

**Arihant**<sup>®</sup>  
memorable spaces

ANNUAL REPORT 2023 - 2024

Unlocking growth  
& success, *together.*



## In pursuit of architectural excellence and timeless legacies

Arihant has left an indelible mark on the urban landscape of Chennai, crafting iconic landmarks for over 30 years. We seek the most memorable locations for our residential and commercial developments. Our bespoke homes are located on tranquil streets and are designed for families who look for a fine balance of growth and well-being.

Arihant's new-age office spaces span across Chennai in locations where the business energy thrives. We seamlessly bring together technology, valuable associations, and meticulous craftsmanship to shape the Chennai of tomorrow.





**Arihant**  
memorable spaces

## Partnerships

**For us, relationships are paramount, business is incidental.**

We value our partnerships, fostering them with trust and a shared vision. We take pride in safeguarding the interests of all stakeholders, relentlessly working to protect and enhance their value. Our sustained partnerships with top-tier organisations, including Fortune 500 companies, have played a pivotal role in our ongoing success.



## Unlocking growth and success, together

We are deeply invested in mutual growth and collaboration.

This is why more than 90% of our projects take shape through joint ventures. Arihant is dedicated to ensuring the success and appreciation of our investors and venture partners, underpinned by a solid strategic approach in all our endeavours.





## Adopting a design-first approach

As pioneers of design-led luxury in residential projects, we have consistently raised the bar and continue to shape the future of bespoke residences, setting new benchmarks in both aesthetics and functionality.



# We go above and beyond to deliver on our promises

At Arihant, we ensure that what we  
promise you is exactly what you get.

At the core of our business is a deep commitment to understanding and meeting our customers' needs through customer-centric approach. Consistent delivery excellence is a crucial cornerstone of our business and instrumental in our success.

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# ARIHANT FOUNDATIONS & HOUSING LIMITED

(Incorporated under the Companies Act, 1956)

CIN: L70101TN1992PLC022299

| CORPORATE STRUCTURE   |   |  |
|---|---|--|
| BOARD OF DIRECTORS  | BOARD COMMITTEES  |  |
| Mr. Kamal Lunawath  | Chairman and Managing Director  | <b>Audit Committee</b><br>Mr. Karan Bhasin – Chairman<br>Mr. Kamal Lunawath- Member<br>Mr. Prateek Khicha – Member                         |
| Mr. Vimal Lunawath  | CFO and Whole-time Director   |  |
| Mr. Bharat M Jain   | Whole-time Director   |  |
| Mr. Karan Basin   | Independent Director  | <b>Stakeholder Relationship Committee</b>  |
| Mrs. Ann Gonsalvez  | Independent Director  | Mr. Karan Bhasin – Chairman<br>Mr. Kamal Lunawath – Member<br>Mr. Prateek Khicha – Member  |
| Mr. Prateek Khicha  | Independent Director  |  |
| <b>Chief Executive Officer</b><br>Mr. Arun Rajan*<br>* Appointed on 30th May 2024   |   | <b>Nomination &amp; Remuneration Committee</b><br>Mr. Karan Bhasin– Chairman<br>Mrs. Ann Gonsalvez – Member<br>Mr. Prateek Khicha – Member |
| <b>Company Secretary</b>  | <b>Auditors</b>   |  |
| Ms. Mary Belinda Jyotsna,<br>Company Secretary/<br>Compliance Officer   | M/s. B P Jain & Co, Chartered Accountants<br>No.2, Gee Gee Minar, No.23, College Road, Chennai 600 006. |  |
| <b>Bankers</b>  | <b>Legal Advisor</b>  |  |
| Punjab National Bank<br>ICICI Bank Ltd<br>Kotak Mahindra Bank   | Indus Law Firm<br>No.11, Venkatraman Street, T. Nagar, Chennai- 600017.                                 |  |
| <b>Registered Office &amp; Administrative Office</b>  |   |  |
| No.3, Ganapathy Colony, Off. Cenotaph Road, Teynampet, Chennai- 600 018   |   |  |
| <b>Registrar and Share Transfer Agents</b>  |   |  |
| M/s. Cameo Corporate Services Limited<br>V Floor, Subramanian Building, No.1, Club House Road, Anna Salai, Chennai- 600 002 |   |  |
| <b>Internal Auditors</b>  |   |  |
| M/s. N S Shastri & Co., Chartered Accountants   |   |  |
| <b>Secretarial Auditors</b>   |   |  |
| M/s. V Suresh & Associates, Company Secretary   |   |  |

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## NOTICE OF 31ST ANNUAL GENERAL MEETING

Notice is hereby given that the 31st Annual General Meeting of the Shareholders of Arihant Foundations & Housing Limited will be held on Monday the **30th day of September 2024** through Video Conferencing (VC)/Other Audio-Visual Means ("OAVM") at 10.00 A.M. IST to transact, the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Financial Statements of the Company for the year ended 31.03.2024 together with the Directors' Report and the Auditors' Report and the consolidated financial statements for the year ended 31.03.2024 together with the Auditors' Report thereon.
2. To consider and approve a Final Dividend of 10 % (Re.1/- per Equity Share) on the Paid-up Equity Share Capital of the Company for the Financial Year 2023- 2024.
3. To appoint a director in place of Mr. Vimal Lunawath (DIN: 00586269) retires by rotation and being eligible, offers himself for reappointment.

### SPECIAL BUSINESS

#### 4. Appointment of Mr. Gunalan Vivekanand (DIN: 094062050) as Non-Executive Independent Director of the Company

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules framed thereunder, read with Schedule IV of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Gunalan Vivekanand (DIN: 094062050), who was appointed as an Additional Director by the Board of Directors of the Company ("the Board") based on the recommendation of the Nomination and Remuneration Committee with effect from 06th September, 2024 pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director (Non-Executive) of the Company, not liable to retire by rotation, to hold office for a term of consecutive five years up to 05th September, 2029."

**RESOLVED FURTHER THAT** the Board (including its committee thereof) be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable, or expedient to give effect to this resolution."

#### 5. Approval of managerial remuneration of Mr. Kamal Lunawath (DIN: 00087324) Managing Director of the Company:

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** in partial modification of resolution passed in this regard by the members of the Company at 30th Annual General Meeting held on 29th September, 2023 and pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Act'), the consent of the members be and is hereby accorded for revision in remuneration of Mr. Kamal Lunawath (DIN: 00087324), Managing Director, with effect from 01st October, 2024 for a period of three years.

**RESOLVED FURTHER THAT** the remuneration payable to Mr. Kamal Lunawath, Managing Director with effect from 01st October, 2024 shall be Rs. 6,00,000/- p.m. inclusive of all perquisites.

**RESOLVED FURTHER THAT** the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.

**RESOLVED FURTHER THAT** where in any financial year, during the tenure of Mr. Kamal Lunawath as Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and

allowances as specified above as minimum remuneration, subject to the limits and conditions prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time.

RESOLVED FURTHER THAT except for the aforesaid revision in salary, all other terms and conditions of his appointment as Managing Director of the Company, as approved by the resolution passed at the 30th Annual General Meeting of the Company held on 29th September 2023 shall remain unchanged.

#### **6. Approval of managerial remuneration of Mr. Vimal Lunawath (DIN: 00586269) Whole-Time Director/CFO of the Company:**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT in partial modification of resolution passed in this regard by the members of the Company at 30th Annual General Meeting held on 29th September, 2023 and pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('the Act'), the consent of the members be and is hereby accorded for revision in remuneration of Mr. Vimal Lunawath (DIN: 00586269) Whole-Time Director, with effect from 01st October, 2024 for a period of three years.

RESOLVED FURTHER THAT the remuneration payable to Mr. Vimal Lunawath, Whole-Time Director with effect from 01st October 2024 shall be Rs. 6,00,000/- p.m. inclusive of all perquisites.

RESOLVED FURTHER THAT the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.

RESOLVED FURTHER THAT where in any financial year, during the tenure of Mr. Vimal Lunawath, as Whole-time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above as minimum remuneration, subject to the limits and conditions prescribed under Schedule V of the Companies Act, 2013, as may be amended from time to time.

RESOLVED FURTHER THAT except for the aforesaid revision in salary, all other terms and conditions of his appointment as Managing Director of the Company, as approved by the resolution passed at the 30th Annual General Meeting of the Company held on 29th September 2023 shall remain unchanged.

RESOLVED FURTHER THAT the Board shall have the discretion and authority to modify the aforesaid terms and remuneration within, however, the limit as approved by the members.

#### **7. Increase in borrowing limits of the Company under section 180(1)(c) of the Companies Act, 2013**

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

“RESOLVED THAT in supersession of earlier resolution passed in this regard, pursuant to the provisions of Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, and consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board), to borrow any sum or sums of money from time to time at its discretion, for the purpose of the business of the Company, (i) by way of availing of credit facilities (fund based and non-fund based) and all kinds of financial assistance by all permissible methods, secured and/ or unsecured from banks, financial institutions, bodies corporate or any person(s), (ii) by way of issue of redeemable non-convertible debentures, subordinated debentures, bonds, commercial papers or any other security or instrument(s) on private placement basis or (iii) by way of issuance of any other permissible instruments through any methods of borrowing, whether unsecured or secured by creation of mortgage, charge, hypothecation, lien, pledge or otherwise on the Company's assets and properties, whether movable or immovable, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company, apart from temporary loans obtained and/ or to be obtained from the Company's bankers in the ordinary course of business, may exceed, at any time, the aggregate of the paid up share capital, free reserves and securities premium of the Company, provided that the total amount borrowed by the Company and outstanding at any point of time, shall not exceed Rs. 1000 Crore (Rupees One thousand crore only) and that the Board be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed proper, desirable and expedient in its absolute discretion and as may be deemed necessary in this regard and to give, from time to time, such directions as may be necessary, expedient, usual or proper as the Board in its absolute discretion may think fit.

**8. To approve creation of mortgage / charge on the properties / undertakings of the Company under Section 180(1)(a) of the Companies Act, 2013**

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

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, , consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board) for creation of charge / mortgage / pledge / hypothecation / security in addition to existing charge / mortgage / pledge / hypothecation / security, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and / or immovable properties, tangible or intangible assets of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company, as the case may be in favour of the banks, non-banking financial companies, financial institutions and other lender(s), Agent(s) and Trustee(s), for securing the borrowings of the company availed / to be availed by way of loan(s) and securities in the nature of debt securities issued/ to be issued by the company from time to time, provided that the total amount of loans shall not at any time exceed Rs. 1000 Crore (Rupees one thousand Crore Only) in excess of the aggregate of the paid-up capital of the Company and its free reserves (apart from temporary loans obtained / to be obtained from the Company’s bankers in the ordinary course of business) in respect of such borrowings and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to, between the Board of Directors and the lender(s), Agent(s) and Trustee(s) of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed proper, desirable and expedient in its absolute discretion and as may be deemed necessary in this regard and to give, from time to time, such directions as may be necessary, expedient, usual or proper as the Board in its absolute discretion may think fit

**9. To consider and approve for giving authorization to Board of Directors to advance any loan, give any guarantee or to provide any security to all such person specified under section 185 of the Companies Act, 2013**

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

“RESOLVED THAT pursuant to Section 185 and other applicable provisions if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof and in accordance with Memorandum and Articles of Association of the Company, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to advance any loan(s) and/or to give any guarantee(s) and/or to provide any security(ies) in connection with any Financial Assistance/Loan taken/to be taken/availed/to be availed by any entity which is a Subsidiary/ Associate/Joint Venture or such other entity/person as specified under Section 185 of the Companies Act, 2013 and more specifically to such other entity/person as the Board of the Directors in its absolute discretion deems fit and beneficial and in the best interest of the Company (hereinafter commonly known as the Entities); all together with in whom or in which any of the Director of the Company from time to time is interested or deemed to be interested; provided that the aggregate limit of advancing loan and/or giving guarantee and/or providing any security to the Entities shall not at any time exceed the aggregate limit of Rs.500 Crores (Rupees five hundred Crores Only).

RESOLVED FURTHER THAT the aforementioned loan(s) and/or guarantee(s) and/or security(ies) shall only be utilized by the borrower for the purpose of its principal business activities.

RESOLVED FURTHER THAT any Directors(s) of the Company be and are hereby severally authorised for and on behalf of the Company to do all such acts, deeds, matters and things as may be necessary, proper, expedient, or incidental to give effect to this resolution.”

**10. Adoption of new set of Articles of Association of the Company**

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

“RESOLVED THAT pursuant to the provisions of Section 5,14 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re- enactment thereof for the time being in force), and subject to the necessary approval(s), permissions, consents and sanctions required, if any by the statutory authority and all other applicable laws and regulations if any, the consent of the members be and is hereby accorded for adoption of the new set of Articles of Association of the Company, as the Articles of Association of the Company in the place and in exclusion and substitution of the entire existing Articles of Association of the Company.

RESOLVED FURTHER THAT any Directors(s) of the Company be and are hereby severally authorised for and on behalf of the Company to do all such acts, deeds, matters and things as may be necessary, proper, expedient, or incidental to give effect to this resolution.”

#### **11. Approval of Related Party Transactions:**

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

“RESOLVED THAT pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 (Listing Regulations) and other applicable provisions, if any of the Listing Regulations, Companies Act, 2013 and Rules made thereunder, including statutory modification(s) or re- enactment thereof for the time being in force and as may be notified from time to time, consent of the members of the company be and is hereby accorded to the Board of Directors of the company to enter into contract(s)/ arrangement(s)/ transaction(s) with parties as detailed in the table forming part of the Explanatory Statement annexed to this notice with respect to Sale, purchase or supply of goods or materials, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property or appointment of such parties to any office or place of profit in the company or any other transactions of whatever nature, at arm’s length basis and in the ordinary course of business, notwithstanding that such transactions may exceed thousand crore or 10% of the Annual Consolidated Turnover of the Company in any financial year or such other threshold limits as may be specified by the Listing Regulations from time to time, up to such extent and on such terms and conditions approved by Audit Committee from 31st Annual General Meeting till the conclusion of the 32nd Annual General Meeting as specified in the Explanatory Statement annexed to this notice.”

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorize any one of the directors of the Company to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

#### **12. TO AUTHORIZE CAPITAL RAISING THROUGH ISSUANCE OF EQUITY SHARES OR OTHER CONVERTIBLE SECURITIES**

“RESOLVED THAT pursuant to the provisions of Section 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Foreign Exchange Management Act, 1999, as amended or restated (“FEMA”), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or restated (the “ICDR Regulations”), and subject to all other applicable laws, statutes, rules, circulars, notifications, regulations and guidelines of the Government of India, the Securities and Exchange Board of India (the “SEBI”), , the relevant stock exchanges where the equity shares of the Company are listed (the “Stock Exchanges”) and all other appropriate statutory and regulatory authorities, as may be applicable or relevant, whether in India or overseas (hereinafter collectively referred to as the “Appropriate Authorities”), the enabling provisions of the Memorandum and Articles of Association of the Company, as amended, and the listing agreements entered into by the Company with the Stock Exchanges and subject to requisite approvals, consents, permissions and sanctions, if any, of the Appropriate Authorities and subject to such conditions and modifications as may be prescribed by any of them in granting any such approvals, consents, permissions, and sanctions (hereinafter referred as the “Requisite Approvals”) which may be agreed to by the Board of Directors of the Company (hereinafter referred as the “Board” which term shall be deemed to include any committee constituted or to be constituted by the Board to exercise its powers including the powers conferred by this resolution, or any person(s) authorised by the Board or its committee for such purposes), consent of the Company be and is hereby accorded to the Board in its absolute discretion, to create, offer, issue and allot, from time to time in either one or more tranches such number of equity shares and/ or any securities linked to, convertible into or exchangeable for equity shares including without limitation through convertible preference shares and/or convertible debentures (compulsorily and/or optionally, fully and/or partly) and/or Commercial Papers and/or warrants with a right exercisable by the warrant holder to exchange or convert such warrants with equity shares of the Company and/or any other permitted fully and/or partly paid securities/ instruments/ warrants, convertible into or exchangeable for equity shares at the option of the Company and/or holder(s) of the security(ies) and/or securities linked to equity shares (hereinafter collectively referred to as “Securities”), in registered or bearer form, secured or unsecured, listed on a recognized stock exchange in India to such investors who are eligible to acquire such Securities in accordance with all applicable laws, rules, regulations, guidelines and approvals, through public issue(s), rights issue(s), preferential issue(s), private placement(s) and / or qualified institutional placement in terms of Chapter VIII of the SEBI (ICDR) Regulations or any combinations thereof, through any prospectus, offer document, offer letter, offer circular, placement document or otherwise, at such time or times and at such price or prices subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, at a discount or premium to market price or prices in such manner and on such terms and conditions including as regards security, rate of interest, etc., as may be deemed appropriate by the Board in its absolute discretion, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, for an aggregate amount, not exceeding Rs. 300 Crores (Rupees Three Hundred Crores Only) at such premium as may from time to time be decided by the Board and the Board shall have the discretion to determine the categories of eligible investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of investors at the time of such offer, issue and allotment considering

the prevailing market conditions and all other relevant factors and where necessary in consultation with advisor(s), lead manager(s), and underwriter(s) appointed by the Company.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue(s) of Securities may, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, have all or any terms, or combination of terms, in accordance with domestic and/or international practice, including, but not limited to, conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever and all other such terms as are provided in offerings of such nature including terms for issue of additional equity shares or variation of the conversion price of the securities during the duration of the Securities.

“RESOLVED FURTHER THAT in case of any offering of Securities, convertible into equity shares, consent of the shareholders be and is hereby given to the Board to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any such Securities referred to above in accordance with the terms of issue/offering in respect of such Securities and such equity shares shall rank pari-passu with the existing equity shares of the Company in all respects, except as may be provided otherwise under the terms of issue/offering and in the offer document and/or offer letter and/or offering circular and /or listing particulars.”

RESOLVED FURTHER THAT the Board be and is hereby authorised to engage, appoint and to enter into and execute all such agreement(s) / arrangement(s) / MoUs / placement agreement(s)/ underwriting agreement(s) / deposit agreement(s) / trust deed(s) / subscription agreement/ payment and conversion agency agreement/ any other agreements or documents with any consultants, lead manager(s), co-lead manager (s), manager(s), advisor(s), underwriter(s), guarantor(s), depository(ies), custodian(s), registrar(s), agent(s) for service of process, authorised representatives, legal advisors / counsels, trustee(s), banker(s), merchant banker(s) and all such advisor(s), professional(s), intermediaries and agencies as may be required or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees and such other expenses as it deems fit, listing of Securities, authorizing any director(s) or any officer(s) of the Company, severally, to sign for and on behalf of the Company including without limitation the authority to amend or modify such document(s).

