,106	3,107,762
Desert Eagle Security Services Pvt. Ltd	12,307,144	5,490,875
Good Fly Distributors Pvt Ltd	11,348,069	6,430,015
Sarvodaya Refinery Pvt Ltd	4,294,780	1,000,000
Akshay Agarwal	36,681,548	21,781,705
Sangeeta A Chhajjer	70,461,380	25,223,163
Bhavik A Chhajjer	40,118,356	-
Kirtika Agarwal	12,219,518	3,681,894
Arihant Universal Realty Pvt. Ltd	17,489,838	11,172,789
Stone Crafts Estate Pvt. Ltd	5,246,415	1,054,109
Sujata Agarwal	52,882,487	14,282,090
Jagsidhchandra Shankarla Chhajjer	6,693,156	4,930,473
Shankarlal Chhajjer	9,976,668	3,582,308
Marmite Enterprises Pvt. Ltd.	2,497,826	1,606,014
Marmite Shoppe Pvt. Ltd.	5,110,662	5,970,606
Marmite Steel Pvt. Ltd.	11,084,729	5,963,546
Total	544,950,996	326,894,330

NOTE 7 TRADE PAYABLES

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
(a) Trade payables:		
(i) dues to micro and small enterprises	-	-
(ii) dues to others		
Sundry creditors	184,919,533	113,529,647
Retention	59,207,651	40,800,933
Total	244,127,184	154,330,580

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 ADVANCES FROM CUSTOMERS

(Amount in ₹)

Particulars	As at	As at
	March 31, 2017	March 31, 2016
Bookings Received	1,590,222,689	1,485,409,439
Total	1,590,222,689	1,485,409,439

NOTE 9 OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	As at	As at
	March 31, 2017	March 31, 2016
(a) Security deposit from customers	2,067,719	2,117,719
(b) Book overdraft	101,424,665	44,680,601
(c) Other payables		
(i) Statutory dues payable		
VAT Payable	1,800,532	1,408,087
Service tax payable	4,323,423	8,701,975
TDS payable	11,035,385	10,203,002
ESIC payable	21,110	-
Labour Cess payable	110,514	-
WCT payable	74,646	147,855
Professional Tax	181,475	204,075
(ii) Others		
Audit Fees Payable	725,000	750,000
Salary Payable	9,853,176	8,102,736
Swacch Bharat Cess Payable	-	14,257
Society Maintenance	38,407,114	14,900,000
Other liabilities	172,500	742,682
Total	170,197,259	91,972,989

NOTE 10 SHORT TERM PROVISIONS

(Amount in ₹)

Particulars	As at	As at
	March 31, 2017	March 31, 2016
Provision for Income Tax	277,104,522	177,531,131
Provision for Dividend	-	37,043,991
Provision for Dividend Distribution tax	-	7,541,285
Provision for Expenses	38,398,304	4,556,929
Provision for Gratuity Payable	1,132,634	716,322
Total	316,635,460	227,389,658

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
NOTE 11: FIXED ASSETS

(Amount in ₹)