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, consent of the members of the Company be and is hereby accorded to the Board to do all such acts, deeds, matters and/or things, in its absolute discretion and including, but not limited to finalization and approval of the preliminary as well as final document(s), determining the form, terms, manner of issue, the number of the Securities to be allotted, timing of the issue(s)/ offering(s) including the investors to whom the Securities are to be allotted, issue price, face value, number of equity shares or other securities upon conversion or redemption or cancellation of the Securities, premium or discount on issue / conversion / exchange of Securities, if any, rate of interest, period of conversion or redemption and any other terms and conditions of the issue, including any amendments or modifications to the terms of the Securities and any agreement or document (including without limitation, any amendment or modification, after the issuance of the Securities), the execution of various transaction documents, creation of mortgage/ charge in accordance with the provisions of the Act and any other applicable laws or regulations in respect of any Securities, either on a pari-passu basis or otherwise, fixing of record date or book closure and related or incidental matters as the Board in its absolute discretion deems fit and to settle all questions, difficulties or doubts that may arise in relation to the issue, offer or allotment of the Securities, accept any modifications in the proposal as may be required by the Appropriate Authorities and subject to applicable law, for the utilization of the issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent and that the members shall be deemed to have given their approval thereto for all such acts, deeds, matters and/or things, expressly by the authority of this resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board is authorised on behalf of the Company to take all actions and to do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid Securities and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the Securities, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Securities may be redeemed and/or converted into and/or exchanged for the equity shares of the Company (or exchanged for equity shares of another company as permitted under applicable law), subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, in a manner as may be provided in the terms of their issue.

RESOLVED FURTHER THAT in case of a Qualified Institutional Placement (QIP) pursuant to Chapter VIII of the SEBI (ICDR) Regulations, the allotment of eligible securities within the meaning of Chapter VIII of the SEBI (ICDR) Regulations shall only be made to Qualified Institutional Buyers (QIBs) within the meaning of Chapter VIII of the SEBI (ICDR) Regulations, such

securities shall be fully paid-up and the allotment of such securities shall be completed within 12 months from the date of the resolution approving the proposed issue by the members of the Company or such other time as may be allowed by SEBI (ICDR) Regulations from time to time and that the securities be applied to the National Securities Depository Limited and/or Central Depository Services (India) Limited for admission of the eligible securities to be allotted as per Chapter VIII of the SEBI (ICDR) Regulations.

RESOLVED FURTHER THAT the relevant date for the purpose of pricing of the Securities by way of QIP/ or by way of any other issue(s) shall be the date as specified under the applicable law or regulation or it shall be the date of the meeting in which the Board decides to open the issue.

RESOLVED FURTHER THAT such of these Securities as are not subscribed may be disposed off by the Board in its absolute discretion in such manner, as the Board may deem fit and as permissible by law.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of its powers conferred by this resolution on it, to any Committee of directors or the Managing Director or Directors or any other officer of the Company, in order to give effect to the above resolutions.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects.

Place : Chennai  
Date : 06-09-2024

By Order of the Board  
**For Arihant Foundations & Housing Limited**  
Sd/-  
**Kamal Lunawath**  
Managing Director

## Notes:

1. The Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 read with the subsequent circulars issued from time to time, the latest one being general circular No.09/2023 dated 25th September, 2023 has allowed companies to conduct the forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM) till 30th September, 2024. Hence, In compliance with the Provisions of the companies act, 2013 (the Act), SEBI (Listing obligations and disclosure Requirements) regulations, 2015 (Listing Regulations) and MCA Circulars the 31st AGM of the company is conducted through VC/OAVM. Members can attend and participate in the ensuing AGM through VC/OAVM.
2. The register of members and share transfers of the Company shall be closed from September 23, 2024, to September 30, 2024 (both days inclusive) and Record date has been fixed as September 20, 2024, for the purpose of payment of dividend for the financial year ended March 31, 2024.
3. The final dividend, once approved by the members in the ensuing AGM, will be paid within 30 days from the date of AGM to those whose names appear in the Register of Members as on date.
4. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company / Registrar and Transfer Agent (in case of shares held in physical mode) and with the Depository Participants (in case of shares held in Demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by sending an email to investors@arihants.co.in on or before September 20, 2024. Shareholders are requested to note that in case their PAN is not registered, tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to investors@arihants.co.in The aforesaid declarations and documents need to be submitted by the shareholders on or before September 20, 2024.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
8. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
9. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://www.arihantspaces.com/>. The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com)

respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

10. The Relevant details, pursuant to regulation 36(3) of the Securities and Exchanges Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial standard on General Meetings issued by Institute of Company Secretaries of India, in respect of directors seeking Re-appointment at this AGM is annexed.
11. Corporate members intended to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting to E-mail:- [investors@arihants.co.in](mailto:investors@arihants.co.in)
12. In terms of the guidelines provided vide the MCA Circulars, the Company is sending this Notice in electronic form only. Accordingly, the communication of the assent or dissent of the Members would take place through the process of remote e-voting only.
13. This AGM Notice is being sent to all the Members, whose names appear in the Register of Members/ Statements of Beneficial Ownership maintained by the Depositories as on the close of business hours on 05th September 2024
14. The Company has appointed M/s Cameo Corporate Services Limited, Chennai as its Registrar & Share Transfer Agent and depository interface of the Company with CDSL and NSDL. Shareholders intending to hold their shares in electronic form may approach their depository participants for dematerialization of shares. Shareholders may send their shares for effecting transmission/ transposition to M/s. Cameo Corporate Services Limited.
15. Members are requested to notify immediately any change in their address to the company's Share Transfer Agent, M/s. Cameo Corporate Services Limited, Subramanian Building, No. 1, Club House Road, Chennai- 600 002 in the case of physical holdings and to their respective Depository Participants in case of dematerialized shares.
16. Members are requested to lodge their e-mail ID's along with their Name and Folio No. to Company's Registrar and Share Transfer Agent, M/s. Cameo Corporate Services Limited, 'Subramanian Building', No.1, Club House Road, Chennai - 600 002, Email: - [investor@cameoindia.com](mailto:investor@cameoindia.com) to enable the Company to send all future communications including Annual Reports through electronic mode.
17. Members are requested to notify the Company's Registrar and Share Transfer Agent immediately of their bank account number and name of the bank and branch in the case of physical holdings, and to their respective Depository Participants in case of dematerialized shares, so that the payment of dividend when made through National Electronic Clearing Service (NECS), National Electronic Fund Transfer (NEFT), Direct Credit, Dividend Warrants etc., can be made without delay.
18. Shareholders who have multiple folios in identical names or in joint names in the same order, are requested to intimate to the Company those folios, to enable the Company to consolidate all such shareholdings into one folio.
19. Shareholders of the Company may avail the nomination facility by executing the prescribed nomination form, which can be obtained from the Registered Office of the Company or from the company's Registrar and Share Transfer Agent.

#### THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

**Step 1 :** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2 :** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated 09.12.2020, under Regulation 44 of Securities

and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:**

| Type of shareholders   | Login Method   |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL Depository        | <ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol> |
| Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b> | <ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company</li> </ol>  |

|  |  |
|--|--|
|  | <p>name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p> |
| Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b> | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.   |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

| Login type   | Helpdesk details   |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911 |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000      |

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,

- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

|  | <b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>   |
|--|--|
| PAN  | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul> |
| Dividend Bank Details<br><b>OR</b> Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>                 |

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant Arihant Foundations & Housing Limited on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

**(xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investors@arihants.co.in](mailto:investors@arihants.co.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / iPad for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id: [investors@arihants.co.in](mailto:investors@arihants.co.in)). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 2 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id: [investors@arihants.co.in](mailto:investors@arihants.co.in)). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 21 09911.

**General Instructions:**

- i) The Board of Directors has appointed Mr. V. Suresh, Senior Partner, (Membership No. FCS 2969 and CP No.6032) and failing him Mr. Udaya Kumar K R,(Membership No. F11533 and CP No. 21973) partner of M/s. V. Suresh Associates, Practising Company  
  
Secretaries, First Floor, No.28, Ganapathy Colony, Illrd Street, Teynampet, Chennai – 600 018 as the scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
- ii) The Scrutinizer shall after the conclusion of voting at the general meeting, thereafter unblock the votes cast through remote e- voting and E Voting during the AGM in the presence of at least two witnesses not in the employment of the Company and make, not later than 2 working 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 authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The resolutions will be deemed have been passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions.
- iii) The Results declared along with the report of the Scrutinizer shall be placed on the website of CDSL immediately after the declaration of the result. The results shall also be displayed on the notice board at the Registered Office of the Company.
- iv) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on 22nd September, 2024. A person who is not a Member as on the cut off-date should treat this Notice for information purposes only.

### EXPLANATORY STATEMENT

In terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard 2 on General Meetings, a brief resume of the Directors proposed to be re-appointed/ appointed in the forthcoming Annual General Meeting, nature of expertise in specific functional areas, disclosure of relationships between directors inter-se, other Directorships, Committee memberships, shareholdings in the Company are given below and the explanatory statement pursuant to Section 102 of the Companies Act, 2013, which sets out the details relating to Special Business at the meeting is annexed hereto and shall be taken as forming part of this Notice.

#### ITEM No. 3

|   |  |
|---|--|
| Name of the Director  | Mr. Vimal Lunawath   |
| Date of Birth   | 29/03/1974   |
| Nationality   | Indian   |
| Date of Appointment on the Board  | 04.11.2005   |
| Terms and conditions of appointment and details of remuneration   | As Per the Recommendations of the Nomination and Remuneration committee  |
| Experience  | 25 years   |
| Remuneration last drawn   | 4,00,000/- Per Month   |
| Qualifications  | Undergraduate  |
| Expertise in specific functional area   | Mr. Vimal Lunawath has over 25 years of experience in the real estate sector. Specialises in designing, execution, and completion of large residential complexes |
| Number of shares held in the Company  | 13,27,200 Shares   |
| List of the directorships held in other companies (excluding foreign companies)   | 7  |
| Number of Board Meetings attended during the FY 2023-24 Chairman/ Member in the Committees of the Boards of companies in which he is Director | 10   |
| Relationships between Directors inter-se  | Mr. Vimal Lunawath Brother of Mr. Kamal Lunawath.  |

#### ITEM No.4:

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company ("Board") at its meeting held on 06th September, 2024 had appointed Mr. Gunalan Vivekanand (DIN: 09406205) as Additional Director (Non-Executive, Independent) of the Company for a term of five (5) years effective from 06th September, 2024, not liable to retire by rotation, subject to approval of the shareholders of the Company.

Further, in terms of the amended Regulation 17(1C) of the SEBI Listing Regulations, effective from January 01, 2022, a listed entity shall ensure that the approval of shareholders for appointment of a person on the Board of Directors has to be taken either at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

Accordingly, approval of the shareholders is sought to comply with the SEBI Listing Regulations.

The Company has received from Mr. Gunalan Vivekanand (DIN: 09406205) (i) consent in writing to act as Directors in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act and (iii) a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and under SEBI Listing Regulations. Mr. Gunalan Vivekanand does not hold any equity shares in the Company.

The Company has also received a Notice under Section 160 of the Act from a member proposing candidature of Mr. Gunalan Vivekanand for the office of Directors of the Company.

**Brief profile of Mr. Gunalan Vivekanand is as under:**

Mr.Vivekanand is a Practicing Lawyer in the Madras High Court, Chennai City Civil Court, Statutory Tribunals and Arbitral Tribunals and has briefed and assisted various senior counsels over his career . He specializes in Due Diligence of title to property, Property Documentation, Conveyancing, Stamp Duty, Registration, RERA and Litigation.

Mr.Vivekanand has conducted litigations including arbitrations for multiple developers as well as non-developers both on land disputes, contractual disputes and against statutory violations. He has succeeded in obtaining a landmark ruling against the time barred demands for stamp duty and declaring the time limit for demanding any deficit stamp duty.

Other details of Mr. Gunalan Vivekanand pursuant to the provision of SEBI Listing Regulations and the Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India is provided hereunder.

None of the Directors except Mr.Gunalan Vivekanand, Director of the Company and / or their relatives is concerned or interested in this resolution.

Details of Mr. Gunalan Vivekanand seeking appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

|  |   |
|--|---|
| Name of the Director   | Mr. Gunalan Vivekanand  |
| Date of Birth  | 27/10/1975  |
| Nationality  | Indian  |
| Date of Appointment on the Board   | 06th September 2024   |
| Terms and conditions of appointment and details of remuneration  | As Per the Recommendations of the Nomination and Remuneration committee |
| Experience   | 18 years  |
| Remuneration last drawn  | Nil   |
| Qualifications   | B.A, B. L   |
| Expertise in specific functional area  | Law   |
| Number of shares held in the Company   | 0   |
| List of the directorships held in other companies  | 1   |
| Number of Board Meetings attended during the FY 2023-24<br>Chairman/ Member in the Committees of the Boards of companies in which he is Director | NIL   |
| Relationships between Directors inter-se   | NIL   |

**Item No. 5**

Mr. Kamal Lunawath was appointed as Managing Director of the Company with effect from 29th September 2023 for a period of 5 years at the 30th Annual General Meeting held on 29th September 2023.

He has been associated with the Company as one of the Promoter Directors since its incorporation. He is a Bachelor of Commerce and possesses more than 28 years of experience in real estate. His expertise in executing IT parks, townships, and luxury apartments, along with his strategic vision in corporate and financial planning, has attracted significant foreign investments, driving the company to new heights of innovation and growth.

In view of his excellent leadership and contribution to the growth and performance of the Company, based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on 06.09.2024, has approved the proposal to increase the salary of Mr. Kamal Lunawath, Managing Director, subject to the approval of shareholders, as set out in the resolution being item no. 5 of the accompanying notice w.e.f. 01st October, 2024 for a period of 3 years.

In view of the relevant extant provisions of law relating to managerial remuneration, the Company is complying with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 which prescribes that in case of no profits or inadequate profits, the remuneration can be paid by the Company to its managerial personnel

as minimum remuneration within the limits arrived at in accordance with the requirements of the said section II, subject to the following:— (i) payment of remuneration is approved by a resolution passed by the Board and, in the case of a company covered under sub-section (1) of section 178 also by the Nomination and Remuneration Committee; (ii) the company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor, and in case of default, the prior approval of the bank or public financial institution concerned or the non-convertible debenture holders or other secured creditor, as the case may be, shall be obtained by the company before obtaining the approval in the general meeting and (iii) special resolution has been passed for payment of remuneration as per item (B), at the general meeting of the company for a period not exceeding three years.

The Board recommends the Resolution as set out at Item no. 5 of the notice as Special Resolution, for approval of the members.

None of the Directors or Key Managerial Personnel and / or their relatives has any concern or interest, financial or otherwise, in this item of business, except Mr. Vimal Lunawath.

#### **Item No. 6**

Mr. Vimal Lunawath has been associated with the Company as one of the Promoter Directors since its incorporation. He has a Bachelor of Commerce and possesses more than 25 years of experience in real estate. His expertise oversees the design, execution, and completion of expansive residential complexes. Vimal's commitment to high-quality living spaces has made Arihant Spaces a top choice for discerning homeowners.

In view of his excellent leadership and contribution to the growth and performance of the Company, based on the recommendation of Nomination and Remuneration Committee, the Board of Directors at their meeting held on 06.09.2024, has approved the proposal to increase the salary of Mr. Vimal Lunawath, Whole-time Director, subject to the approval of shareholders, as set out in the resolution being item no. 6 of the accompanying notice w.e.f. 01st October, 2024 for a period of 3 years.

In view of the relevant extant provisions of law relating to managerial remuneration, the Company is complying with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 which prescribes that in case of no profits or inadequate profits, the remuneration can be paid by the Company to its managerial personnel as minimum remuneration within the limits arrived at in accordance with the requirements of the said section II, subject to the following:— (i) payment of remuneration is approved by a resolution passed by the Board and, in the case of a company covered under sub-section (1) of section 178 also by the Nomination and Remuneration Committee; (ii) the company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor, and in case of default, the prior approval of the bank or public financial institution concerned or the non-convertible debenture holders or other secured creditor, as the case may be, shall be obtained by the company before obtaining the approval in the general meeting and (iii) special resolution has been passed for payment of remuneration as per item (B), at the general meeting of the company for a period not exceeding three years.

The Board recommends the Resolution as set out at Item no. 6 of the notice as Special Resolution, for approval of the members.

None of the Directors or Key Managerial Personnel and / or their relatives has any concern or interest, financial or otherwise, in this item of business, except Mr. Kamal Lunawath.

#### **ITEM No.7:**

Pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 (the "Rules") (as amended from time to time), the Board of Directors have the powers to borrow money, where the money to be borrowed, together with the money already borrowed by the company could exceed aggregate of its paid-up share capital, free reserves and securities premium, apart from temporary loans obtained from the company's bankers in the ordinary course of business provided a consent by way of Special Resolution by the Shareholders of the Company has been obtained.

The Company has approval from shareholders to borrow in excess of the aggregate of its paid-up share capital, free reserves and securities premium up to Rs. 500 crores. However, keeping in view the future plans of the Company and to fulfil long term strategic and business objectives and as a measure of achieving greater financial flexibility and to enable optimal financing structure, the Board of Directors in its meeting held on 06th September 2024 has, subject to the approval of shareholders of the Company, proposed and approved for seeking the shareholder approval for giving authorization to board of directors under section 180(1)(c) of the Companies Act, 2013 upto an aggregate limit of Rs.1000 crores.

In furtherance of the same, the Board recommends passing of the Special Resolution set out in Item No. 7.

The Directors recommend the matter, and the resolution set out under Item no. 7 for the approval of the Members.

None of the Directors and the Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution.

**ITEM No.8:**

In accordance with the provisions of Section 180 (1) (a) of the Companies Act, 2013, the mortgage or charge on all or any part of the movable and/or immovable properties of the Company, maybe deemed as the disposal of the whole, or substantially the whole, of the undertaking of the Company and hence, requires approval from the members of the Company by way of a Special Resolution. Therefore, it is proposed to pass this enabling resolution to authorize the Company to create a charge or mortgage on the assets or properties of the Company for an amount not exceeding Rs.1000 Crore thereof, in excess of the aggregate of the paid-up capital of the Company and its free reserves.

In furtherance of the same, the Board recommends passing of the Special Resolution set out in Item No. 8.

The Directors recommend the matter, and the resolution set out under Item no. 8 for the approval of the Members.