A.	Tangible assets	Gross block			Accumulated depreciation and impairment				Net block		
		Balance as at April 1, 2016	Additions	Disposals	Balance as at March 31, 2017	Balance as at April 1, 2016	Depreciation for the year	Eliminated on disposal of assets	Balance as at March 31, 2017	Balance as at March 31, 2017	Balance as at March 31, 2016
	(a) Building Owned										
	Shop (A. Siddhi)	1,644,720	-	-	1,644,720	203,030	55,911	-	258,941	1,385,779	1,441,690
	(b) Computer Own use										
	Computer	5,608,674	74,255	-	5,682,929	4,732,490	422,815	-	5,155,305	527,624	876,184
	Printer	329,604	84,026	-	413,630	285,375	22,812	-	308,187	105,443	44,229
	UPS	441,509	-	-	441,509	408,762	10,667	-	419,429	22,080	32,747
	Plotter	80,000	-	-	80,000	71,768	-	-	71,768	8,232	8,232
	Scanner	155,509	-	-	155,509	130,641	6,389	-	137,030	18,479	24,868
	(c) Plant and Equipment Owned										
	Construction Machinery	1,052,423	-	-	1,052,423	330,213	543,211	-	873,424	178,999	722,210
	Bar Bending & Cutting Machine	307,825	-	-	307,825	93,019	-	-	93,019	214,806	214,806
	Concrete Batching Plant	1,700,000	-	-	1,700,000	490,040	-	-	490,040	1,209,960	1,209,960
	Concrete Pump	1,893,569	-	-	1,893,569	545,839	-	-	545,839	1,347,730	1,347,730
	Container	744,000	-	-	744,000	301,223	138,803	-	440,026	303,974	442,777
	Tough Rider Machine	461,882	-	-	461,882	132,792	-	-	132,792	329,090	329,090
	Tower Cane	1,389,132	-	-	1,389,132	361,069	-	-	361,069	1,028,063	1,028,063
	Weigh Scale	986,563	-	-	986,563	268,673	-	-	268,673	717,890	717,890
	Generator	1,223,007	-	-	1,223,007	448,168	141,795	-	589,963	633,044	774,839
	Projector	29,500	-	-	29,500	17,719	5,707	-	23,426	6,074	11,781
	(d) Furniture and Fixtures Owned										
	Motor Cycle	230,495	-	-	230,495	64,855	29,745	-	94,600	135,895	165,640
	Motor Car	40,483,614	-	632,325	39,851,289	15,648,077	5,096,526	347,122	20,397,481	19,453,808	24,835,537
	(f) Equipment Owned										
	Camera	293,603	-	-	293,603	183,874	-	-	183,874	109,729	109,729
	Equipment	1,054,351	202,924	-	1,257,275	629,810	994,508	-	1,624,318	(367,043)	424,541
	Television	320,500	-	-	320,500	213,005	11,393	-	224,398	96,102	107,495
	Air Conditioner	2,095,209	890,168	-	2,985,377	884,817	380,416	-	1,265,233	1,720,144	1,210,392
	Home Theatre & Installation	-	515,743	-	515,743	-	65,870	-	65,870	449,873	-
	D.G. Set	746,000	-	-	746,000	283,590	-	-	283,590	462,410	462,410
	Battery & Inverter	1,610,725	35,000	-	1,645,725	800,802	211,517	-	1,012,319	633,406	809,923
	Finger Print Machine	10,856	-	-	10,856	4,845	-	-	4,845	6,011	6,011
	Security Cabin	505,125	-	-	505,125	245,072	78,666	-	323,738	181,387	260,053
	Water Coller	29,500	-	-	29,500	14,117	-	-	14,117	15,383	15,383
	Water Dispenser	10,300	-	-	10,300	5,026	-	-	5,026	5,274	5,274
	Mini Lift	99,750	-	-	99,750	33,498	-	-	33,498	66,252	66,252
	Mobile	433,957	-	-	433,957	177,648	9,922	-	187,570	246,387	256,309
	Microwave Oven	4,150	-	-	4,150	3,981	-	-	3,981	169	169
	Kitchen Appliances	15,800	36,131	-	51,931	10,473	8,562	-	19,035	32,896	5,327
	Note Counting Machine	65,612	-	-	65,612	57,582	-	-	57,582	8,030	8,030
	Office Appliances	73,475	-	-	73,475	42,655	18,667	-	61,322	12,153	30,820
	Tea Coffee Vending Machine	21,263	-	-	21,263	10,265	4,678	-	14,943	6,320	10,998
	Refrigerator	44,241	-	-	44,241	31,520	3,748	-	35,268	8,973	12,721
	Total	78,918,790	2,444,766	632,325	80,731,231	32,247,890	9,623,465	347,122	41,524,233	39,206,998	46,670,900
	Previous year	64,237,248	10,208,294	-	74,445,542	11,359,950	10,522,854	-	21,882,804	52,562,738	52,877,298
B.	Intangible assets	Gross block			Accumulated depreciation and impairment				Net block		
		Balance as at April 1, 2016	Additions	Disposals	Balance as at March 31, 2017	Balance as at April 1, 2016	Depreciation for the year	Eliminated on disposal of assets	Balance as at March 31, 2017	Balance as at March 31, 2017	Balance as at March 31, 2016
	(a) Computer Software	5,355,074	-	-	5,355,074	3,579,254	555,534	-	4,134,788	1,220,286	1,775,820
	(b) Software	25,357	-	-	25,357	25,357	-	-	25,357	-	-
	(c) Trade Mark	88,500	225,450	-	313,950	88,500	21,457	-	109,957	203,993	-
	Total	5,468,931	225,450	-	5,694,381	3,693,111	576,991	-	4,270,102	1,424,279	1,775,820
	Previous year	3,927,432	-	-	3,927,432	2,685,281	579,574	-	3,264,855	662,577	1,242,151

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 NON-CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at	As at
	March 31, 2017	March 31, 2016
	Unquoted	Unquoted
Investments (At cost):		
<u>Trade Investment</u>		
a) Investment in Properties		
Arihant Paradise Realty Pvt. Ltd.	80,500,000	40,000,000
Sai Mahaavir Developers	10,000,000	10,000,000
b) Investment in LLP		
Arihant Aksh Realty LLP	10,000	10,000
Total	90,510,000	50,010,000

NOTE 13 LONG TERM LOANS AND ADVANCES

(Amount in ₹)

Particulars	As at	As at
	March 31, 2017	March 31, 2016
Security Deposits		
Ashok B Chhajer(Jodhpur- Office)	2,000,000	2,000,000
Jodhpur Development Authority	7,500,000	7,500,000
J.V.V.N. Ltd , Jodhpur	386,086	386,086
Nagar Nigam Jodhpur-Ayati	1,065,000	1,065,000
Debris Deposit A/c (A-Arohi)	610,056	610,056
Permission Deposit A/c (A-Arohi)	564,302	564,302
Registrar City Civil Court	45,083	45,083
Sangeeta Chhajer(Mumbai- Office)	120,000	20,000,000
Supreme Construction & Developers Pvt Ltd	220,557,935	150,000,000
Loan and advances to related parties		
(Unsecured, considered good)		
Arihant Technoinfra Pvt.Ltd.	90,000,000	90,000,000
Total	322,848,462	272,170,527

NOTE 14 CURRENT INVESTMENTS

(Amount in ₹)

Particulars	As at	As at
	March 31, 2017	March 31, 2016
Investment in LLP		
Arihant Aksh Realty LLP(Current A\c)	1,706,684	1,719,755
Total	1,706,684	1,719,755

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
NOTE 15 INVENTORIES

(Amount in ₹)

Particulars	As at March, 31 2017	As at March 31, 2016
(a) Finished Goods	336,629,244	91,104,951
	336,629,244	91,104,951
(b) Work in Progress		
(i) Work in Progress	3,047,343,193	2,165,871,678
(ii) Raw Material	67,836,796	64,476,887
	3,115,179,989	2,230,348,565
Total	3,451,809,233	2,321,453,516

NOTE 16 TRADE RECEIVABLES

(Amount in ₹)

Particulars	As at March 31, 2017	As at March, 31 2016
Trade receivables		
Unsecured, considered good	335,330,469	93,448,931
Total	335,330,469	93,448,931

NOTE 17 CASH AND CASH EQUIVALENTS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
(a) Cash in hand	3,237,871	5,364,985
(b) Foreign Currency	422,795	147,782
(c) Balances with banks		
(i) In current accounts	56,208,309	17,960,915
(ii) In deposit accounts		
Deposits with original maturity for more than 3 months but less than 12 months	12,554,501	7,997,029
Deposits with original maturity within 3 months	17,848,403	14,187,994
Total	90,271,878	45,658,705

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 18 SHORT-TERM LOANS AND ADVANCES

(Amount in ₹)

Particulars	As at	As at
	March 31, 2017	March 31, 2016
(a) Security deposits		
Unsecured, considered good		
Security Deposit-Cidco Ltd-Fire	20,000	20,000
Security Deposit - MSEDCL A-Abhilasha	91,300	91,300
Security Deposit - MSEDCL-A.Arham	16,780	16,780
Security Deposit - MSEDCL-Amodini	41,154	41,154
Security Deposit - Thane Municipal Corporation	40,000	40,000
Security Deposit-Cidco Ltd (Abhilasha)	124,000	124,000
Deposit-Account Officer,Dcsem (Refundable)	15,000	15,000
Security Deposit (Refundable)	5,000	5,000
Cidco Ltd (Security Deposit Refundable)	5,000	5,000
Deposit Against Office with Sangeeta Chhajjer	600,000	-
Security Deposit-Diesel	50,000	50,000
MSEDCL Deposit	1,272,383	172,383
Deposits-Kulgaon Badlapur Municipal Council	90,000	90,000
Other Deposits	4,578,300	3,197,600
	6,948,917	3,868,217
(b) Loans and advances to employees	1,339,607	1,166,804
	1,339,607	1,166,804
(c) Advances for Branding	-	16,203,000
(d) Advance Tax & Tds	185,261,022	119,634,799
(e) Others		
Advances Against Land	121,448,856	118,637,556
Arihant Technoinfra Pvt. Ltd.	21,932,068	10,417,404
Anil Corporation,Suchit Bachlli & Ankohley & Co.	593,470	593,470
	143,974,394	129,648,430
(f) Advances given to Creditors	26,886,993	34,251,068
Total	364,410,933	304,772,318

NOTE 19 LAND

(Amount in ₹)

Particulars	As at	As at
	March 31, 2017	March 31, 2016
Land - Arihant Aditha(Gangana) Jodhpur	15,458,961	15,458,961
Land - Arihant Ayati (Devnagar) Jodhpur	-	153,658,984
Land - Mahodar	96,204,956	86,039,768
Land - Karjat	91,811,256	76,678,968
Land - Ghot, Taloja	20,431,000	202,199,510
Land - Agrima	3,248,342	3,248,342
Land - Palaspe	631,968,057	546,156,195
Land - Dahivali	273,498,339	290,041,299
Land - Juveli	7,416,318	7,416,318
Land - Koynavele	184,129,441	320,897,785
Land - Aalishan	42,034,800	42,004,800
Total	1,366,201,471	1,743,800,930

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
NOTE 20 OTHER CURRENT ASSETS

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Prepaid expenses - Unsecured, considered good	1,058,308	2,528,781
CSR	3,239,768	2,826,120
Preliminary Expenses	18,401	36,800
Service Tax (net)	25,942,557	33,625,224
Other Recoverable	34,344	1,075
Total	30,293,378	39,018,000

NOTE 21 REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Sale of products (Refer Note (i) below)	1,848,085,197	1,172,545,626
(b) Sale of Land	-	51,100,000
Total	1,848,085,197	1,223,645,626

Note	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(i)	Manufactured Finished / Unfinished Goods Sold		
	Arihant Arham	-	1,720,750
	Arihant Aarohi	323,039,978	166,465,250
	Arihant Adita	427,525,980	366,076,881
	Arihant Amodini	110,372,600	116,464,893
	Arihant Amisha	101,629,837	92,349,209
	Arihant Anmol - Phase I	106,722,434	121,858,454
	Arihant Anmol - Phase II	46,367,439	62,199,382
	Arihant Arshiya	257,172,794	180,120,049
	Arihant Ayati	161,573,446	-
	Arihant Aangan	8,219,144	-
	Arihant Anaika	103,564,757	-
	Arihant Anshula	201,177,086	65,357,508
(ii)	Other operating revenue		
	Extra Aminties -Arihant Arham	-	(66,750)
	Vat Refundable - Arihant Agrima	719,702	-
	Total - Sale of products	1,848,085,197	1,172,545,626