None of the Directors and the Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution.

**ITEM No.9:**

In terms of the amended Section 185 of the Companies Act, 2013 a company may advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any person or Body Corporate in whom any of the Director(s) of the Company is interested subject to the condition that approval of the shareholders of the Company is obtained by way of Special Resolution and requisite disclosures are made in the Explanatory Statement.

In view of the above, the Board at its meeting held on 06th September 2024 decided to seek approval of the shareholders pursuant to provisions of Section 185 of the Companies Act, 2013 to advance any loan including any loan represented by book debt, or give guarantee or provide any security in connection with any loans / debentures / bonds etc. raised by any entity/ Company/ Body(ies) Corporate/ LLP, subsidiary, associate and joint venture of the Company in whom any of the Director(s) of the Company is interested up to an aggregate amount not exceeding Rs.500 Crores (Rupees Five Hundred Crores Only).

This will also enable the Company to provide the requisite corporate guarantee or security in relation to raising of loans / debentures / bonds etc. by the said subsidiary(ies) / associates / JV Companies /body corporates, as and when it is raised.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolutions except to the extent of their shareholding in the Company, if any.

The Board recommends passing of the Special Resolution under item No. 9 of the notice for your approval.

**ITEM No.10:**

The Articles of Association ("AOA") of the Company as presently in force are based on the erstwhile Companies Act, 1956 and several regulations in the existing AOA are no longer in conformity with the Companies Act, 2013. Further several regulations / articles of the existing AOA of the Company require alteration or deletion pursuant to changes in applicable laws. Therefore, it is considered expedient to replace the existing AOA with a new set of Articles.

The new set of AOA to be substituted in place of the existing AOA. Copy of the draft Articles of Association of the Company would be available for inspection by the members at the Registered Office of the Company on any working day during normal business hours upto and including the date of AGM

As per Section 5, 14 and other applicable provisions, if any of the Companies Act, 2013 (as amended), for the purpose of adoption of new set of Articles of Association of the Company requires approval of the Members by passing Special Resolution.

In furtherance of the same, the Board recommends passing of the Special Resolution set out in Item No. 10.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the resolution set out in Item No. 10 of the Notice.

**ITEM No.11:**

Approval of Related Party Transactions:

The Securities and Exchange Board of India (“SEBI”), vide its notification dated November 9, 2021, has notified the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 (“Amendments”) introducing amendments to the provisions pertaining to the related party transactions under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”). The aforesaid amendments inter-alia included replacing of current threshold i.e. 10% (ten percent) of the listed entity’s consolidated turnover, for determination of material related party transactions requiring prior shareholders’ approval with the threshold of lower of Rs. 1,000 crore (rupees one thousand crore) or 10% (ten percent) of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity. Accordingly, the threshold for determination of material related party transactions under regulation 23(1) of the SEBI Listing Regulations has been reduced with effect from April 1, 2022.

No related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not. Further, SEBI vide its circular bearing reference no. SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated April 8, 2022 has clarified and specified that the shareholders’ approval of omnibus RPTs approved in an annual general meeting (“AGM”) shall be valid upto the date of the next AGM for a period not exceeding fifteen months.

Your company Arihant Foundations & Housing Limited is engaged in the business of construction of residential, commercial complexes and IT parks. In order to facilitate such funding and to manage the business affairs of the company smoothly, the company needs to make some transactions with its related parties w.r.t. borrowing / granting of loans and advances etc. as more particularly mentioned in the proposed resolution.

The particulars of the transaction(s) pursuant to the provisions of section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 read with SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, are as under:

| Sl. no | Particulars                             | Details of proposed Related Party Transactions  |   |   |                           |                           |
|--------|---|---|---|---|---------------------------|---------------------------|
| 1      | Name of Related Party                   | Escapade Services LLP   | Vilaya Properties LLP   | Questiva Estates LLP  | Kamal Lunawath            | Vimal Lunawath            |
| 2      | Nature of Relationship                  | Substantially Controlled  | Substantially Controlled  | Substantially Controlled  | Key Management Personnel  | Key Management Personnel  |
| 3      | Nature and Material Terms of Contract   | Sale, purchase or supply of goods or materials, availing and rendering of any services, transfer of resources, services or obligations, leasing of property of any kind and appointment of agent for purchase or sale of goods, materials, services or property, and loans. | Sale, purchase or supply of goods or materials, availing and rendering of any services, transfer of resources, services or obligations, leasing of property of any kind and appointment of agent for purchase or sale of goods, materials, services or property, and loans. | Sale, purchase or supply of goods or materials, availing and rendering of any services, transfer of resources, services or obligations, leasing of property of any kind and appointment of agent for purchase or sale of goods, materials, services or property, and loans. | Loan Taken by the company | Loan Taken by the company |
| 4      | Tenure                                  | One Year  | One Year  | One Year  | One Year                  | One Year                  |
| 5      | Value of Approval being sought (in Crs) | 50  | 50  | 30  | 5                         | 5                         |

**ITEM No.12:**

The Company proposes to have flexibility to infuse additional capital, to tap capital markets and to raise additional long term resources, if necessary in order to sustain rapid growth in the business, for business expansion and to improve the financial leveraging strength of the Company. The proposed resolution seeks the enabling authorization of the members to the Board of Directors to raise funds to the extent of Rs. 500 Crores (Rupees Five Hundred Crores Only) or its equivalent in any one or more currencies, in one or more tranches, in such form, on such terms, in such manner, at such price and at such time as may be considered appropriate by the Board (inclusive at such premium as may be determined) by way of issuance of equity shares of the Company ("Equity Shares") and/or any instruments or securities including convertible preference shares and/or convertible debentures (compulsorily and/or optionally, fully and/or partly) and/or non-convertible debentures (or other securities) with warrants, and/or warrants with a right exercisable by the warrant holder to exchange or convert such warrants with equity shares of the Company at a later date simultaneously with the issue of any other permitted fully and / or partly paid securities/instruments/warrants, convertible into or exchangeable for equity shares at the option of the Company and/or holder(s) of the security(ies) and/or securities linked to equity shares (hereinafter collectively referred to as "Securities"), in registered or bearer form, secured or unsecured, listed on a recognized stock exchange in India by way of private placement or otherwise.

The Special Resolution also seeks to empower the Board of Directors to undertake a Qualified Institutional Placement (QIP) with Qualified Institutional Buyers (QIBs) as defined by SEBI under Issue of Capital and Disclosure Requirements Regulations, 2009. The Board of Directors may in their discretion adopt this mechanism as prescribed under Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended from time to time). Further in case the Company decides to issue eligible securities within the meaning of Chapter VIII of the SEBI Regulations to Qualified Institutional Investors, it will be subject to the provisions of Chapter VIII of the SEBI Regulations as amended from time to time. The aforesaid securities can be issued at a

price after taking into consideration the pricing formula prescribed in Chapter VIII of the SEBI (ICDR) Regulations. Allotment of securities issued pursuant to Chapter VIII of SEBI Regulations shall be completed within twelve months from the date of passing of the resolution under Section 42 and 62 of the Companies Act, 2013. This Special Resolution gives (a) adequate flexibility and discretion to the Board to finalise the terms of the issue, in consultation with the Lead Managers, Underwriters, Legal Advisors and experts or such other authority or authorities as need to be consulted including in relation to the pricing of the Issue which will be a free market pricing and may be at premium or discount to the market price in accordance with the normal practice and (b) powers to issue and market any securities issued including the power to issue such Securities in such tranche or tranches with/without voting rights or with differential voting rights.

The detailed terms and conditions for the issue of Securities will be determined in consultation with the advisors, and such Authority/Authorities as may be required to be consulted by the Company considering the market conditions and other relevant factors.

The consent of the members is being sought pursuant to the provisions of Section 42, 62 and other applicable provisions of the Act and in terms of the provisions of the listing agreement executed by the Company with Stock Exchanges where the Equity Shares of the Company are listed. Since the resolution involves issue of Equity Shares to persons other than existing members, special resolution in terms of Section 42 and 62 of the Act is proposed for your approval.

The amount proposed to be raised by the Company shall not exceed Rs. 300 Crores (Rupees Three Hundred Crores Only). The Equity shares, which would be allotted, shall rank in all respects pari-passu with the existing Equity Shares of the Company, except as may be provided otherwise under the terms of issue/offering and in the offer document and/or offer letter and/or offering circular and/or listing particulars.

The Board of Directors recommends the said resolution for your approval.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

Place : Chennai  
Date : 06-09-2024

By Order of the Board  
**For Arihant Foundations & Housing Limited**  
Sd/-  
**Kamal Lunawath**  
Managing Director

## DIRECTORS' REPORT

Your directors are pleased to present the Directors' Report of your Company together with the Audited Financial Statements and the Auditors' Report for the period ended 31st March 2024. The summarized financial results for the Financial Year are as under:

### WORKING RESULTS:

### FINANCIAL RESULTS:

#### Standalone Financial Results

During the year under review, the company has Revenue from operations of Rs. 7656.31 Lakhs (Previous Year: Rs. 3922.70 Lakhs) and Other Income of Rs. 1360.94 Lakhs (Previous Year: Rs. 1935.16 Lakhs), and the Profit/(Loss) before tax Rs. 432.74 Lakhs (Previous Year Rs. 162.18). After providing for Interest & Finance charges, and Depreciation, the Company performed well during the year under with a Profit after Tax of Rs. 322.50 Lakhs as compared to the previous year's Profit of Rs. 115.62 Lakhs).

#### Consolidated Financial Results:

During the year under review, the company has Revenue from operations of Rs. 12408.21 Lakhs (Previous Year: Rs. 6426.68 Lakhs) and Other Income of Rs. 1164.66 Lakhs (Previous Year: Rs. 2031.98 Lakhs). After providing for Interest & Finance charges, and Depreciation, the Company has performed well during the year under review despite poor market conditions during the year with a Profit after Tax of is Rs. 1350.13 Lakhs as compared to the previous year's profit of Rs. 997.20 Lakhs).

### FINANCIAL PERFORMANCE:

(Rs. In Lakhs)

| S. No. | Particulars  | Standalone Financial Statement |                       | Consolidated Financial Statement |                       |
|--------|--|--------------------------------|-----------------------|----------------------------------|-----------------------|
|        |  | Year Ended 31.03.2024          | Year Ended 31.03.2023 | Year Ended 31.03.2024            | Year Ended 31.03.2023 |
| I      | Total Revenue  | 9017.25                        | 5857.86               | 13,572.87                        | 8458.66               |
| II     | Total Expenses   | 8584.51                        | 5695.68               | 11,615.67                        | 7175.21               |
| III    | Profit before exceptional and extraordinary items and tax (I-II) | 432.74                         | 162.18                | 2,037.53                         | 1283.45               |
| IV     | Exceptional items  | -                              | -                     | -                                | -                     |
| V      | Profit before extraordinary items and tax (III -IV)              | 432.74                         | 162.18                | 2,037.53                         | 1283.45               |
| VI     | Tax expense:   |                                |                       |                                  |                       |
|        | (1) Current tax  | 108.86                         | (45.12)               | 686.30                           | (290.60)              |
|        | (2) Deferred tax   | (1.38)                         | (1.44)                | 1.09                             | 4.35                  |
| VII    | Profit (Loss) for the period                                     | 322.50                         | 115.62                | 1,350.13                         | 997.20                |

### DIVIDEND

Your Company has been consistent in generating operating cash flow over the years. The Board has recommended a final dividend of ` 1 per equity share, in its meeting held on September 6, 2024, subject to approval by the shareholders at the ensuing annual general Meeting.

### SHARE CAPITAL

During the year under review, the Company has not altered/modified its authorized share capital and has not issued any shares including equity shares with differential rights as to dividend, voting or otherwise. The Company has not issued any sweat equity shares to its directors or employees.

The Paid-up Share Capital of the Company as on 31st March 2024 is Rs. 8,60,00,000 divided into 86,00,000 Equity Shares of Rs.10 each fully paid up.

## **RESERVES & SURPLUS**

The Company has transferred net profit of Rs. 322.50 Lakhs to retained earnings account for the financial year ending 31st March 2024.

## **SUBSIDIARIES & JOINT VENTURES/ASSOCIATES**

There are eight wholly owned subsidiary and one joint venture of your Company as on 31st March,2024. M/s Arihant Griha Limited, M/s. Vaikunt Housing Limited, M/s. Varenya Constructions Limited, M/s. Transparent Heights Real Estate Limited, M/s Escapade Real Estates Private Limited M/s. Vihaana Realty Private Limited M/s. Vinyasa Realty Private Limited and M/s. Verge Realty Private Limited are the Wholly owned subsidiaries of your Company. M/s. Kairav Developers Limited is the Joint Venture entity of your Company. M/s. North Town Estate Private Limited ceased as subsidiary of the Company during the year under review.

Details of financial statements of subsidiaries and joint venture are given in AoC-1 as Annexure 1.

## **RELATED PARTY TRANSACTIONS:**

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

The Board has approved a policy for related party transactions which has been uploaded on the Company's website. <https://www.arihantspaces.com/investors>. Details of transactions with related parties are given in Form AOC - 2 which is attached to this report as Annexure 2.

## **MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

Pursuant to Regulation 34(2)(e) of the Listing Regulations, Management Discussion and Analysis Report is given in Annexure 3.

## **PUBLIC DEPOSITS**

The Company has not accepted any deposits falling within the meaning of Section 73 or 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 during the financial year and as such, no amount on account of principal or interest on deposits from public was outstanding as on 31st March 2024.

## **REPORT ON CORPORATE GOVERNANCE**

Your Company ensures good corporate governance by implementing and complying with the policies, standards set out by Securities and Exchange Board of India and other regulatory authorities. The requisite certificate issued by M/s. V Suresh Associates, Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance as stipulated under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached to this Report as Annexure 4 & 5.

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year ended 31st March 2024 to which the Financial Statements relates and the date of signing of this report.

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

Details of Loans, Guarantees and Investments made during the year are given in the note: 4, 6 & 11 to the Financial Statements.

## **DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE FINANCIAL YEAR:**

No application was made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year 2023-24.

**DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF DURING THE FINANCIAL YEAR:**

Not applicable during the financial year.

**CHANGE IN NATURE OF BUSINESS:**

During the year under review, there has been no change in the Company's nature of business.

**DIRECTORS:**

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

**DIRECTORS RETIRING BY ROTATION**

Pursuant to the requirements of the Act and Articles of Association of the Company, Mr. Vimal Lunawath (DIN: 00586269) is liable to retire by rotation and, being eligible, offers himself for re-appointment. The Board recommends the appointment of Mr. Vimal Lunawath (DIN: 00586269) as Director of the Company, retiring by rotation.

**KEY MANAGERIAL PERSONNEL**

Pursuant to Section 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following are the Key Managerial Personnel of the Company:

| Sl. No. | Name of the Directors         | Designation                                   |
|---------|-------------------------------|---|
| 1.      | Mr. Kamal Lunawath            | Chairman & Managing Director                  |
| 2.      | Mr. Vimal Lunawath            | Whole-time Director & Chief Financial Officer |
| 3.      | Mr. Bharatkumar Mangilal Jain | Whole-time Director                           |
| 4.      | Mr. Arun Rajan                | CEO <sup>^</sup>                              |
| 5.      | Ms. Jose Alpha                | Company Secretary <sup>#</sup>                |
| 6.      | Ms. Mary Belinda Jyotsna      | Company Secretary <sup>*</sup>                |

\*Appointed on 20.09.2023

# Resigned on 30.08.2023

<sup>^</sup> Appointed on 30.05.2024

The remuneration and other details of these Key Managerial Personnel for Financial Year 2023-24 are provided in the Annual Return which is available on the website of the Company.

**COMMITTEES:**

**AUDIT COMMITTEE**

The Audit Committee had a number of meetings, both formal and internal interactions, with the management team to review Accounts, Finances, Compliances and Risks, and in ensuring improved internal reporting, analyses and financial performances.

Given the increasing complexities presented by the new Companies Act and other Laws, the Audit Committee has also focused on Compliance and Governance to meet the needs of the present and the future. When necessary, external consultants have been brought in to support the Committee and the Management team.

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

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

Mr. Karan Bhasin, Chairman of the Committee – I & NE \*\*

Mr. Prateek Khicha, Member of the Committee – I & NE#

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

Ms. Mary Belinda Jyotsna, Secretary of the Committee.

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

#### **NOMINATION AND REMUNERATION COMMITTEE**

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

The Nomination & Remuneration Committee consists of Mr. Karan Bhasin, Chairman of the committee, Mrs. Ann Gonsalvez, Independent Director and Mr. Prateek Khicha, Independent Director. The Company Secretary of the Company acts as the Secretary to the Committee.

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

#### **STAKEHOLDER GRIEVANCE COMMITTEE/ STAKEHOLDER RELATIONSHIP COMMITTEE:**

The Stakeholder Grievance committee comprises of, Mr. Karan Bhasin – Chairman of the committee, Mr. Kamal Lunawath, Managing Director and Mr. Prateek Khicha, Independent Director as the members of the committee. The Company Secretary of the Company acts as the Secretary to the Committee.

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

#### **CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

| SI No | Name                     | Designation       | Appointment / Cessation | Date       |
|-------|--------------------------|-------------------|-------------------------|------------|
| 1     | Ms. Jose Alpha           | Company Secretary | Cessation               | 30.08.2023 |
| 2     | Mr. Mary Belinda Jyotsna | Company Secretary | Appointment             | 20.09.2023 |

After the closure of financial year-

| SI No | Name           | Designation | Appointment / Cessation | Date       |
|-------|----------------|-------------|-------------------------|------------|
| 1     | Mr. Arun Rajan | CEO         | Appointment             | 30.05.2024 |

#### **MEETINGS OF THE BOARD AND COMMITTEES:**

During the Financial Year 2023-24, the Board of Directors met Eleven (11) times and the details of the meetings of the Board and its Committees are given in the Corporate Governance Report (Annexure 4). The gap intervening between two meetings was within the time prescribed under the Act and Listing Regulations.

Details of attendance of meetings of the Board, its Committees and the Annual General Meeting are included in the Report on Corporate Governance, which forms part of this Annual Report.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

A declaration by the Independent Directors that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 was taken on record by the Board in their meeting held on May 04, 2024. The terms and conditions of appointment of the Independent Directors are placed on the website of the Company <https://www.arihantspaces.com/investors/code-of-conduct/>

The Company has also disclosed the Directors' familiarization program on its website <https://www.arihantspaces.com/investors/code-of-conduct/>.