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 22 OTHER INCOME

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Interest income (Refer note (i) below)	12,421,228	10,775,189
(b) Other non-operating income (Refer note (ii) below)	1,955,829	2,716,645
Total	14,377,057	13,491,835

Note	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(i)	Interest income comprises:		
	Interest on Fixed Deposits	3,083,192	1,350,792
	Interest on Current Investments	9,328,307	9,395,955
	Interest on Other Balance	9,729	28,442
	Total	12,421,228	10,775,189
(ii)	Other non-operating income comprises:		
	Rent Received	-	60,000
	Insurance Claim Received	97,378	108,061
	Share Profit/(Loss)-Arihant Aksh Realty LLP	(12,102)	1,404,814
	Profit on Sale of Shares	38,700	-
	Welfare fund	240,844	333,375
	Foreign Exchange Gain	-	1,736
	Professional Fees	-	203,000
	Discount Received	169,744	390,210
	Brokerage on Flat Rent	75,138	12,650
	Income on Booking Cancellation	491,336	202,779
	Rate Difference	632,990	-
	Miscellaneous Income	221,801	20
	Total	1,955,829	2,716,645

NOTE 23.a COST OF CONSTRUCTION, LAND AND DEVELOPMENT EXPENSES

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Purchases (Refer note (i) below)	777,578,193	504,337,752
Land Cost (Refer note (ii) below)	616,484,725	116,500,060
Direct Expenses (Refer note (iii) below)	680,048,275	522,971,065
Total	2,074,111,193	1,143,808,877

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
NOTES

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
i) Purchases		
Arihant Aanchal	47,476,548	-
Arihant Adita	106,016,653	126,848,655
Arihant Arohi	55,167,709	41,570,811
Arihant Ayati	65,546,641	30,615,685
Arihant Amodini	238,115	15,295,471
Arihant Aalishan	92,475,170	-
Arihant Agrima	9,570,268	22,579,548
Arihant Anmol	60,139,868	56,742,251
Arihant Arshiya	113,848,281	108,733,518
Arihant Anshula	112,443,215	37,134,068
Arihant Amisha	26,825,987	27,236,653
Arihant Aloki	34,039,083	18,485,509
Arihant Anaika	48,692,861	17,412,755
Arihant Angan	2,160,670	-
Arihant Akanksha	2,937,124	1,682,828
	777,578,193	504,337,752
ii) Land Cost		
Arihant Anmol	-	10,972,112
Arihant Arshiya	49,121,381	-
Arihant Aarohi	-	9,410,500
Arihant Anshula	211,333,282	89,404,128
Arihant Anaika	198,402,805	-
Arihant Ayati	157,627,257	-
Arihant Adita	-	6,713,320
	616,484,725	116,500,060
iii) Direct Expenses		
Arihant Arham	6,480	323,300
Arihant Adita	65,947,204	50,198,985
Arihant Arohi	50,727,550	10,208,092
Arihant Ayati	26,091,200	106,444,324
Arihant Amodini	1,251,109	-
Arihant Anamika	394,400	594,000
Arihant Agrima	31,227,308	32,529,102
Arihant Anmol	46,482,591	63,642,931
Arihant Arshiya	85,540,821	89,867,606
Arihant Aloki	43,851,698	41,744,829
Arihant Amisha	35,831,772	27,412,301
Arihant Anshula	106,580,172	30,290,665
Arihant Anaika	50,865,941	19,116,122
Arihant Akanksha	15,147,655	45,705,604
Arihant Abhilasha	77,750	-
Arihant Angan	12,383,432	-
Arihant Anchal	40,288,932	-
Arihant Aalishan	67,352,260	4,893,203
	680,048,275	522,971,064

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 23.b CHANGES IN INVENTORIES OF WIP

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<u>Inventories at the end of the year:</u>		
Raw Material (Refer note (i) below)	67,836,796	64,476,887
Traded goods (Refer note (ii) below)	336,629,244	91,104,951
Incomplete projects (WIP) (Refer note (iii) below)	3,047,343,193	2,165,871,678
	3,451,809,233	2,321,453,516
<u>Inventories at the beginning of the year:</u>		
Traded goods (Refer note (iv) below)	91,104,951	127,040,705
Incomplete projects (WIP) (Refer note (v) below)	2,165,871,678	1,655,163,545
Raw Material (Refer note (vi) below)	64,476,887	58,728,357
	2,321,453,516	1,840,932,607
Net (increase) / decrease	(1,130,355,717)	(480,520,909)