The independent directors have met on 14.02.2024 and reviewed the performance of non-executive directors, chairman and executive directors and analyzed the flow of information to the Board. All the Independent directors were present at the meeting.

The Board also evaluated its own performance and that of its committees & Independent Directors.

#### **NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES**

None of the Independent / Non-Executive Directors have any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

#### **CONSOLIDATED FINANCIAL STATEMENTS**

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

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

The company has taken necessary steps for conservation of energy and technology absorption.

There are no foreign –exchange earnings and outgo.

#### **PARTICULARS OF EMPLOYEES:**

Details of employees covered under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in Annexure 6 to this annual report. Employees at all levels have performed well.

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

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

During the year the Company has not received any complaint under Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

#### **REMUNERATION POLICY OF THE COMPANY:**

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

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

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

#### **SECRETARIAL STANDARDS**

The Company is in compliance with the Secretarial Standards on Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

#### **PROHIBITION OF INSIDER TRADING**

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading)

Regulations, 2015, as amended (PIT Regulations), the Company has adopted the revised “Code of Conduct to Regulate, Monitor and Report Trading by Insiders” (“the Code”). The Code is applicable to all Directors, Designated persons and connected Persons and their immediate relatives, who have access to unpublished price sensitive information relating to the Company. The Company has also formulated a ‘Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSII)’ in compliance with the PIT Regulations.

The aforesaid Codes are posted on the Company’s website and can be accessed by using web link at: <https://www.arihantspaces.com/investors/code-of-conduct>

#### STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

In the opinion of the Board of Directors of the Company, Independent Directors on the Board of Company hold highest standards of integrity and are highly qualified, recognized and respected individuals in their respective fields. It’s an optimum mix of expertise (including financial expertise), leadership and professionalism.

#### **DIRECTORS RESPONSIBILITY STATEMENT**

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

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

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

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

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

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

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

#### **CEO/CFO CERTIFICATION**

Appropriate certification as required under Reg. 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Kamal Lunawath, Managing Director and Mr. Vimal Lunawath, Chief Financial Officer have certified to the Board regarding Financial Statements for the year ended 31st March 2024 which is attached as Annexure II to CG.

#### DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY’S CODE OF CONDUCT

The Code of Conduct of the Company aims at ensuring consistent standards of conduct and ethical business practices across the Company. This Code is reviewed on an annual basis and the latest Code is available on the website of the Company at weblink <https://www.arihantspaces.com/wp-content/uploads/2022/06/Code-of-Conduct-for-Directors-and-SM.pdf>. Pursuant to the Listing Regulations, confirmation from the Managing Director regarding compliance with the Code by all the Directors and senior management of the Company is given in Annexure I to the Corporate Governance.

#### **VIGIL MECHANISM / WHISTLE BLOWER MECHANISM**

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

#### **CORPORATE SOCIAL RESPONSIBILITY**

The obligation to incur expenses under Corporate Social Responsibility is not applicable to your Company for

the current year. A CSR committee of the Board, however, has been constituted and a policy on Corporate Social Responsibility Policy has been uploaded on the Company's website <https://www.arihantspaces.com/wp-content/uploads/2020/06/CSR-POLICY.pdf>

#### **STATEMENT PURSUANT TO LISTING REGULATIONS:**

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

#### **STATUTORY AUDITORS**

The Company has appointed M/s. B.P Jain & Co, Chennai (Firm Regn. No. 007735S) in the 29th Annual General Meeting held on 30th September 2022 for a period of 5 years from the 29th annual general meeting until the conclusion of the 34th annual general meeting of the Company on such remuneration as may be fixed by the Board of Directors. In view of the amendment to the Companies Act, 2013 notified by the Ministry of Corporate Affairs dated 7th May 2018, no longer their appointment needs to be ratified by the Members of the company.

#### **AUDITORS' REPORT**

There are no qualifications or adverse remarks mentioned in the Auditors' report. The notes to accounts, forming part of financial statements, are self-explanatory and need no further clarification.

#### **SECRETARIAL AUDITORS**

The Board appointed M/s. V Suresh Associates, Practicing Company Secretaries, Chennai to conduct a Secretarial Audit for the Financial Year 2023-24. The Secretarial Audit Report for the Financial Year ended March 31, 2024, is attached to this Report as Annexure 7.

#### **REPLY TO SECRETARIAL AUDIT REPORT:**

The Board of Directors' explanation for the observations made in the Secretarial Audit report is annexed in Annexure 8

#### **ADEQUACY OF INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROL**

The Company has in place adequate Internal Audit and Internal Financial Controls with reference to the financial statements, which is evaluated by the Audit Committee as per Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Apart from Statutory Audit, your Company, in compliance with Section 138 of the Companies Act, 2013, had engaged M/s N. S. Shastri & Co, (Firm Registration No 015093S) Chartered Accountants, Bangalore as the Internal Auditors of the Company for the financial year 2023-24. Findings and observations of the Internal Auditors are discussed, and suitable corrective actions are taken as per the directions of the Audit Committee on an on-going basis to improve efficiency in operations.

The Company's internal control systems are well established and commensurate with the nature of its business and the size and complexities of operations and adequate with reference to the financial statements as envisaged under the Companies Act, 2013.

#### **PERFORMANCE EVALUATION OF BOARD AND ITS COMMITTEES**

Pursuant to the provisions of the Act and Listing Regulations and as per Guidance Note on Board Evaluation issued by SEBI on 5th January 2017, the Board has carried out annual performance evaluation of its own performance, the Directors individually as well as evaluation of the working of its committees at its meeting held on 14th November 2023. The Nomination and Remuneration Committee has defined the evaluation criteria for the performance evaluation of individual Directors, the Board and its Committees. The performance of the Board, its committees and individual Directors was evaluated by the Nomination and Remuneration Committee and Board after seeking input from all the respective Committee members and Directors.

#### **RISK MANAGEMENT**

Pursuant to Section 134(3)(n) of the Companies Act, 2013 and Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, The Company has a risk policy defining risk management governance model, risk assessment and prioritization process. The Risk Management Committee adopted a follow-up risk management framework to review and monitor the key risks and their mitigation measures periodically and provide an update to the Board on the Company's risks. The Audit Committee has additional oversight on financial risks and controls.

## ANNUAL RETURN

The annual return of the Company has been uploaded in the web site and the same can be accessed through web site link <https://www.arihantspaces.com/investors>.

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

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

| S. No. | Name of the Director | Ratio   |
|--------|----------------------|---------|
| 1.     | Mr. Kamal Lunawath   | 1.89: 1 |
| 2.     | Mr. Vimal Lunawath   | 1.89: 1 |
| 3.     | Mr. Bharat Jain      | 1.14: 1 |

The median remuneration for the period from April 2023 to March 2024 Rs.15,83,760/-

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

|  |
|--|
| Mr. Kamal Lunawath – (Managing Director): N.A.       |
| Mr. Vimal Lunawath – (Chief Financial Officer): N.A. |
| Ms. Mary Belinda Jyotsna– (Company Secretary): N.A.  |

The percentage increase in the median remuneration of employees in the financial year: 189 %

The number of permanent employees on the rolls of company: 75

Average percentiles increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration: The increase in remuneration is based on the remuneration policy of the Company.

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

### REPORTING OF FRAUD

The Auditors of the Company have not reported any fraud as specified under Section 143 (12) of the Companies Act, 2013.

### PERSONNEL

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

### CAUTIONARY STATEMENT

The Annual Report including those which relate to the Directors' Report, Management Discussion and Analysis Report may contain certain statements on the Company's intent expectations or forecasts that appear to be forward-looking within the meaning of applicable securities laws and regulations while actual outcomes may differ materially from what is expressed herein. The Company bears no obligations to update any such forward-looking statement. Some of the factors that could affect the Company's performance could be the demand and supply for Company's product and services, changes in Government regulations, tax laws, forex volatility etc.

### COST RECORDS AND COST AUDITORS

The provisions of Section 148(1) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 in respect of Cost Audit is not applicable to the Company.

## ACKNOWLEDGEMENTS

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

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

Place: Chennai  
Date: 06.09.2024

|                          |                            |
|--------------------------|----------------------------|
| <b>(KAMAL LUNAWATH)</b>  | <b>(VIMAL LUNAWATH)</b>    |
| <b>Managing Director</b> | <b>Whole-time Director</b> |
| <b>DIN: 00087324</b>     | <b>DIN: 00586269</b>       |

**Form AOC-1- ANNEXURE -1**

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

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

Part "A": Subsidiaries

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

|       | Subsidiaries  |                          |                           |                          |                                     |                          |                                  |                                |                                |                                       | Joint Controlled Entity |
|-------|---|--------------------------|---------------------------|--------------------------|-------------------------------------|--------------------------|----------------------------------|--------------------------------|--------------------------------|---------------------------------------|-------------------------|
| Sl No | Particulars   | Details                  |                           |                          |                                     |                          |                                  |                                |                                |                                       |                         |
|       | Name of the Subsidiary  | Arihant Griha Ltd        | Varenya Constructions Ltd | Vaikunt Housing Ltd      | Transparent Heights Real Estate Ltd | Verge Realty Private Ltd | Escapade Real Estate Private Ltd | Vihaana Realty Private Limited | Vinyasa Realty Private Limited | Kairav Developers Ltd.                |                         |
| 1     | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                     | 01-04-2023 to 31-03-2024 | 01-04-2023 to 31-03-2024  | 01-04-2023 to 31-03-2024 | 01-04-2023 to 31-03-2024            | 01-04-2023 to 31-03-2024 | 01-04-2023 to 31-03-2024         | 01-04-2023 to 31-03-2024       | 01-04-2023 to 31-03-2024       | 01-04-2023 to 31-03-2024              |                         |
| 2     | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | INR                      | INR                       | INR                      | INR                                 | INR                      | INR                              | INR                            | INR                            | INR                                   |                         |
| 3     | Share capital   | 5,00,000                 | 5,00,000                  | 5,00,000                 | 5,00,000                            | 1,00,000                 | 1,65,00,000                      | 1,00,000                       | 1,00,000                       | 5,00,000                              |                         |
| 4     | Reserves & surplus  | 82,49,741                | -21,06,27,517             | -10,28,474               | -14,11,525                          | 98,53,566                | 36,17,27,744                     | 78,788                         | 80,000                         | 6,91,04,993                           |                         |
| 5     | Total assets  | 8,97,93,903              | 26,85,63,844              | 1,60,62,653              | 1,22,72,181                         | 31,91,72,043             | 85,19,61,747                     | 1,00,000                       | 1,00,000                       | 42,37,36,425                          |                         |
| 6     | Total Liabilities   | 8,10,44,163              | 47,86,91,366              | 1,65,91,127              | 1,31,83,706                         | 30,92,18,468             | 47,37,34,000                     | 21,212                         | 20,000                         | 35,41,31,433                          |                         |
| 7     | Investments   | 82,73,005                | 13,20,00,000              | -                        | -                                   | -                        | 23,80,00,000                     | -                              | -                              | -                                     |                         |
| 8     | Turnover  | -                        | 23,84,732                 | -                        | -                                   | 35,75,00,000             | 24,41,67,203                     | -                              | -                              | -                                     |                         |
| 9     | Profit before taxation  | 77,88,761                | -3,12,82,047              | 56,500                   | 4,38,913                            | 1,46,64,531              | 17,11,75,564                     | -21,212                        | -20,000                        | -12,87,495                            |                         |
| 10    | Provision for taxation  | -                        | -                         | -                        | -                                   | -40,89,384               | -5,39,46,346                     | -                              | -                              | -1,57,578                             |                         |
| 11    | Profit after taxation   | 77,88,761                | -3,12,82,047              | 56,500                   | 4,38,913                            | 1,05,75,147              | 11,72,29,218                     | -21,212                        | -20,000                        | -14,45,073                            |                         |
| 12    | Proposed Dividend   | NIL                      | NIL                       | NIL                      | NIL                                 | NIL                      | NIL                              | NIL                            | NIL                            | NIL                                   |                         |
| 13    | % of shareholding   | 100%                     | 100%                      | 100%                     | 100%                                | 100%                     | 100%                             | 100%                           | 100%                           | Arihant 50% & Ashiana Housing Ltd 50% |                         |

**Note:**

Names of subsidiaries which are yet to commence operations - Vihaana Realty Private Limited & Vinyasa Realty Private Limited

Names of subsidiaries which have been liquidated or sold during the year- North Town Estates Private Limited

**Part “B”: Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

|   |   |
|---|---|
| Name of associates/Joint Ventures   | - |
| 1. Latest audited Balance Sheet Date  | - |
| 2. Shares of Associate/Joint Ventures held by the company on the year end     | - |
| No. of shares   | - |
| Amount of Investment in Associates/Joint Venture                              | - |
| Extend of Holding%  | - |
| 3. Description of how there is significant influence                          | - |
| 4. Reason why the associate/joint venture is not consolidated                 | - |
| 5. Net worth attributable to shareholding as per latest audited Balance Sheet | - |
| 6. Profit/Loss for the year   | - |
| i. Considered in Consolidation  | - |
| ii. Not Considered in Consolidation   | - |

**Note:**

Names of associates or joint ventures which are yet to commence operations. NIL

Names of associates or joint ventures which have been liquidated or sold during the year. NIL

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

Place: Chennai

Date: 06.09.2024

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

## Annexure 2

### AOC 2

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

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

#### A. Details of contracts or arrangements or transactions not at arm's length basis

Arihant Foundations & Housing Limited (the Company) has not entered into any contact/ arrangement/ transaction with its related parties which is not in ordinary course of business or at arm's length during financial year 2023-24. The Company has laid down policies and processes/procedures so as to ensure compliance to the subject section in the Companies Act 2013 (Act) and the corresponding Rules. In addition, the same is reviewed by the Audit Committee.

- (a) Name(s) of the related party and nature of relationship: Not Applicable
- (b) Nature of contracts / arrangements / transactions: Not Applicable
- (c) Duration of the contracts / arrangements / transactions: Not Applicable
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
- (f) Date(s) of approval by the Board: Not Applicable
- (g) Amount paid as advances, if any: Not Applicable
- (h) Date on which the special resolution was passed in general meeting as required under the first proviso to Section 188: Not Applicable

#### B. Details of material contracts or arrangement or transactions at arm's length basis

| S.No | Particulars   | Details  |
|------|---|--|
| 1    | Name(s) of the related party and nature of relationship                                     | Mr. Kamal Lunawath, Managing Director                          |
| 2    | Nature of contracts/arrangements/transactions   | Loans Received, Interest Paid on loans advanced & Loans repaid |
| 3    | Duration of the contracts/arrangements/ transactions  | 01-04-2023 to 31-03-2024                                       |
| 4    | Salient terms of the contracts or arrangements or transactions including the value, if any: | As per agreement   |
| 5    | Date(s) of approval by the Board, if any:   | 30-05-2023   |
| 6    | Amount paid as advances, if any:  | NIL  |

| S.No | Particulars   | Details  |
|------|---|--|
| 1    | Name(s) of the related party and nature of relationship | Mr. Vimal Lunawath, Whole-time Director                        |
| 2    | Nature of contracts/arrangements/transactions           | Loans Received, Interest Paid on loans advanced & Loans repaid |
| 3    | Duration of the contracts/arrangements/ transactions    | 01-04-2023 to 31-03-2024                                       |

|   |   |                  |
|---|---|------------------|
| 4 | Salient terms of the contracts or arrangements or transactions including the value, if any: | As per agreement |
| 5 | Date(s) of approval by the Board, if any:   | 30-05-2023       |
| 6 | Amount paid as advances, if any:  | NIL              |

| S.No | Particulars   | Details  |
|------|---|--|
| 1    | Name(s) of the related party and nature of relationship                                     | Varenya Constructions Ltd, Wholly Owned Subsidiary           |
| 2    | Nature of contracts/arrangements/transactions   | Interest Received on loan given, Loan Repaid & Loan Received |
| 3    | Duration of the contracts/arrangements/ transactions  | 01-04-2023 to 31-03-2024                                     |
| 4    | Salient terms of the contracts or arrangements or transactions including the value, if any: | As per agreement   |
| 5    | Date(s) of approval by the Board, if any:   | 30-05-2023   |
| 6    | Amount paid as advances, if any:  | NIL  |

| S.No | Particulars   | Details  |
|------|---|--|
| 1    | Name(s) of the related party and nature of relationship                                     | Escapade Real Estate Private Limited, Wholly Owned Subsidiary                |
| 2    | Nature of contracts/arrangements/transactions   | Interest Paid on loans advanced, Loan Received, Loan Repaid & Loans advanced |
| 3    | Duration of the contracts/arrangements/ transactions  | 01-04-2023 to 31-03-2024   |
| 4    | Salient terms of the contracts or arrangements or transactions including the value, if any: | As per agreement   |
| 5    | Date(s) of approval by the Board, if any:   | 30-05-2023   |
| 6    | Amount paid as advances, if any:  | NIL  |

| S.No | Particulars   | Details  |
|------|---|--|
| 1    | Name(s) of the related party and nature of relationship                                     | Arihant Griha Limited, Wholly Owned Subsidiary |
| 2    | Nature of contracts/arrangements/transactions   | Loans advanced                                 |
| 3    | Duration of the contracts/arrangements/ transactions  | 01-04-2023 to 31-03-2024                       |
| 4    | Salient terms of the contracts or arrangements or transactions including the value, if any: | As per agreement                               |
| 5    | Date(s) of approval by the Board, if any:   | 30-05-2023                                     |
| 6    | Amount paid as advances, if any:  | NIL  |

| S.No | Particulars   | Details  |
|------|---|--|
| 1    | Name(s) of the related party and nature of relationship | Vaikunt Housing Limited, Wholly Owned Subsidiary |
| 2    | Nature of contracts/arrangements/transactions           | Loans advanced                                   |
| 3    | Duration of the contracts/arrangements/ transactions    | 01-04-2023 to 31-03-2024                         |

|   |   |                  |
|---|---|------------------|
| 4 | Salient terms of the contracts or arrangements or transactions including the value, if any: | As per agreement |
| 5 | Date(s) of approval by the Board, if any:   | 30-05-2023       |
| 6 | Amount paid as advances, if any:  | NIL              |

| S.No | Particulars   | Details  |
|------|---|--|
| 1    | Name(s) of the related party and nature of relationship                                     | Transperent Heights Real Estate Ltd, Wholly Owned Subsidiary |
| 2    | Nature of contracts/arrangements/transactions   | Advances made  |
| 3    | Duration of the contracts/arrangements/ transactions  | 01-04-2023 to 31-03-2024                                     |
| 4    | Salient terms of the contracts or arrangements or transactions including the value, if any: | As per agreement   |
| 5    | Date(s) of approval by the Board, if any:   | 30-05-2023   |
| 6    | Amount paid as advances, if any:  | NIL  |

| S.No | Particulars   | Details   |
|------|---|---|
| 1    | Name(s) of the related party and nature of relationship                                     | Verge Realty Private Limited, Wholly Owned Subsidiary |
| 2    | Nature of contracts/arrangements/transactions   | Loans advanced  |
| 3    | Duration of the contracts/arrangements/ transactions  | 01-04-2023 to 31-03-2024                              |
| 4    | Salient terms of the contracts or arrangements or transactions including the value, if any: | As per agreement                                      |
| 5    | Date(s) of approval by the Board, if any:   | 30-05-2023  |
| 6    | Amount paid as advances, if any:  | NIL   |

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

Place: Chennai  
Date: 06.09.2024

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

# Arihant Foundations & Housing Ltd

## Management Discussion & Analysis FY24

### ECONOMIC OVERVIEW AND OUTLOOK

#### Global Economy

The global economy remained buoyant amid various challenges, maintaining steady growth as inflation began returning to target levels. The year was marked by significant events, starting with pandemic-induced supply chain disruptions, followed by the Russia-Ukraine conflict that triggered global energy and food crises, ultimately leading to a sharp rise in inflation. This inflation is expected to decline in FY24-25.