NOTES

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<u>Inventories at the end of the year :</u>		
i)Raw Material		
Arihant Adita	12,059,433	17,787,748
Arihant Arohi	5,187,077	5,398,053
Arihant Ayati	6,212,250	7,737,610
Arihant Agrima	1,613,682	2,188,092
Arihant Anmol	7,277,382	8,410,881
Arihant Arshiya	3,626,408	7,394,327
Arihant Amisha	1,885,442	4,776,039
Arihant Anshula	7,594,441	7,635,502
Ariahnt Alok	3,961,852	1,068,778
Ariahnt Anchal	3,951,225	-
Arihant Anaika	4,167,227	2,079,857
Arihant Aalishan	10,300,377	-
	67,836,796	64,476,887
ii)Traded goods		
Arihant Arham	-	16,888,957
Arihant Adita	84,126,183	-
Arihant Arshiya	220,383,505	-
Arihant Arham	16,888,957	-
Arihant Anmol	15,230,599	-
Arihant Amodini	-	74,215,994
	336,629,244	91,104,951

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

iii) Incomplete projects (WIP)		
Arihant Adita	271,736,696	417,409,467
Arihant Arohi	157,615,996	187,876,855
Arihant Ayati	324,690,902	181,584,555
Arihant Anaika	279,337,354	38,240,375
Arihant Agrima	464,298,493	430,486,209
Arihant Anmol	40,851,775	53,333,474
Arihant Arshiya	112,285,665	230,724,241
Arihant Amisha	159,809,473	135,362,391
Arihant Anshula	483,314,814	138,518,184
Arihant Alok	212,784,811	123,346,082
Arihant Anamika	988,400	594,000
Arihant Akanksha	231,608,454	199,217,054
Arihant Anchal	83,644,617	-
Arihant Angan	15,965,711	-
Arihant Aalishan	208,410,032	29,178,791
	3,047,343,193	2,165,871,678

NOTES

Particulars	(Amount in ₹)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Inventories at the beginning of the year :		
iv) Traded goods		
Arihant Arham	16,888,957	16,888,957
Arihant Amodini	74,215,994	110,151,748
	91,104,951	127,040,705
v) Incomplete projects (WIP)		
Arihant Adita	417,409,467	366,880,762
Arihant Arohi	187,876,855	179,696,310
Arihant Ayati	181,584,555	125,223,270
Arihant Anaika	594,000	-
Arihant Agreeema	430,486,209	372,685,353
Arihant Anmol	53,333,474	63,091,747
Arihant Arshiya	230,724,241	147,898,256
Arihant Amisha	135,362,391	134,408,311
Arihant Anshula	138,518,184	30,909,801
Arihant Aalishan	29,178,791	-
Arihant Alok	123,346,082	62,233,763
Arihant Akanksha	199,217,054	168,392,492
Arihant Anaika	38,240,375	3,743,480
	2,165,871,678	1,655,163,545
vi) Raw Material		
Arihant Arohi	5,398,053	3,045,878
Arihant Adita	17,787,748	27,235,759
Arihant Agreeema	2,188,092	3,524,911
Arihant Ayati	7,737,610	1,204,738
Arihant Amodini	-	506,822
Arihant Anshula	7,635,502	2,307,671
Arihant Amisha	4,776,039	4,438,496
Arihant Alok	1,068,778	2,589,013
Arihant Arshiya	7,394,327	7,432,151
Arihant Anmol	8,410,881	6,442,918
Arihant Anaika	2,079,857	-
	64,476,887	58,728,357

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 24 EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries, wages and bonus (Refer note (i) below)	79,989,659	72,670,125
Staff welfare expenses	4,548,377	6,734,442
Total	84,538,036	79,404,567

NOTE (i) :

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salary	71,801,262	62,571,728
Director Remuneration	8,188,397	10,098,397
Total	79,989,659	72,670,125

NOTE 25 FINANCE COSTS

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Interest expense on:		
Interest on secured loans	58,293,100	11,238,411
Interest on unsecured loans	36,177,718	24,899,594
Interest on Car loans	162,680	298,810
(b) Others		
Loan Processing fees	6,590,300	-
Total	101,223,799	36,436,815

NOTE 26 OTHER EXPENSES

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Selling & Distribution	110,639,057	73,785,168
Legal and Professional Fees	27,251,498	10,791,486
Rent, Rates & Taxes	10,760,518	5,084,051
Compensation	10,122,189	13,757,991
Donation	730,000	1,989,000
Directors Sitting Fees	1,240,000	735,000
Audit fees	725,000	727,100
ROC Fees	119,800	29,100
Loss on Sale of Car	144,234	923,859
Administrative Expenses	22,794,354	21,521,585
Others	6,138,754	3,445,510
Total	190,665,404	132,789,850

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
NOTE

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
(i) Payments to the auditors comprises :		
As Statutory Audit fees	725,000	727,100
Total	725,000	727,100

- (ii) Revenue expenditure charged to statement of profit and loss in respect of Corporate Social Responsibility (CSR) activities undertaken during the year is ₹ 7,44,740 as compared to ₹ 18,19,552 for the year ended March 31, 2016.