The global economy is expected to grow at a steady rate of 3.2 % in 2024 and 2025, consistent with 2023's pace, according to the World Economic Outlook. Growth in advanced economies is projected to slightly increase from 1.6 % in 2023 to 1.7 % in 2024 and 1.8 % in 2025. However, this will be balanced by a modest slowdown in emerging market and developing economies, with growth expected to decline from 4.3 % in 2023 to 4.2 % in both 2024 and 2025. The long-term global growth forecast, at 3.1 % five years from now, is the lowest in decades. Meanwhile, global inflation is anticipated to steadily decrease from 6.8 % in 2023 to 5.9 % in 2024 and 4.5 % in 2025, with advanced economies likely returning to their inflation targets more quickly than emerging markets. Core inflation is expected to decline at a more gradual pace.

Source: World Economic Outlook, April 2024: Steady but Slow: Resilience amid Divergence (imf.org)

#### Indian Economy

India's economy is rapidly emerging as the fastest growing in the world, with the International Monetary Fund (IMF) projecting it to become the 3rd largest economy within five years. In FY 2023-24, strong macroeconomic fundamentals, moderating inflation, increasing domestic demand, and a robust position in global trade have kept India's economy and financial system resilient. Despite challenges like geopolitical tensions and fluctuating FDI trends, India remains a bright spot. The IMF forecasts a stable economic outlook with 6.8% growth in 2024 and 6.5% in 2025, driven by high demand, government infrastructure spending, and a surge in the real estate sector. Additionally, the Union Budget FY24-25 capital expenditure outlay has increased by 11.1% to Rs.11 Lakh Crore, further fuelling infrastructure development.

RBI, the country's central bank, estimates the economy to grow at 7% during FY 25. India has become the fastest-growing major economy in 2023-24, driven by strong domestic demand and solid macroeconomic fundamentals. The growth momentum is further supported by an upturn in the investment cycle, a broad-based revival in manufacturing and services, government-led capital expenditure, positive business and consumer sentiments, and strengthened corporate and bank balance sheets. Construction activity remained robust due to strong housing demand and the government's focus on infrastructure development. Looking ahead, private consumption is expected to benefit from improving rural demand and rising consumer confidence. The government's infrastructure push, along with increased private investment and business optimism, is likely to sustain the investment cycle, boosting productivity and economic growth. Although a lower fiscal impulse may impact growth, this could be balanced by higher capital expenditure. The economy's medium- and long-term growth potential is strengthening, driven by factors such as improved infrastructure, world-class digital and payments technology, ease of doing business, higher labour force participation, and better fiscal spending quality.

Source: IMF raises India's GDP forecast to 6.8% for 2024-25 | Reuters, ORBIBULLETINAPRIL20244D39628B0A50466DA73AAE81CC5B42E1.PDF

### Industry Overview and Outlook

#### Indian Real Estate Industry

The Indian real estate market has continued to gain momentum, with demand reaching decade-high levels, resulting in a significant increase in volumes and positive pricing trends. Indian real estate sector has witnessed high growth in the recent times with rise in demand for office as well as residential spaces. The sector is the second-largest employment generator in the country, following agriculture. It was anticipated that this sector would attract increased investment from non-resident Indians (NRIs) in both the short and long term. Bengaluru was projected to be the top property investment destination for NRIs, followed by Ahmedabad, Pune, Chennai, Goa, Delhi, and Dehradun. The sector is expected to drive growth with urbanization, rental market expansion,

and property price appreciation. As reported by the India Brand Equity Foundation (IBEF), the real estate sector currently represents 7.3% of India's GDP and is expected to contribute 13% by 2025.

### Government Initiatives

From a government policy perspective, various initiatives such as focus on affordable housing, smart city measures, tax deductions on housing loans etc have enabled investment opportunities in the real estate sector in India. Fuelled by rising transparency and returns, private investment in the sector is on the rise. The government has permitted up to 100% FDI for township and settlement development projects. The new framework for Small and Medium Real Estate Investment Trusts (SM REITs) has been welcomed by the realtors' association CREDAI, which is likely to boost the flow of funds into the Indian real estate market. According to IBEF, foreign investors contributed approximately US\$ 4 billion annually to Indian real estate, with a 20% year-on-year increase in foreign inflows, as observed in 2023.

### Residential Market

According to the Knight & Frank research report, India's residential market has seen a significant shift over the past few decades, influenced by global and domestic economic conditions, government policies, and major events like the 2008-09 financial crisis, demonetization, GST implementation, the NBFC crisis, and the COVID-19 pandemic. These factors dampened the market's growth at various times. However, policy interventions like RERA have strengthened the sector, making it more transparent and consumer focused. Currently, driven by strong economic momentum, wealth creation, and rising consumer aspirations for homeownership, the residential real estate sector in India is experiencing a growth phase.

While 2023 marked a peak for the sector, it is anticipated to continue momentum in the upcoming quarters, particularly in the high-end and luxury segments, where demand for larger spaces with robust support infrastructure is increasing. The residential market is set to flourish in 2024, supported by strong underlying fundamentals. Sales and new property launches are expected to maintain the sector's momentum, even in the face of potential challenges.

### Growing Luxury Housing Demand

As per Knight Frank research report, India's housing demand has historically focused on affordable and mid-segment properties due to its low-middle income status. However, rising income levels, particularly from high-paying jobs in sectors like IT, BFSI, and services, have significantly increased demand for luxury housing. While mid-segment housing still dominates, luxury housing's share in total sales across the top 8 cities grew from 16% in 2018 to 34% in 2023. This trend is expected to continue, driven by economic growth, salary increases, and a rising number of HNIs and UHNIs.

CII - April 2024.cdr (knightfrank.com)

- \* Top Trends in Residential Real Estate
- \* Sales and New Launches expected to sustain momentum during 2024
- \* Capital Value growth to stabilize, although it will depend on project quality, location, features and convenient access to essential infrastructure
- \* Mid and high-end categories undergoing redefinition; noticeable activity expected across premium and luxury categories
- \* Home ownership rates to increase, average home loan ticket size on the rise
- \* Luxury housing moving away from bungalows, leading developers dominate the luxury market

CBRE report

### Commercial Real Estate Market:

India's commercial real estate (CRE) market has witnessed considerable growth in recent years, fuelled by increasing interest from global occupiers and the emergence of small and medium-sized developers, which has, in turn, attracted substantial institutional investments. The sector has also benefited from government initiatives such as the establishment of Special Economic Zones (SEZs) and Software Technology Parks (STPs). Despite the global challenges faced in office leasing due to the rise of remote work, the office segment of India's CRE market remains resilient. In 2023, office transactions in the country's top eight cities totalled 60 million square

feet, driven by expansion in the IT/BPM sector, the proliferation of global capability centres (GCCs), and the growing popularity of flexible workspaces. Looking ahead, India is projected to host 2,400 GCCs by 2030, with the potential to increase to 2,880 by 2034, reinforcing its status as a global hub for technology and services.

India's office real estate inventory has also expanded significantly, growing from 278 million square feet in 2008 to over 900 million square feet across the top eight cities. This growth is not confined to Tier 1 cities, as demand and supply for office space are on the rise in Tier 2 and 3 cities as well. The primary factors contributing to this trend include business expansion, cost efficiency, infrastructure improvements, the growth of the IT and services sectors, and the availability of skilled talent. These elements, combined with the increasing formalization of the workforce, are expected to sustain the demand for office space throughout India.

## **CII - April 2024.cdr (knightfrank.com)**

Real Estate in Chennai

Residential Real Estate: Slower launch Activity in Q2 2024

In Q2 2024, Chennai's residential market experienced a cautious period in terms of new project launches, with 5,088 units introduced. This represents a 7% decrease compared to the previous quarter and a 32% drop from the same period last year. The slower pace of approvals, partly due to the recent elections, combined with a more cautious approach by developers, has led to a temporary reduction in launch activity. The Suburban South I submarket stood out, commanding a significant 48% share of all new launches during this period.

Within this submarket, Sholinganallur was the most active area, driving much of the launch activity. Close behind was the Suburban South II submarket, which accounted for 36% of the launches in Q2 2024, with areas like Kundrathur and Medavakkam seeing notable developments.

### **Mid-Segment Dominates, Luxury Gains Traction**

Chennai's residential market saw a continued dominance of the mid-segment during Q2 2024, with this category securing a substantial 69% of the market share, reflecting a notable increase from both the previous quarter (64% in Q1 2024) and year-on-year (53% in Q2 2023). Suburban areas such as Sholinganallur, Medavakkam, and Kundrathur were the most sought-after locations for mid-segment residential developments.

Meanwhile, the high-end and luxury segments also showed strong performance, accounting for 22% of the new unit launches in Q2 2024. Sholinganallur, along with Purasaiwakkam, emerged as key areas for these premium residential offerings. Notably, the luxury segment's market share grew to 8% this quarter, up from 7% in the previous quarter. This represents a significant rise compared to the first half of 2023, where the luxury segment held only 2% of the market, highlighting an increasing demand for upscale residences in Chennai.

The affordable housing segment contributed 9% to the total quarterly launches, catering to budget-conscious buyers. Additionally, 3 BHK configurations remained the most popular, capturing 55% of the market share.

According to recent data, the residential market in Chennai is also benefiting from infrastructural developments and improved connectivity, which are enhancing the attractiveness of these suburban areas. This, coupled with the growing demand for larger homes due to lifestyle changes post-pandemic, is expected to sustain the momentum in both mid-segment and luxury housing markets.

## **Chennai Residential (cw-gbl-gws-prod.azureedge.net)**

Chennai Commercial: Strong leasing in Q2, driven by fresh space take-up

Chennai saw a robust leasing performance in the second quarter of the year, with a gross leasing volume of 1.74 million square feet (msf), reflecting a 5% increase quarter-on-quarter and a 10% rise year-on-year. This leasing momentum was largely fuelled by the prime submarkets of South-west and Suburban South, which contributed 34% and 33% of the total leasing volume for the quarter, respectively. Global Capability Centres (GCCs) led the way, accounting for 32% of the leasing activity, with significant input from the Healthcare & Pharmaceuticals and Engineering & Manufacturing sectors. The IT-BPM sector followed closely, representing 28% of the quarterly leasing volume. Net absorption for Q2 was recorded at 0.52 msf, predominantly driven by the uptake of new space.

In the first half of the year, Chennai achieved a gross leasing volume of 3.4 msf, representing a slight 7% decrease compared to the same period last year. Demand for new space remained robust, with fresh space take-up comprising 97% of the half-yearly leasing activity. Net absorption for the first half of 2024 was 1.39 msf, showing a marginal 2% decline from H1 2023.

### Decline in city-level vacancy due to healthy absorption

The healthy leasing activity contributed to a 78-basis point reduction in the city-level vacancy rate, bringing it down to 16.65% from 17.43% in Q1. There were no new project completions recorded during Q2. At the submarket level, South-west, Peripheral South-west, and Peripheral South saw vacancy rates decrease by 1% to 3%.

Some of the city's SEZ portfolio is currently undergoing de-notification, which is expected to enhance occupancy levels in the near to mid-term. The city is projected to receive a significant supply of 5.28 msf over the next two quarters. With nearly 24% of the expected supply for the second half of 2024 already pre-committed and continued strong demand, Chennai is anticipated to maintain healthy absorption levels in the coming quarters.

### City-level rentals saw a marginal increase

Rental rates in Chennai saw a slight uptick across the Central Business District (CBD), Suburban, and Peripheral southern submarkets, leading to a 0.7% quarter-on-quarter increase in city-level rentals. This rise is attributed to higher rental rates for newly added supply amid steady demand for new space. The upward trend in rental rates is expected to persist in the coming quarters, supported by ongoing occupier demand and a pipeline of high-quality supply.

### Company Overview

Founded by Mr. Navratan Lunawath, Arihant has significantly shaped Chennai's urban landscapes over the last four decades. One of the foremost names in the city's real estate sector, synonymous with quality and trustworthiness. Backed by promoters with extensive experience in real estate and hands-on involvement in day-to-day operations, fostering efficiency and excellence. Over 90% of Arihant's projects have been executed through joint developments, emphasizing collaboration as a cornerstone of their success. With a strong creditworthiness established with major financial institutions and investors, Arihant maintains robust financial backing, ensuring stability and reliability in its endeavours.

### Consolidated Financial Performance

| Figures in ₹ Crore | FY24   | FY23  | Y-o-Y |
|--------------------|--------|-------|-------|
| Revenue            | 135.73 | 84.58 | 60.5% |
| EBITDA             | 37.49  | 33.81 | 10.9% |
| PBT                | 20.38  | 12.84 | 58.7% |
| PAT                | 13.51  | 9.97  | 35.5% |

### On-Going Projects

| Segment            | Project        | Location        | Sq Ft            |
|--------------------|----------------|-----------------|------------------|
| Commercial         | Equitas Tower  | Saidapet        | 173,000          |
|                    | Vaayu          | Perungudi       | 90,000           |
|                    | Rohini         | GN Chetty Rd    | 57,000           |
| Senior Housing     | Swarang        | Nemmeli (ECR)   | 6,00,000         |
|                    | Shubam         | GST             | 529,000          |
| Uber Luxury        | Chirla         | Poes Garden     | 33,600           |
|                    | Aurelia        | Harrington Road | 8,000            |
|                    | Arihant Miraya | Besant Nagar    | 65,000           |
|                    | Vipaasana      | Sri Nagar       | 34,000           |
| Luxury Residential | Melange        | Saligramam      | 160,000          |
|                    | Vivriti        | OMR             | 24,000           |
|                    | Vanya Vilas    | Purusawalkam    | 82,000           |
|                    |                | <b>Total</b>    | <b>18,55,600</b> |

## Strengths

- \* Brand Recognition: One of the oldest and most reputed names in Chennai real estate industry
- \* Asset Light Model: 95% of all developments executed are Joint Developments
- \* Multi Segment Presence: Experience in commercial and residential market
- \* Relationships: Partnership with several Fortune 500 companies and large Indian corporates
- \* Agile Organization: Low fixed costs and young talent pool

## Opportunities

### \* Joint Development & Redevelopment

The enactment of the Tamil Nadu Apartment Ownership Act in 2023 has significantly reshaped the redevelopment landscape, reducing consent norms to 75% and allowing for up to 4X incremental FSI

### \* Office & GCC demand

Chennai has emerged as the 3rd largest office market in India, with strong demand driven by Global Capability Centers (GCCs), further incentivized by the Tamil Nadu government's proposed payroll subsidies

### \* Scaling in New Markets

There is potential for expansion in new markets like Bangalore, along with growth opportunities in Senior Housing and Standalone Retail segments

## Human Resources

Company needs to update

## Risk and Concerns

Factors like increased cement & steel cost, power cost; increase in labour cost and transportation cost due to petrol/diesel price increase etc. could contribute to inflation. The Company considers good corporate governance as a pre-requisite for meeting the needs and aspiration of its shareholders. The main risk to the Company which may arise is mainly due to Government policies and decisions, Fluctuations in prices of Raw materials, Exchange rate fluctuations, Industry demand etc.

## Outlook

Our mission is to deliver impactful work that generates lasting value for our entire ecosystem, including our team, clients, partners, shareholders, and the environment. We are committed to ensuring that our efforts are consistent, responsible, and sustainable. Our long-term strategy focuses on growing revenues and profitability by transforming Chennai's skyline through strategic partnerships, leading organized redevelopment, and expanding our commercial presence in the city.

## Sources:

India-Chennai-Office Q2 2024 (cw-gbl-gws-prod.azureedge.net)

04MPR2304202400440D1FBD4244B998A004AB73028DAC.PDF (rbi.org.in)

ORBIBULLETINAPRIL20244D39628B0A50466DA73AAE81CC5B42E1.PDF

IMF raises India's GDP forecast to 6.8% for 2024-25 | Reuters

World Economic Outlook, April 2024: Steady but Slow: Resilience amid Divergence (imf.org)

Indian Real Estate Industry: Overview, Market Size, Growth, Investments...IBEF

CII - April 2024.cdr (knightfrank.com)

## ANNEXURE 4

### REPORT ON CORPORATE GOVERNANCE

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

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

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

The elements of Corporate Governance are transparency, accountability, responsibility, compliance, ethics, values, and trust. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for increasing long-term shareholder value, keeping in mind the needs and interests of all its Stakeholders. We are committed to meet the aspirations of all our Stakeholders. Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency, and fairness in all transactions in the widest sense. The objective is to meet Stakeholders' aspirations and societal expectations. Good governance practices stem from the dynamic culture and positive mindset of the organization.

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

#### 2. BOARD OF DIRECTORS

##### I. COMPOSITION OF BOARD

The Directors of the Company possess the highest personal and professional ethics, integrity and values and are committed to representing the long-term interests of the Stakeholders. The basic responsibility of the Board is to provide effective governance over the Company's affairs, exercising its reasonable business judgment on behalf of the Company.

The Board has an optimum combination of Executive, Non-Executive and Independent Directors including women Directors, which ensures proper governance and management. The Chairman of the Board is the Promoter & Managing Director. As at 31st March 2024.

The Board of Directors of Arihant Foundations & Housing Limited constituted three Executive Directors and three non- Executive Directors as on 31.03.2024.

The Board reviews and approves strategy and oversees the performance to ensure that the long-term objective of enhancing Stakeholders' value is achieved.

The breakup of the total composition of the Board as on 31.03.2024 is as follows:

| Sl. No. | Name of the Directors | Designation                                   | Executive/ non-executive/ Independent |
|---------|-----------------------|---|---------------------------------------|
| 1.      | Mr. Kamal Lunawath*   | Chairman & Managing Director                  | Executive                             |
| 2.      | Mr. Vimal Lunawath*   | Whole time Director & Chief Financial Officer | Executive                             |
| 3.      | Mr. Bharat M Jain     | Whole time Director                           | Executive                             |
| 4.      | Mr. Prateek Khicha    | Director                                      | Non-Executive & Independent           |
| 5.      | Mr. Karan Bhasin      | Director                                      | Non-Executive & Independent           |
| 6.      | Mrs. Ann Gonsalvez    | Director                                      | Non-Executive & Independent           |

Represents Promoter Group

Disclosure of relationship between directors inter-se:

Mr. Kamal Lunawath and Mr. Vimal Lunawath are related to each other. No other directors are related.

## II. ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST AGM AND DETAILS OF OTHER DIRECTORSHIPS AS ON 31.03.2023.

The details of attendance of each Director at the Board Meetings held during the Year under review and the last Annual General Meeting (AGM) along with the number of Companies and Committees where she/he is a director /Member/ Chairman and the relationship between the Directors inter-se, as on March 31, 2024, are given below:

| Sl. No. | Name of the Directors | Attendance at                  |                 | Nomination & Remuneration Committee | Whether Attended last A.G.M | No. of Directorship held in other Public Limited Companies | Board Sub-Committees including in ARIHANT (Audit Committee and Stakeholders Relationship Committee) |              |
|---------|-----------------------|--------------------------------|-----------------|-------------------------------------|-----------------------------|--|---|--------------|
|         |                       | No. of Board Meetings Attended | Audit Committee |                                     |                             |  | Membership  | Chairmanship |
| 1.      | Kamal Lunawath        | 11                             | 4               | -                                   | Yes                         | 6  | 2   | --           |
| 2.      | Vimal Lunawath        | 10                             | -               | -                                   | Yes                         | 4  | --  | --           |
| 3.      | Bharat Jain           | 11                             | -               | -                                   | Yes                         | 2  | --  | --           |
| 4.      | Ann Gonsalvez         | 10                             | -               | 1                                   | Yes                         | --   | --  | --           |
| 5.      | Prateek Khicha        | 11                             | 4               | 1                                   | Yes                         | 2  | 2   | -            |
| 6.      | Karan Bhasin          | 11                             | 4               | 1                                   | Yes                         | --   | --  | 2            |

## III. NUMBER OF BOARD MEETINGS HELD, DATES ON WHICH HELD

During the Financial Year 2023 to 2024 (from 01.04.2023 to 31.03.2024), 11 (Eleven) Board meetings were held on 30.05.2023, 18.07.2023, 14.08.2023, 30.08.2023, 04.09.2023, 20.09.2023, 25.10.2023, 10.11.2023, 14.12.2023, 14.02.2024, 30.03.2024.

## IV. REMUNERATION OF DIRECTORS

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

Details of remuneration paid to the Managing Director/ Whole-time Directors during the year ended 31/03/2024 are:

| Name           | Position            | Salary Rs. (Annual) | Commission Rs. | Contribution to P.F. and other Fund Rs. | Perquisites Rs. | Incentives & Bonus In Rs. |
|----------------|---------------------|---------------------|----------------|---|-----------------|---------------------------|
| Kamal Lunawath | Managing Director   | 30,00,000           | Nil            | Nil                                     | Nil             | Nil                       |
| Vimal Lunawath | Whole Time Director | 30,00,000           | Nil            | Nil                                     | Nil             | Nil                       |
| Bharat Jain    | Whole Time Director | 18,00,000           | Nil            | Nil                                     | Nil             | Nil                       |

Sitting fees is payable to the Non-Executive Directors for attending Board / eligible Committee meetings. The sitting fees paid to the Non-Executive Directors are as under:

| Name of the Director | Sitting Fees Paid (Rs.) |
|----------------------|-------------------------|
| Ann Gonsalvez        | -                       |
| Karan Bhasin         | -                       |
| Prateek Khicha       | -                       |

**V. Details of Shares held by Non-Executive Directors:**

| Name of the Director | Number of Shares held |
|----------------------|-----------------------|
| Ann Gonsalvez        | Nil                   |
| Karan Bhasin         | Nil                   |
| Prateek Khicha       | Nil                   |

No remuneration was paid to Non – executive and Independent Directors except sitting fees. Notes: (i) There are no stock options and severance fees.

No Notice period is specified for Directors' resignation/termination.

**AUDIT COMMITTEE**

**(I) Composition:**

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

Mr. Karan Bhasin, Chairman of the Committee –I & NE

Mr. Prateek Khicha, Member of the Committee – I & NE

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

Ms. Mary Belinda Jyotsna, Secretary of the Committee.

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

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

There were four (4) meetings held during the year 2023-24 (from 01.04.2023 to 31.03.2024) on 30.05.2023, 14.08.2023, 10.11.2023,14.02.2024.

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

The Audit committee acts in accordance with the duties specified under section 177(4) of the Act and as required under Reg. 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit committee reviews information as per the role stated in the Listing Regulations and the broad role of the said Committee is to review:

- i. financial reporting process;
- ii. adequacy of internal control systems;
- iii. the financial statements for approval of the Board;
- iv. the performance of statutory and internal auditors;
- v. review as per mandatory requirement stated in the Listing Regulations.

**4. NOMINATION AND REMUNERATION COMMITTEE**

The Nomination & Remuneration Committee consists of Mr. Karan Bhasin, Chairman of the committee, Mrs. Ann Gonsalvez, Independent Director and Mr. Prateek Khicha, Independent Director. The Company Secretary of the Company acts as the Secretary to the Committee.

During the financial year 2023-24 (from 01.04.2023 to 31.03.2024), 3 (Three) meetings of Nomination and Remuneration Committee was held on 04.09.2023,14.12.2023 and 14.02.2024. The said meeting was attended

by all the members.

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

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- ii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iii. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal.
- iv. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- v. To perform such other functions as may be necessary or appropriate for the performance of its duties.

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

The Stakeholder Grievance committee comprises of, Mr. Karan Bhasin – Chairman of the committee, Mr. Kamal Lunawath, Managing Director and Mr. Prateek Khicha, Independent Director as the members of the committee. The Company Secretary of the Company acts as the Secretary to the Committee.

The Committee is formed in accordance with Section 178 of the Companies Act, 2013 to consider and resolve the grievances of security holders of the company. The Committee's main focus is on the basic rights of the shareholders including transmission / transposition of shares, issue of duplicate/split certificates, sub division/ consolidation of shares, consolidation of folios, dematerialization/ rematerialization of shares, change of address, non-receipt of the dividend, non-receipt of the share certificates and such other issues relating to investor relations.

During the financial year 2023-24 (from 01.04.2023 to 31.03.2024), 1 (One) meeting of Share transfer and Shareholders/ Investors Grievance Committee were held on 14.02.2024. The said meeting was attended by all the members.

- a) Ms. Mary Belinda Jyotsna, Company Secretary, is the Compliance Officer.
- b) No. of shareholders' complaints received during the period 01.04.2023 to 31.03.2024 Nil
- c) No. of complaints not solved to the satisfaction of the Shareholders Nil
- d) No. of pending complaints as on 31.03.2024 Nil

#### **6. Senior management:**

Particulars of senior management including the changes therein since the close of the previous financial year. – There is no such instance during the year

#### **7. FAMILIARIZATION PROGRAMS FOR DIRECTORS**

A familiarization program is made available to Directors through various reports, codes and internal policies with a view to update them on the company's policies and procedures on a regular basis. The details of the familiarization program carried out for the financial year 2023-24 have been hosted on the website <https://www.arihantspaces.com/investors/code-of-conduct/>

#### **8. POLICY ON MATERIAL SUBSIDIARY**

The details of the policy have been disclosed on the company's website <https://www.arihantspaces.com/investors/code-of-conduct/>

#### **9. POLICY ON RELATED PARTY TRANSACTIONS& POLICY ON DETERMINATION OF MATERIALITY OF AN EVENT**

The policies have been disclosed on the company's website <https://www.arihantspaces.com/investors/code-of-conduct/>

## 10. POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

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

## 11. VIGIL MECHANISM / WHISTLE BLOWER MECHANISM

Employees are asked to report any practices or actions believed to be inappropriate and against the interests of the Company or its code of conduct adopted or any other illegal acts to their immediate Manager. Report of violation may also be made directly to the Chief Executive Officer. Where appropriate, complaints may be made on a confidential basis to the Chairman of the Audit Committee / Board. The contact details are made available on the Company's website / Notice Board. All complaints received will be properly investigated by the recipients and report the outcome to the Audit Committee in sealed cover for appropriate action. The Company prohibits retaliation against any employee for such complaints made in good faith, while it also protects the rights of the incriminated person. No complaint has been registered during 2023-24. No personnel have been denied access to the Committee/Mechanism. The policy of the Company can be found at the web link <https://www.arihantspaces.com/investors/code-of-conduct/>

## 12. KEY BOARD QUALIFICATIONS, EXPERTISE AND ATTRIBUTES

In accordance with Clause C (h)(i) and (ii) of Schedule V read with Regulations 34(3) and 53 (f) of SEBI (LODR) Regulations 2015, the Board of Directors have identified the following Core Skills/Expertise/Competencies, required for Board Members in the context of Company's business and sectors, to function effectively.

The Board of the Company comprises qualified members who bring in the required skills, expertise and competence that allows them to make effective contribution to the Board and its Committees. The members of the Board are committed to ensure that the Board is in compliance with the highest standards of corporate governance.

The below table summarizes the key qualifications, skills, expertise and attributes considered while nominating a candidate to serve on the Board:

| Board Qualification Indicators |   |
|--------------------------------|---|
| Real Estate                    | Being a director in a Real Estate based Company, proficiency in complex Real Estate laws, negotiation, Customer development etc., are key to develop a team.  |
| Business Operations            | Vast experience in driving business success across the country with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks and have a broad perspective on market opportunities.                           |
| Leadership                     | Leadership experience in a significant enterprise with a practical understanding of organizations, processes, strategic planning and risk management. Demonstrated strengths in developing talent, succession planning and driving change and long-term growth. |
| Technology                     | A significant background in technology resulting in knowledge of how to anticipate technological trends, generate disruptive innovation and extend or create new business models.   |
| Board Governance               | Service on the Board of the public Company to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices.   |
| Sales and Marketing            | Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance Company reputation.  |
| Finance                        | Being a Director in Real Estate Company, proficiency in complex financial management, capital allocation and financial reporting processes are must.  |

The list of core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board.

| Designation                       | Kamal Lunawath                                     | Vimal Lunawath               | Bharatkumar Magilal Jain | Prateek Khicha                     | Karan Bhasin                       | Ann Gonsalvez                      |
|-----------------------------------|--|------------------------------|--------------------------|------------------------------------|------------------------------------|------------------------------------|
|                                   | Promotor, Executive Director and Managing Director | Promotor, executive Director | Executive Director       | Non-executive Independent Director | Non-executive Independent Director | Non-executive Independent Director |
| Industry Experience               | 5  | 5                            | 5                        | 4                                  | 3                                  | 3                                  |
| General Management skills         | 5  | 5                            | 5                        | 5                                  | 5                                  | 5                                  |
| Leadership Skills                 | 5  | 5                            | 5                        | 4                                  | 4                                  | 3                                  |
| Problem Solving / Decision Making | 5  | 5                            | 5                        | 4                                  | 4                                  | 4                                  |
| Relationship Building             | 5  | 5                            | 5                        | 4                                  | 4                                  | 4                                  |
| Communication Skills              | 5  | 5                            | 5                        | 5                                  | 5                                  | 5                                  |
| Planning & Strategy Development   | 5  | 5                            | 5                        | 4                                  | 3                                  | 3                                  |

Proficiency level 0 – No capacity 1 – Basic proficiency 2 – Some Experience 3 – Average Expertise 4 – Advanced 5 – Expert

### 13. PREVENTION OF TRADING CODE:

The Company has adopted the revised Code of Conduct for Prevention of Insider Trading, in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time and the same has been uploaded in the website of the Company.

All the Promoters, Directors, designated employees, connected persons who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window shall be closed from the end of every quarter till 48 hours after the declaration of financial results & in case of any other events.

### 14. GENERAL BODY MEETINGS

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

| A.G.M    | Date       | Time     | Venue  |
|----------|------------|----------|--|
| 28th AGM | 30.09.2021 | 10:00 AM | Through Video Conferencing (VC)/Other Audio-Visual Means ("OAVM"). |
| 29th AGM | 30.09.2022 | 11.00 AM | Through Video Conferencing (VC)/Other Audio-Visual Means ("OAVM"). |
| 30th AGM | 29.09.2023 | 09.00 AM | Through Video Conferencing (VC)/Other Audio-Visual Means ("OAVM"). |

- b) Whether any special resolutions passed in the previous 3 AGMs : Yes
- c) Whether any special resolutions passed last year through postal ballot : No
- d) No resolution is proposed to be conducted through postal ballot : Yes

## 15. DISCLOSURES

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

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

There were no instances of material non-compliance and no penalties or structures on the Company imposed by Stock Exchanges, SEBI or statutory authorities on any matter related to Capital Market during last three years / period. - Except as mentioned in the Secretarial audit report.

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

## 16, MEANS OF COMMUNICATION

The Company has promptly reported all material information including quarterly, Half yearly and Annual financial results and press releases to the Stock Exchanges where the Company's securities are listed. The quarterly results were communicated to the shareholders by way of advertisement in an English National Newspaper, normally in The Business Standard and in a vernacular language newspaper, normally in the Maalaisudar or Makkal Kural, Tamil edition. The results and other updates are displayed on the company's website <https://www.arihantspaces.com>.

## 17. CODE OF CONDUCT:

The Company has laid down the Code of Conduct for all Board members and senior management of the Company, which is available on the Company's Website <https://www.arihantspaces.com/investors/code-of-conduct/>

All Board members and Senior Management of the Company have affirmed compliance with their Code of Conduct for the financial year ended March 31, 2024. The Managing Director has also confirmed and certified the same. The certification is annexed as Annexure 1- CG at the end of this Report.

## 18. RISK MANAGEMENT:

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

## 19. CEO /CFO CERTIFICATION:

Appropriate certification as required under Reg. 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Kamal Lunawath, Managing Director and Mr. Vimal Lunawath, Chief Financial Officer have certified to the Board regarding Financial Statements for the year ended 31st March 2024 which is attached as Annexure 2 to CG.

## 20. Details of Transfer of unpaid dividend to Investor Education and Protection Fund

| Financial Year | Date of declaration of dividend | Unpaid dividend Amount as on 31.03.2018 | Due date for transfer to IEPF |
|----------------|---------------------------------|---|-------------------------------|
| 2010-11        | 30-03-2012                      | 65,606.00                               | 28-04-2019                    |

## 21. AFFIRMATION:

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

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

#### A. The Board

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

#### B. Modified opinion(s) in audit report

There are no modified opinions in the consolidated audit report is annexed along with the financial statements.

#### C. Separate Posts of Chairperson and Chief Executive Officer

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

#### D. Reporting of internal auditor

The Internal Auditors directly report to the Audit Committee

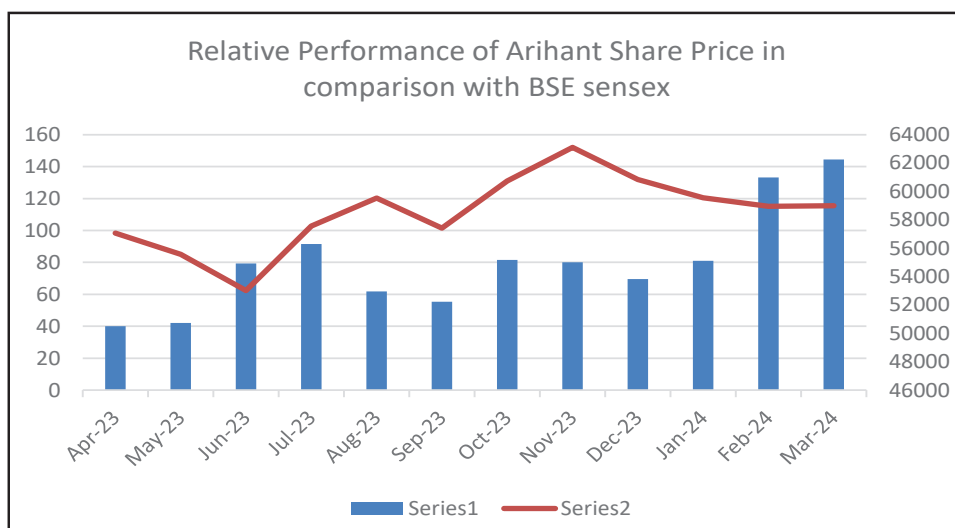
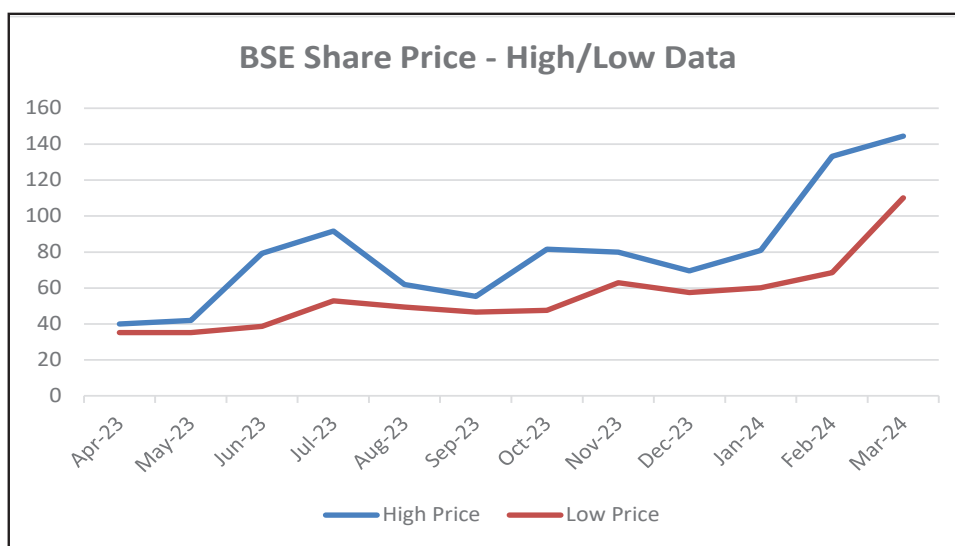
### 22. GENERAL SHAREHOLDER INFORMATION