NOTE 27 DISCLOSURES UNDER ACCOUNTING STANDARDS 20

(Amount in ₹)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Earnings per share		
<u>Basic</u>		
<u>Continuing operations</u>		
Net profit / for the year from continuing operations attributable to the equity shareholders	326,788,371	190,547,287
Weighted average number of equity shares	41,159,991	41,159,991
Par value per share	10	10
Earnings per share from continuing operations - Basic	7.94	4.63
Earnings per share from continuing operations - Diluted	7.94	4.63

NOTE 28 DISCLOSURES UNDER ACCOUNTING STANDARDS 22

(Amount in ₹)

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred tax liability / (asset)		
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of fixed assets	140,492	1,163,372
Tax effect of items constituting deferred tax liability	140,492	1,163,372
<u>Tax effect of items constituting deferred tax assets</u>		
Others	73,249	233,402
Tax effect of items constituting deferred tax assets	73,249	233,402
Net deferred tax liability / (asset)	67,243	929,970

NOTE 29 : CONTINGENT LIABILITIES :

Contingent Liabilities :

- (i) Claims against the Company pending appellate/judicial decisions not acknowledged as debts:
- Income-Tax (AY 2012-13) ₹ 32,24,840/-
 - MVAT (FY 2006-07) ₹ 2,71,23,501/-
 - MVAT (FY 2007-08) ₹ 1,92,09,455/-
 - MVAT (FY 2009-10) ₹ 1,23,90,749/-
 - MVAT (FY 2010-11) ₹ 10,28,74,516/-
- (ii) Guarantees:
- Guarantees given to Banks & Financial Institutions for ₹ 101.6 cr against financial facilities availed by the subsidiary company/ Associates.
 - Facilities against which Guarantee was given outstanding Fund amount is ₹ 79.35 cr.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 30 : DISCLOSURE FOR PROPOSED DIVIDEND

The Board of Directors at their meeting held on May 27, 2017 proposed a dividend of ₹ 1 per equity shares of ₹10 each for the year ended March 31, 2017 subject to the approval of the members at the ensuing Annual General Meeting. In terms of revised Accounting standard (AS) 4 “contingencies and Events occurring after the Balance Sheet date”, the company is not required to provide for dividend proposed/declared after the Balance sheet date. Consequently, no provision has been made in respect of the aforesaid dividend proposed by the Board of Directors for the year ended March 31, 2017. If approved, the total liability arising to the Company would be ₹ 4.95 cr. (including Dividend Distribution Tax)

NOTE 31 : DUES TO MICRO ENTERPRISES AND SMALL ENTERPRISES

There are no parties/companies which have been identified as Micro and Small Enterprises. The auditor have accepted the representation of the management in this matter in the absence of database identifying the creditors which are Micro and Small Enterprises.

NOTE 32 HOLDING AND DEALING IN SPECIFIED BANK NOTES DURING THE PERIOD NOVEMBER 8, 2016 TO DECEMBER 30, 2016 OF HOLDING COMPANY

Particulars	Specified Bank Notes	Other Denominations	Total
Closing Balance as on 08/11/2016	2,365,500	786,901	3,152,401
Permitted Receipts	-	759,000	759,000
Permitted Payments	54,000	402,274	456,274
Deposits	2,311,500	-	2,311,500
Closing Balance as on 30/12/2016	-	1,143,627	1,143,627

NOTE 33 DISCLOSURES UNDER ACCOUNTING STANDARDS 18

Related party transactions

Details of related parties:

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Ashok B. Chhajer Nimish Shah Rajesh Agarwal Dinkar Samant
Subsidiaries / Associates	Arihant Aashiyana Private Limited Arihant Abode Limited Arihant Gruhnirman Private Limited Arihant Technoinfra Private Limited Arihant Vatika Realty Private Limited
Relatives of KMP	Sangeeta A. Chhajer Parth A. Chhajer Bhavik A. Chhajer
Entities in which KMP / Relatives of KMP can exercise significant influence	Abhinandan Agrofarms Private Limited Adinath Realty Private Limited Arihant Aksh Realty LLP Arihant Anandi Realty Private Limited Arihant Dream House Private Limited Arihant Dwellcons Private Limited Arihant Paradise Realty Private Limited Arihant Universal Realty Private Limited Sai Mahaavir Developers

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Related parties primarily consists of Company's Associates. Transactions are entered into in ordinary course of business at arm's length terms. These transactions and balances between the Company and its subsidiaries are eliminated during consolidation.

The following table summarises related-party transactions and balances included in the consolidated financial statements for the year ended/ as at March 31, 2017

	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Loan Taken	530,900,000	160,550,000	29,475,000	720,925,000
Loan Repaid	593,942,554	-	37,930,443	631,872,997
Interest Paid	83,754,091	14,896,193	10,481,152	109,131,436
Loans & Advances Given	-	-	4,250,000	4,250,000
Interest Received	-	-	7,264,664	7,264,664
Rent Paid	1,134,000	5,280,000	-	6,414,000
Remuneration & Salary	7,588,397	2,400,000	-	9,988,397
Purchases made	-	-	7,395,983	7,395,983
Outstanding Loans and Receivables	557,753,111	135,699,736	197,190,012	890,642,859
Business Advances	-	1,050,000	60,000,000	61,050,000

NOTE 34 : PREVIOUS YEAR FIGURE'S REGROUPING

The previous year's figures have been regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

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

Dipesh Mehta
 Partner
 M.No.: 134607

Place : Mumbai
 Date : May 27, 2017

For and on behalf of the Board of Directors

Ashok Chhajer
 Managing Director
 DIN: 01965094

Nimish Shah
 Whole Time Director
 DIN: 03036904

Dinesh Babel
 Independent Director
 DIN: 03042254

Naval Singh
 Company Secretary

Manish Mehta
 Chief Financial Officer

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars of subsidiaries as at 31st March 2017 pursuant to first proviso to sub section (3) of section 129 of the Companies Act 2013, read with rule 5 of the Companies (Accounts) Rules, 2014 - AOC - 1.