|       |   |   |  |
|-------|---|---|--|
| i.    | Number of Annual General Meeting          | : | 31st e-Annual General Meeting Date &   |
|       | Time                                      | : | 30th September 2024, 10.00 a.m.  |
|       | Venue                                     | : | No.3. Ganapathy Colony, 3rd Street, Off Cenotaph Road, Teynampet,  |
| ii.   | Financial Calendar                        | : | April 2023 to March 2024   |
| iii.  | Book Closure date                         | : | 23.09.2024 to 30.09.2024 (both the days inclusive)   |
| iv.   | Dividend Payment Date                     | : | within 30 days from the date of AGM  |
| v.    | Listing on Stock Exchanges                | : | Bombay Stock Exchange Limited<br>Phiroze Jeejeebhoy Towers Dalal Street, Mumbai-400001.<br>Website:-www.bseindia.com   |
| vi.   | Listing Fees                              | : | Paid as per the Listing agreement.   |
| vii.  | Stock code/ Symbol                        | : | 531381   |
| viii. | BSE Limited                               | : | Arihant Foundations & Housing Limited  |
| ix.   | ISIN for dematerialised shares            | : | INE413D01011   |
| x.    | Registrar & Share Transfer Agent          | : | Cameo Corporate Services Ltd<br>"Subramanian Building", No. 1 Club House Road<br>Chennai- 600 002  |
| xi.   | Compliance Officer                        | : | Ms. Mary Belinda Jyotsna, Company Secretary<br>Arihant Foundations & Housing Limited<br>No. 3 Ganapathy Colony, 3rd Street, Teynampet<br>Chennai- 600 018  |
| xii.  | Share Transfer System                     | : | The Company's shares are traded in the Stock Exchanges which are compulsorily in demat mode.<br>Shares sent for physical transfer are registered promptly within 15 days from the date of receipt of completed and validly executed documents.   |
| xiii. | Dematerialisation of Shares and liquidity | : | The dematerialization facility exists with both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the convenience of shareholders. As on 31.03.2024, 72,42,923 shares have been dematerialized, representing 84.22 % of the Subscribed capital. The Company's shares are actively traded shares on BSE. |
| xiv.  | Plant Location                            | : | Since the nature of business of the Company is construction. The company has sites and projects at various places in urban and sub-urban areas.  |

xv. Stock market price data for the year 2023-24

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

| Month  | BSE Share Price (Rs) |           |
|--------|----------------------|-----------|
|        | High Price           | Low Price |
| Apr-23 | 40                   | 35.2      |
| May-23 | 42                   | 35.2      |
| Jun-23 | 79.3                 | 38.7      |
| Jul-23 | 91.59                | 52.93     |
| Aug-23 | 61.9                 | 49.4      |
| Sep-23 | 55.4                 | 46.55     |
| Oct-23 | 81.59                | 47.62     |
| Nov-23 | 80                   | 63        |
| Dec-23 | 69.49                | 57.51     |
| Jan-24 | 81                   | 60.2      |
| Feb-24 | 133.28               | 68.6      |
| Mar-24 | 144.5                | 110.15    |



**xvi. Distribution of Shareholding as on 31.03.2024**

| Share or Debenture holding |      |        | Share holders |            | Share Holders amount |            |
|----------------------------|------|--------|---------------|------------|----------------------|------------|
| Rs.                        |      | Rs.    | Number        | % of total | Rs.                  | % of total |
| 10                         | -    | 5000   | 2986          | 86.6009    | 2234150              | 2.5978     |
| 5001                       | -    | 10000  | 146           | 4.2343     | 1141820              | 1.3276     |
| 10001                      | -    | 20000  | 94            | 4.2343     | 1453440              | 1.6900     |
| 20001                      | -    | 30000  | 59            | 1.7111     | 1505140              | 1.7501     |
| 30001                      | -    | 40000  | 16            | 0.4640     | 570800               | 0.6637     |
| 40001                      | -    | 50000  | 27            | 0.7830     | 1291070              | 1.5012     |
| 50001                      | -    | 100000 | 49            | 1.4211     | 3818720              | 4.4403     |
| 100001                     | and  | Above  | 71            | 2.0591     | 3818720              | 86.0289    |
| Total                      | 3448 | 100    | 86000000      | 100        |                      |            |

**xvii. Reconciliation of Share Capital Audit Report**

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

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

Nil

**23. REMUNERATION PAID TO STATUTORY AUDITORS**

Total fees for all services paid by the Company on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

The details of total fees paid to M/s. B.P Jain & Co, Chartered Accountants, Statutory Auditors during the financial year 2023-24 for all services rendered by them is given below:

| Particulars      | Amount (in lakhs) |
|------------------|-------------------|
| Audit fees       | 6.00              |
| Taxation matters | NIL               |
| Other services   | NIL               |
| Total            | 6.00              |

**24. CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

The certificate from M/s. V Suresh Associates, Practising Company Secretaries has been obtained by the Company stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

**25. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

a. number of complaints filed during the financial year - Nil

b. number of complaints disposed of during the financial year - Nil

c. number of complaints pending as on end of the financial year Nil

**26. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries**

| S. no | Name of the Material Subsidiaries    | Date of Incorporation | Place of Incorporation | Appointment of the statutory auditors of such subsidiaries |
|-------|--------------------------------------|-----------------------|------------------------|--|
| 1     | Escapade Real Estate Private Limited | 23rd December, 2019   | Chennai                | 30/11/2021   |
| 2     | Verge Realty Private Limited         | 03rd February, 2007   | Chennai                | 30/11/2021   |

**Address for correspondence**

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

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

## ANNEXURE 1 to CG

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

In accordance with Reg. 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm that all the Directors and the Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct for the Financial Year ended March 31, 2024

**ARIHANT FOUNDATIONS & HOUSING LIMITED**

Place: Chennai  
Date: 06.09.2024

**ARUN RAJAN**  
Chief Executive  
Officer

**KAMAL LUNAWATH**  
Managing Director  
DIN: 00087324

**ANNEXURE 2 to CG****DECLARATION BY THE CEO UNDER REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 BY MD/CFO REGARDING COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS.****CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER TO THE BOARD**

We, Managing Director (Kamal Lunawath) and Chief Financial Officer (Vimal Lunawath) of Arihant Foundations & Housing Limited, certify that:

- A. We have reviewed the financial statements and the cash flow statement for the period ended 31.03.2024 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements present a true and fair view of the state of affairs of the Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing Generally Accepted Accounting Principles including Accounting Standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors and reports significant issues to the Audit Committee of the Board. The Statutory Auditors and Audit Committee are apprised of any corrective action taken or proposed to be taken with regard to significant deficiencies and material weaknesses.
- D. We have indicated to the Auditors, the Audit Committee and to the Practicing Company Secretary:
- (1) that there are no significant changes in internal control over financial reporting during the year;
  - (2) that there are no significant changes in accounting policies during the year;
  - (3) that there are no instances of significant fraud of which we have become aware of and which involve management or other employees who have a significant role in the Company's internal control system over financial reporting.

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

Place: Chennai  
Date: 06.09.2024

|                          |                            |
|--------------------------|----------------------------|
| <b>(KAMAL LUNAWATH)</b>  | <b>(VIMAL LUNAWATH)</b>    |
| <b>Managing Director</b> | <b>Whole-time Director</b> |
| <b>DIN: 00087324</b>     | <b>DIN: 00586269</b>       |

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE  
UNDER SECURITIES AND EXCHANGE BOARD OF INDIA  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To the Members of

**ARIHANT FOUNDATIONS & HOUSING LIMITED**

We have examined the compliance of Corporate Governance by Arihant Foundations & Housing Limited, for the year ended 31<sup>st</sup> March 2024, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 except the followings:

1. The Company paid the penalty imposed by the BSE for delay in filing of the statement of related party transactions.
2. The Company paid the penalty imposed by the BSE for delay in submission of Secretarial Compliance Report for the financial year ended 31.03.2023.
3. The company has not reported the Stakeholders relationship committee meeting details in the Corporate Governance filed for the quarter ended 31.03.2024.
4. The Company has delayed in filing the Annual General Meeting proceedings with the BSE for the Financial year ended 31.03.2023.

We further state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by it.

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 V Suresh Associates  
Practising Company Secretaries**

Place: Chennai  
Date : 03.09.2024

**Udaya Kumar K R  
Partner  
FCS No. 11533  
C.P.No. 21973  
Peer Review Cert. No: 667/20  
UDIN: F011533F001123897**

## ANNEXURE 6

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

| Name of the Employee | Designation           | Qualification                                      | Experience | Date of Joining | Age | Last Employment & position held                | Remuneration Received |
|----------------------|-----------------------|--|------------|-----------------|-----|--|-----------------------|
| Kamal Lunawath       | Managing Director     | B.Com  | 28         | 04.11.2005      | 49  | --   | 30,00,000             |
| Vimal Lunawath       | Whole-Time Director   | B.Com  | 25         | 04.11.2005      | 48  | --   | 30,00,000             |
| Harish Marlecha      | Head-Marketing        | B.Com  | 25         | 04.09.2007      | 48  | --   | 24,00,000             |
| Bharath Jain         | Whole-Time Director   | Indian Certificate Secondary Education             | 16         | 30.12.2005      | 44  | --   | 18,00,000             |
| James Babu L         | AGM Projects          | B.E. Civil   | 35         | 15.11.2006      | 56  | Golden Homes, Senior Engineer                  | 16,74,492             |
| Swaroop Krishna D    | Manager-Finance       | B.Com  | 20         | 30.04.2004      | 39  | --   | 14,93,028             |
| O P Madhav           | Head-Administration   | DFT  | 26         | 01.04.1992      | 63  | --   | 10,05,840             |
| Mariappan S          | Project Manager       | MBA  | 12         | 30.06.2011      | 49  | --   | 9,89,268              |
| P Sakthibathi        | Project Manager       | Diploma in civil eng., and Construction management | 21         | 10.03.2003      | 43  | Manju Foundations (P) Ltd, Marketing Executive | 9,88,440              |
| Piyush Jagdish Bhatt | Sr Manager -Marketing | Diploma Civil                                      | 26         | 01.04.1992      | 49  | --   | 8,40,480              |

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**For the Financial Year 2023-24**

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

To,  
The Members,  
**M/s. ARIHANT FOUNDATIONS & HOUSING LIMITED**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. ARIHANT FOUNDATIONS & HOUSING LIMITED (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.

Based on our verification of **M/s. ARIHANT FOUNDATIONS & HOUSING LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management. We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. ARIHANT FOUNDATIONS & HOUSING LIMITED** ("the Company") for the financial year ended on 31st March 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the audit period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; **(Not Applicable to the Company during the audit period)**
  - (d) 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)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the audit period)**
  - (f) 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)**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the audit period)**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the audit period)**

Other Laws specifically applicable to this Company is as follows:

- (i) Transfer of Property Act, 1882.
- (ii) Building and Other Construction Workers' (Regulation of Employment and conditions of Services) Act, 1996.
- (iii) Real Estate (Regulation and Development) Act, 2016.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. – The Circulation of Minutes under 7.4 of SS-1 is not fully complied with.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 and amendments from time to time.

**Our observations/remarks are as under:**

1. The Company paid the penalty imposed by the BSE for delay in filing of the statement of related party transactions.
2. The Company paid the penalty imposed by the BSE for delay in submission of Secretarial Compliance Report for the financial year ended 31.03.2023.
3. The company has delayed in filing of Certificate under Regulation 74(5) of the SEBI (Depositories and Participants) Regulations, 2018 by RTA and STA beyond 15 days during the financial year 2023-2024.
4. The company has not reported the Stakeholders relationship committee meeting details in the Corporate Governance filed for the quarter ended 31.03.2024.
5. The Company has delayed in filing the Annual General Meeting proceedings with the BSE for the Financial year ended 31.03.2023.

**We further report** that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. There is no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to 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 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.

**For V Suresh Associates  
Practising Company Secretaries**

Place: Chennai  
Date : 03.09.2024

**Udaya Kumar K R  
Partner  
FCS No. 11533  
C.P.No. 21973  
Peer Review Cert. No: 667/20  
UDIN: F011533F001123809**

## ANNEXURE TO SECRETARIAL AUDIT REPORT

To,  
The Members  
**ARIHANT FOUNDATIONS & HOUSING LIMITED**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. 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.
6. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.
7. 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.

**For V Suresh Associates  
Practising Company Secretaries**

Place: Chennai  
Date : 03.09.2024

**Udaya Kumar K R  
Partner  
FCS No. 11533  
C.P.No. 21973  
Peer Review Cert. No: 667/20  
UDIN : F011533F001123809**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**For the Financial Year 2023-24**

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

To,  
The Members,  
**M/s. ESCAPADE REAL ESTATE PRIVATE LIMITED**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices **M/s. ESCAPADE REAL ESTATE PRIVATE 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.

Based on our verification of **M/s. ESCAPADE REAL ESTATE PRIVATE LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. ESCAPADE REAL ESTATE PRIVATE LIMITED** ("the Company") for the financial year ended on 31st March 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(NOT APPLICABLE)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(NOT APPLICABLE)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(NOT APPLICABLE)**
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(NOT APPLICABLE)**
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; **(NOT APPLICABLE)**
  - (d) 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)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(NOT APPLICABLE)**
  - (f) 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)**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(NOT APPLICABLE)**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(NOT APPLICABLE)**

- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(NOT APPLICABLE)**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. - The Circulation of Minutes under 7.4 of SS-1 is not fully complied with.

- (ii) The Listing Agreements entered into by the Company. **(NOT APPLICABLE)**

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. There is no change in the composition of the Board of Directors during the period under review.

**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 audit period, the Company has no specific events/actions having a major bearing in the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to the above.

**For V Suresh Associates  
Practising Company Secretaries**

Place: Chennai  
Date : 03.09.2024

**Udaya Kumar K R  
Partner  
FCS No. 11533  
C.P.No. 21973  
Peer Review Cert. No: 667/20  
UDIN : F011533F001123996**

## ANNEXURE TO SECRETARIAL AUDIT REPORT

To,  
The Members  
**M/s. ESCAPADE REAL ESTATE PRIVATE LIMITED**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. 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.
6. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.
7. 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.

**For V Suresh Associates  
Practising Company Secretaries**

Place: Chennai  
Date : 03.09.2024

**Udaya Kumar K R  
Partner  
FCS No. 11533  
C.P.No. 21973  
Peer Review Cert. No: 667/20  
UDIN : F011533F001123996**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**For the Financial Year 2023-24**

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

To,  
The Members,  
**M/s. VERGE REALTY PRIVATE LIMITED**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices **M/s. VERGE REALTY PRIVATE 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.

Based on our verification of **M/s. VERGE REALTY PRIVATE LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. VERGE REALTY PRIVATE LIMITED** ("the Company") for the financial year ended on 31st March 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(NOT APPLICABLE)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(NOT APPLICABLE)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(NOT APPLICABLE)**
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(NOT APPLICABLE)**
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; **(NOT APPLICABLE)**
  - (d) 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)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(NOT APPLICABLE)**
  - (f) 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)**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(NOT APPLICABLE)**

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(NOT APPLICABLE)**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(NOT APPLICABLE)**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. - The Circulation of Minutes under 7.4 of SS-1 is not fully complied with.
- (ii) The Listing Agreements entered into by the Company. **(NOT APPLICABLE)**

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. There is no change in the composition of the Board of Directors during the period under review.

**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 audit period, the Company has no specific events/actions having a major bearing in the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to the above.

**For V Suresh Associates**  
**Practising Company Secretaries**

Place: Chennai  
Date : 03.09.2024

**Udaya Kumar K R**  
**Partner**  
**FCS No. 11533**  
**C.P.No. 21973**  
**Peer Review Cert. No: 667/20**  
**UDIN : F011533F001124051**

## ANNEXURE TO SECRETARIAL AUDIT REPORT

To,  
The Members  
**M/s. VERGE REALTY PRIVATE LIMITED**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. 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.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. 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.
6. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.
7. 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.

**For V Suresh Associates  
Practising Company Secretaries**

Place: Chennai  
Date : 03.09.2024

**Udaya Kumar K R  
Partner  
FCS No. 11533  
C.P.No. 21973  
Peer Review Cert. No: 667/20  
UDIN : F011533F001124051**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

**The Members of**

**Arihant Foundations & Housing Limited**

No. 3 (Old No. 25), Ganapathy Colony,  
3rd Lane, Off. Cenotaph Road, Teynampet,  
Chennai – 600018.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Arihant Foundations & Housing Limited having registered office at No. 3 (Old No. 25), Ganapathy Colony, 3rd Lane, Off. Cenotaph Road, Teynampet, Chennai – 600 018 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers,

We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of Director            | DIN      | Date of appointment in Company |
|---------|-----------------------------|----------|--------------------------------|
| 1       | Mr.KamalLunawath            | 00087324 | 04.11.2005                     |
| 2       | Mr.VimalLunawath            | 00586269 | 04.11.2005                     |
| 3       | Mr.BharatkumarMangilal Jain | 00083236 | 30.12.2005                     |
| 4       | Mr.KaranBhasin              | 02168581 | 01.02.2012                     |
| 5       | Ms.AnnGonsalvez             | 07136630 | 25.03.2015                     |
| 6       | Mr.PrateekKhicha            | 01210581 | 30.09.2020                     |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For V Suresh Associates**  
**Practising Company Secretaries**

Place: Chennai  
Date : 03.09.2024

**Udaya Kumar K R**  
**Partner**  
**FCS No. 11533**  
**C.P.No. 21973**  
**Peer Review Cert. No: 667/20**  
**UDIN : F011533F001123853**

## Annexure to Directors' Report

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

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

1. As per proviso 3 of regulation 23(9) of the SEBI ((Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity is required to make disclosures of the related party transactions every six months on the date of publication of its standalone and consolidated financial results with effect from April 1, 2023. As per the reading of the regulation, the said requirement of filing the related party disclosures on the same date of publication of financial results were applicable only from April 1, 2023. The disclosures filed by the Company were for the half year ended 31.03.2023 for which a timeline of fifteen days was available from the date of publication of its standalone and consolidated financial results under proviso 2 of regulation 23(9). Thus, the Company filed the disclosure on June 2, 2023, which was within the timeline of fifteen days. However, the exchange levied a penalty and the same was paid by the Company.
2. The Company obtained the secretarial compliance report within the timeline; however, it was inadvertently missed to be filed by the Company which was subsequently noticed to have not filed the same. The same was thereafter filed with the exchange with a delay and the fine as imposed for the delayed filing was paid by the Company. Going forward due checks and process will be maintained to ensure that such a lapse does not arise.
3. The Company has been regular in filing the Certificate as stipulated under Regulation 74(5) of the SEBI (Depositories and Participants) Regulations, 2018 by RTA and STA. However, it was erroneously mistaken to have a timeline of 21 days instead of 15 days. The Company has rectified the same and has now been filing the same within 15 days.
4. The Company convened Stakeholders relationship committee on 14.02.2024. However, it missed to be reported in the corporate governance report filed for the quarter ended 31.03.2024. The same has been disclosed in the corporate governance report filed for the quarter ended 30.06.2024 under the head meeting held during previous quarter.
5. The proceedings of the annual general meeting for the year ended 31.03.2023 ought to have been filed within 12 hours. However, the same was filed within 24 hours instead. The delay was not intentional. Going forwards such instances would be avoided, and stricter timelines would be adhered to.