(₹ in Lakhs)

Sr. No.	Particulars	Name of Subsidiary			
		Arihant Abode Limited	Arihant Vatika Realty Pvt. Ltd.	Arihant Gruhnirman Pvt. Ltd.	Arihant Aashiyana Pvt. Ltd.
		As on 31st March, 2017	As on 31st March, 2017	As on 31st March, 2017	As on 31st March, 2017
1	Capital	5.00	1.00	1.00	1.00
2	Reserves	7.83	1,143.51	(17.56)	781.29
3	Total Assets	10,031.14	12,200.04	1142.93	11626.85
4	Total Liabilities	10,031.14	12,200.04	1142.93	11626.85
5	Details of Investment	-	-	-	-
6	Turnover / Other Income	0.41	2,583.26	0.31	3045.22
7	Profit / (Loss) before taxation	0.11	197.40	(1.50)	940.67
8	Provision for taxation/ (Deferred Tax)	(0.81)	61.82	0.05	302.34
9	Profit / (Loss) after taxation	0.92	135.58	(1.45)	638.33
10	Proposed Dividend	-	-	-	-

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

Dipesh Mehta
Partner
M.No.: 134607

Place : Mumbai
Date : May 27, 2017

For and on behalf of the Board of Directors

Ashok Chhajer
Managing Director
DIN: 01965094

Nimish Shah
Whole Time Director
DIN: 03036904

Dinesh Babel
Independent Director
DIN: 03042254

Naval Singh
Company Secretary

Manish Mehta
Chief Financial Officer

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Statement in accordance with the first proviso to sub section (3) of section 129 of the Companies Act 2013, read with rule 5 of the Companies (Accounts) Rules, 2014 - AOC - 1.

Sr. No.	Particulars	Name of Subsidiary			
		Arihant Abode Limited	Arihant Vatika Realty Pvt. Ltd.	Arihant Gruhnirman Pvt. Ltd.	Arihant Aashiyana Pvt. Ltd.
1	Date from which they became Subsidiary Company	26/03/2010	26/03/2010	29/11/2011	17/09/2012
2	Financial Year of the Subsidiary ended on	31/03/2017	31/03/2017	31/03/2017	31/03/2017
3	Extent of interest of the Holding Company in Subsidiary Company at the end of the financial year				
(i)	Numbers of share held	30,000	6,000	6,000	6,000
(ii)	Extent of holding	60%	60%	60%	60%
4	Net aggregate amount of profit / losses so far as it concerns to the members of the Holding Company				
(i)	not dealt with in the companies account				
	a) for the financial year ended 31/03/2017.	36,889	5,729,822	-	26,591,097
	b) for the previous financial year since it became a subsidiary	276,337	40,317,255	(40,000)	5,718,469
(ii)	dealt with in the companies account				
	a) for the financial year ended 31/03/2017.	-	-	-	-
	b) for the previous financial year since it became a subsidiary	-	-	-	-

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

Dipesh Mehta
 Partner
 M.No.: 134607

Place : Mumbai
 Date : May 27, 2017

For and on behalf of the Board of Directors

Ashok Chhajer
 Managing Director
 DIN: 01965094

Nimish Shah
 Whole Time Director
 DIN: 03036904

Dinesh Babel
 Independent Director
 DIN: 03042254

Naval Singh
 Company Secretary

Manish Mehta
 Chief Financial Officer

CIN: L51900MH1983PLC029643

Registered Office: 302, Persipolis Building, Plot No. 74, Sector-17, Vashi, Navi Mumbai - 400 703, Maharashtra, India,
Tel. No.: 022 -41113333, **E-mail:** investor@asl.net.in, **Website:** www.asl.net.in

Form No. MGT - 11

Proxy Form

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

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

I/We, being the Member(s) of the above named Company, hereby appoint

- 1 Name : _____
Address : _____

E-Mail Id : _____
Signature : _____
(or failing him)
- 2 Name : _____
Address : _____

E-Mail Id : _____
Signature : _____
(or failing him)
- 3 Name : _____
Address : _____

E-Mail Id : _____
Signature : _____
(or failing him)

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company will be held at 12:00 Noon on Saturday, 30th September 2017 at Hotel, The Regenza by Tunga, plot No. 37, Sector 30A, Vashi, Navi Mumbai – 400 703, and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	For	Against
1	Adoption of Audited Financial Statements (Stand-alone & Consolidated) for the Financial Year ended 31 st March, 2017.		
2	Declaration of Final Dividend of ₹ 1.00/- per Equity Share for the Financial Year ended 31 st March, 2017.		
3	To appoint a Director in place of Mr. Nimish Shah (DIN: 03036904), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.		
4	Ratification of appointment of Statutory Auditors for the Financial Year 2017-18.		
5	Appointment of Mrs. Vijayalakshmi R. Iyer (DIN: 05242960) as an Independent Woman Director of the Company.		
6	Appointment of Mr. Raj NarainBhardwaj (DIN: 01571764) as an Independent Director of the Company.		

Signed this..... day of..... 2017

Signature of Member

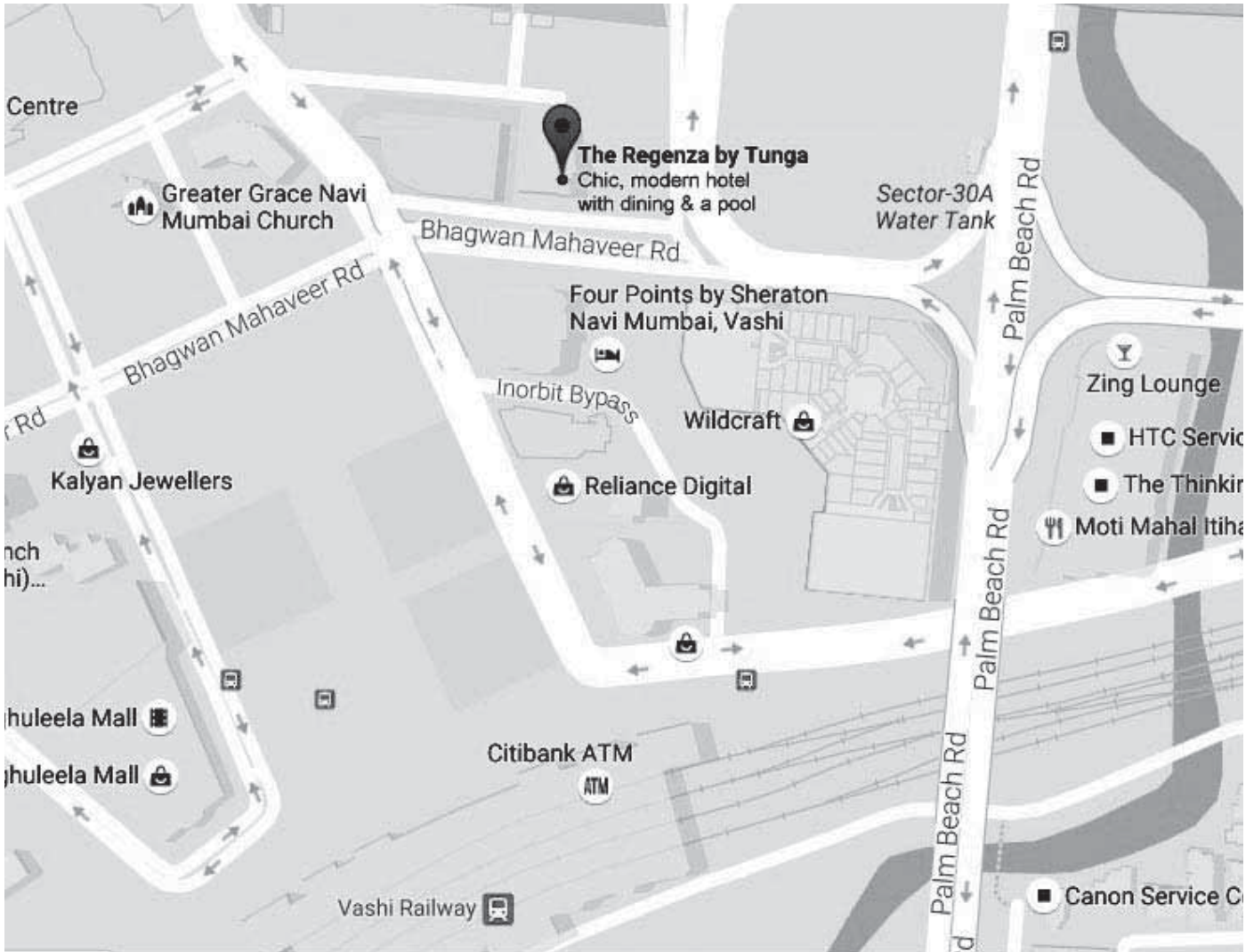
Signature of Proxy Holder(s)

Affix Revenue Stamp

NOTES:

1. Please put tick (✓) in the appropriate column against the respective Resolutions. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
2. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at 302, Persipolis Building, Plot No. 74, Sector - 17, Vashi, Navi Mumbai - 400703, Maharashtra, not less than 48 hours before the commencement of the Meeting.

Route Map to the Venue of the AGM





www.asl.net.in

SUCCESS EVOLVED ON CHALLENGES



ARIHANT
SUPERSTRUCTURES LTD.
CONTINUING STABILITY

Registered Office: 302, Persipolis Building, Plot No. 74, Sector 17, Vashi, Navi Mumbai
Tel: 022 - 4111 3333 • Fax: 2788 2946 • Email: investor@asl.net.in • Website: www.asl.net.in