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

Place: Chennai  
Date: 06.09.2024

**(KAMAL LUNAWATH)**  
Managing Director  
DIN: 00087324

**(VIMAL LUNAWATH)**  
Whole-time Director  
DIN: 00586269

**B.P.JAIN & CO.,**  
CHARTERED ACCOUNTANTS,  
# 2,GEE GEE MINAR, 23,COLLEGE ROAD,  
CHENNAI-600 006 Phone:28273871,28255596,28224212  
Mobile No.9840083198  
E-mail: devchennai02@gmail.com

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF ARIHANT FOUNDATIONS AND HOUSING LIMITED**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of Arihant Foundations and Housing Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

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

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

| Sr.No | Key Audit Matter  | Auditor's Response  |
|-------|---|---|
|       |   | <p><b>Refer Note No: 2(g) to Standalone financial statements.</b></p> <p>Principal Audit Procedures</p> <p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach is as follows:</p> <ul style="list-style-type: none"> <li>• Testing of the design and implementation of controls involved for the determination of the estimates used as well as their operating effectiveness.</li> <li>• Testing the relevant information technology system's access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new accounting standard.</li> <li>• Testing a sample of contracts for appropriate identification of performance obligations;</li> <li>• Engaging technical experts to review estimates of costs to complete for sample contracts and</li> <li>• Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</li> </ul> |
| 2     | Evaluation of uncertain tax positions   | <p>Key audit matter description</p> <p>The company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes</p> <p>Refer Note no: 2(o) &amp; (p) to Standalone Financial Statements.</p> <p>Principal Audit Procedures</p> <p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtained understanding of key uncertain tax positions.</li> <li>• Obtained details of completed tax assessments and demands for the year ended March 31, 2024 from the management;</li> <li>• We along with our internal tax experts discussed with appropriated senior management and evaluated the Management's underlying key assumptions in estimating the tax provision.</li> <li>• Additionally, we considered the effect of new information in respect to uncertain tax positions as at March 31, 2024 to evaluate whether any change was required to management's position on these uncertainties.</li> </ul>      |
| 3     | Balance Confirmations From Vendors and Customers                                  | <ul style="list-style-type: none"> <li>• The Company neither follows the practice of obtaining balance confirmation from Vendors and Customers on a period basis nor on Annual Basis. The absence of direct balance confirmation constitute departure from SA-505 External Confirmations. We have performed subsequent audit procedures on test check basis however we are unable to comment on the balances carried forward in the financial statements.</li> </ul>  |
| 4     | Compliance under Micro, Small and Medium Enterprises Development Act (MSME), 2006 | <ul style="list-style-type: none"> <li>• The company is in process of identifying the Sundry Creditors under MSME Act, 2006. In absence of adequate documents we are unable to Verify and provide for Interest liability if any under MSME Act, 2006.</li> </ul>  |

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

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

## Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
1. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  2. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  3. While there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the company.
  4.
    - I) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the Standalone Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - II) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - III) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  5. Based on our examination, which included test checks, the Company has used accounting software's for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility, However the same has not been maintained throughout the year for all relevant transactions recorded in the software's. Therefore we are unable to comment on any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For M/S B.P.JAIN AND Co.**  
Chartered Accountants  
Firm's Registration No.050105S

Place: Chennai  
Date : 30-05-2024

**DEVENDRA KUMAR BHANDARI**  
Partner  
Membership No: 208862  
UDIN: 24208862BKBUQN5288

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

We have audited the internal financial controls over financial reporting of **ARIHANT FOUNDATIONS AND HOUSING LIMITED** (“the Company”) as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditors’ Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

- i. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

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

#### Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

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

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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 M/S B.P.JAIN AND Co.**  
Chartered Accountants  
Firm's Registration No.050105S

Place: Chennai  
Date : 30-05-2024

**DEVENDRA KUMAR BHANDARI**  
Partner  
Membership No: 208862  
UDIN: 24208862BKBUQN5288

## “ANNEXURE ‘B’ TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Arihant Foundations and Housing Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) In our opinion Property, Plant and Equipment have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification during the year.
  - (c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) In our opinion, physical verification of inventory has been conducted at reasonable intervals by the management and the coverage and procedure of such verification by the management is appropriate. No material discrepancies were noticed on such verification.
- (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:

- (a) The Company has provided loans during the year, and details of which are given below:

| Particulars  | Amount (INR in Lakhs) |
|--|-----------------------|
| Aggregate Amount granted during the year:                        |                       |
| Subsidiaries   | 6214.96               |
| Balance outstanding as at balance sheet date in respect of above |                       |
| cases:   |                       |
| Subsidiaries   | 18.09                 |

- (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company’s interest.
- (c) In respect of loans granted by the Company, there is no stipulation of schedule of repayment of principal and payment of interest and hence we are unable to make specific comment on the regularity of repayment of principal & payment of interest.
- (d) Since, there was no repayment schedules, we are unable to comment whether the amount was overdue

amount remaining outstanding as at the balance sheet date.

- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

The Company has not made investments in Firms and Limited Liability Partnerships during the year. Further the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or any other parties.

- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. In our opinion and according to the information and explanations to us, the Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:

- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable, except under Income tax as specified in (vii)(b).

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

| Name of the statute     | Nature of Dues | Amount (Rs.)                                  | Period to which the amount relates | Forum where dispute is pending |
|-------------------------|----------------|---|------------------------------------|--------------------------------|
| The Income Tax Act,1961 | Income Tax     | Appellate Authority upto Commissioner's level | A.Y. 2011-12                       | 71,83,310                      |
| The Income Tax Act,1961 | Income Tax     | High Court of Madras                          | A.Y. 2004-05                       | 13,71,638                      |
| The Income Tax Act,1961 | Income Tax     | High Court of Madras                          | A.Y. 2005-06                       | 53,23,956                      |
| The Income Tax Act,1961 | Income Tax     | High Court of Madras                          | A.Y. 2005-06                       | 95,58,275                      |
| The Income Tax Act,1961 | Income Tax     | High Court of Madras                          | A.Y. 2007-08                       | 5,57,61,612                    |

In our opinion and according to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender; hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

- (c) In our opinion and according to the information and explanations given to us, the loans were applied for the purpose for which the loans are obtained.
  - (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
  - (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
  - (f) In our opinion and according to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As auditor, we did not receive any whistle- blower complaint during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance

sheet date. . We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. There is not liability of the company under the provisions of section 135 of the Companies Act, relating to Corporate Social Responsibility. Therefore, the provisions of Clause (xx) of paragraph 3 of the order are not applicable to the Company.

**For M/S B.P.JAIN AND Co.**  
Chartered Accountants  
Firm's Registration No.050105S

Place: Chennai  
Date : 30-05-2024

**DEVENDRA KUMAR BHANDARI**  
Partner  
Membership No: 208862  
UDIN: 24208862BKBUQN5288

## Standalone Balance sheet as at 31 March 2024

(All amounts in INR Lakhs, unless otherwise stated)

|   | Note | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------|------------------------|------------------------|
| <b>ASSETS</b>   |      |                        |                        |
| <b>Non-current assets</b>   |      |                        |                        |
| Property, plant and equipment   | 3    | 815.64                 | 819.94                 |
| Intangible assets   | 3    | 0.05                   | 0.22                   |
| Financial assets  |      |                        |                        |
| - Investments   | 4    | 4,093.60               | 4,091.66               |
| - Trade receivables   | 5    | 1,576.88               | 2,774.01               |
| - Loans   | 6    | 3,012.40               | 2,594.61               |
| - Other financial assets  | 7    | 7,676.36               | 10,906.26              |
| Deferred tax assets (net)   | 8    | 597.37                 | 598.76                 |
|   |      | <b>17,772.32</b>       | <b>21,785.46</b>       |
| <b>Current assets</b>   |      |                        |                        |
| Inventories   | 9    | 7,768.86               | 9,026.62               |
| Financial assets  |      |                        |                        |
| - Investments   | 4    | 54.61                  | 3.51                   |
| - Trade receivables   | 5    | 4,083.23               | 4,179.47               |
| - Cash and cash equivalents   | 10   | 180.90                 | 1,983.43               |
| - Bank balances other than those mentioned in cash and cash equivalents | 10   | 341.07                 | 297.31                 |
| - Loans   | 11   | 2,708.19               | 2,638.25               |
| - Other financial assets  | 7    | 211.50                 | 86.50                  |
| Current tax asset (Net)   | 12   | 331.32                 | 218.42                 |
| Other current assets  | 13   | 3,547.39               | 3,525.14               |
|   |      | <b>19,227.09</b>       | <b>21,958.65</b>       |
| <b>Total assets</b>   |      | <b>36,999.40</b>       | <b>43,744.11</b>       |
| <b>EQUITY AND LIABILITIES</b>   |      |                        |                        |
| <b>Equity</b>   |      |                        |                        |
| Equity share capital  | 14   | 860.00                 | 860.00                 |
| Other equity  | 15   | 16,276.35              | 15,955.68              |
| <b>Total equity</b>   |      | <b>17,136.35</b>       | <b>16,815.68</b>       |
| <b>Non-current liabilities</b>  |      |                        |                        |
| Financial liabilities   |      |                        |                        |
| - Borrowings  | 16   | 8,843.19               | 10,552.31              |
| Provisions  | 17   | 64.88                  | 42.86                  |
|   |      | <b>8,908.07</b>        | <b>10,595.17</b>       |
| <b>Current liabilities</b>  |      |                        |                        |
| Financial liabilities   |      |                        |                        |
| - Trade payables  | 18   | 7,739.36               | 8,231.24               |
| - Other financial liabilities   | 19   | 1,618.59               | 3,253.01               |
| Other current liabilities   | 20   | 1,597.02               | 4,848.99               |
|   |      | 10,954.97              | 16,333.25              |
| <b>Total liabilities</b>  |      | <b>19,863.05</b>       | <b>26,928.42</b>       |
| <b>Total equity and liabilities</b>                                     |      | <b>36,999.40</b>       | <b>43,744.11</b>       |

In terms of our report attached

For and on behalf of the Board of Directors of  
**Arihant Foundations and Housing Limited**

**For B.P. JAIN & Co**

Chartered Accountants  
 Firm's Registration No.: 050105S

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

**Kamal Lunawath**  
 Managing Director  
 DIN : 00087344

**Vimal Lunawath**  
 Whole Time Director  
 DIN : 00586269

**Mary Belinda Jyotsna**  
 Company Secretary  
 Membership No. A63097

Place : CHENNAI  
 Date : 30-05-2024

Place : CHENNAI  
 Date : 30-05-2024

## Standalone Statement of Profit and Loss for the year ended 31 March 2024

(All amounts in INR Lakhs, unless otherwise stated)

|  | Note | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------|------------------------|------------------------|
| Revenue from operations  | 21   | 7,656.31               | 3,922.70               |
| Other income   | 22   | 1,360.94               | 1,935.16               |
| <b>Total revenue</b>   |      | <b>9,017.25</b>        | <b>5,857.86</b>        |
| <b>Expenses</b>  |      |                        |                        |
| Construction and project expenses  | 23   | 4,677.42               | 4,276.91               |
| Changes in inventories of finished goods,<br>work in progress and stock-in-trade | 24   | 1,257.75               | (1,355.78)             |
| Employee benefits expense  | 25   | 529.02                 | 381.03                 |
| Finance costs  | 26   | 1,420.29               | 1,835.74               |
| Depreciation and amortization expense  | 27   | 12.26                  | 13.06                  |
| Other expenses   | 28   | 687.76                 | 544.71                 |
| <b>Total expenses</b>  |      | <b>8,584.51</b>        | <b>5,695.68</b>        |
| <b>Profit before tax</b>   |      | <b>432.74</b>          | <b>162.18</b>          |
| <b>Tax expense</b>   |      |                        |                        |
| Current tax  |      | (108.8548)             | (45.12)                |
| Deferred tax   |      | (1.38)                 | (1.44)                 |
| <b>Profit for the year</b>   |      | <b>322.50</b>          | <b>115.62</b>          |
| Other comprehensive income   |      |                        |                        |
| <b>Items that will not be reclassified to profit and loss</b>                    |      |                        |                        |
| - Re-measurement (losses) on defined benefit plans                               |      | (2.5470)               | 1.48                   |
| - Income tax relating to items that will not be reclassified to profit and loss  |      | 0.7086                 | 0.41                   |
| <b>Other comprehensive income for the year, net of tax</b>                       |      | <b>(1.84)</b>          | <b>1.07</b>            |
| <b>Total comprehensive income for the year</b>                                   |      | <b>320.66</b>          | <b>116.69</b>          |
| <b>Earnings per equity share</b>   |      |                        |                        |
|  | 29   |                        |                        |
| Basic (in ₹)   |      | 3.75                   | 1.34                   |
| Diluted (in ₹)   |      | 3.75                   | 1.34                   |

In terms of our report attached

For and on behalf of the Board of Directors of  
**Arihant Foundations and Housing Limited**

**For B.P. JAIN & Co**  
Chartered Accountants  
Firm's Registration No.: 050105S

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

**Kamal Lunawath**  
Managing Director  
DIN : 00087344

**Vimal Lunawath**  
Whole Time Director  
DIN : 00586269

**Mary Belinda Jyotsna**  
Company Secretary  
Membership No. A63097

Place : CHENNAI  
Date : 30-05-2024

Place : CHENNAI  
Date : 30-05-2024

## Standalone Statement of Cash flows for the year ended 31 March 2024

(All amounts in INR Lakhs, unless otherwise stated)

|  | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|--|-----------------------------|-----------------------------|
| A.Cash flow from operating activities  | 432.74                      | 162.18                      |
| <b>Profit before tax</b>   |                             |                             |
| Adjustments to reconcile net income to net cash provided by operating activities |                             |                             |
| Depreciation and amortization expense  | 12.26                       | 13.06                       |
| (Gain)/loss on sale of investments   | -                           | -                           |
| Interest expenses  | 1,420.29                    | 1,835.74                    |
| ( Gain ) /Loss on sale of fixed assets   | -                           | -                           |
| Other non operating income   | (8.10)                      | (38.94)                     |
| Interest and Dividend Income   | (1,352.84)                  | (1,896.22)                  |
| Other Adjustments in Reserves  | 1.84                        | -                           |
| <b>Operating profit before working capital changes</b>                           | <b>506.19</b>               | <b>75.83</b>                |
| <b>Changes in assets and liabilities</b>   |                             |                             |
| Adjustments for working capital changes  |                             |                             |
| (Increase) /Decrease in inventories  | 1,257.75                    | (1,355.78)                  |
| (Increase) in trade receivables  | 1,293.37                    | (20.37)                     |
| Decrease in Other financial assets   | 3,104.89                    | 86.28                       |
| Decrease in Other current assets   | (66.01)                     | (625.57)                    |
| (Decrease) / Increase in Trade Payables  | (491.88)                    | 1,306.64                    |
| Increase in Long Term Provisions   | 22.02                       | 17.78                       |
| Increase / (Decrease) in Other financial liabilities                             | (1,634.42)                  | (917.94)                    |
| Increase / (Decrease) in Other current liabilities                               | (3,251.97)                  | (170.16)                    |
| <b>Cash generated from operating activities</b>                                  | <b>739.93</b>               | <b>(1,603.31)</b>           |
| Direct taxes paid, net   | (111.16)                    | (13.18)                     |
| <b>Net cash generated from operating activities</b>                              | <b>628.78</b>               | <b>(1,616.49)</b>           |
| <b>B. Cash flow from investing activities</b>                                    |                             |                             |
| Purchase of fixed assets   | (7.79)                      | (13.59)                     |
| Sale of fixed assets   | 2.60                        | 0                           |
| Interest/Dividend received   | 1,352.84                    | 1896.22                     |
| Other non - operating income   | 5.50                        | 38.94                       |
| Purchase of investment   | (53.04)                     | (70.71)                     |
| Proceeds from sale of investment   | -                           | 0                           |
| <b>Net cash generated from investing activities</b>                              | <b>1,300.11</b>             | <b>1,850.86</b>             |

|   | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|---|-----------------------------|-----------------------------|
| <b>C. Cash flow from financing activities</b>     |                             |                             |
| (Loans repaid) / Fresh loans taken                | (487.72)                    | (783.66)                    |
| Loans received back / (given)                     | (1,709.12)                  | 4,114.53                    |
| Interest & finance charges                        | (1,420.29)                  | (1,835.74)                  |
| <b>Net cash (used) in financing activities</b>    | <b>(3,617.14)</b>           | <b>1,495.13</b>             |
| <b>D. Net change in cash and cash equivalents</b> | <b>(1,688.24)</b>           | <b>1,729.50</b>             |
| E. Cash and cash equivalents at the beginning     | 1,983.43                    | 253.92                      |
| <b>F. Cash and cash equivalents at the end</b>    | <b>295.19</b>               | <b>1,983.43</b>             |
| <b>Cash and cash equivalents include</b>          |                             |                             |
| Cash on hand                                      | 38.74                       | 33.54                       |
| Balances with banks                               |                             |                             |
| - in current accounts                             | 142.17                      | 1,949.88                    |
| <b>Cash and cash equivalents as per note 10</b>   | <b>180.90</b>               | <b>1,983.43</b>             |

In terms of our report attached

For and on behalf of the Board of Directors of  
**Arihant Foundations and Housing Limited**

**For B.P. JAIN & Co**  
Chartered Accountants  
Firm's Registration No.: 050105S

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

**Kamal Lunawath**  
Managing Director  
DIN : 00087344

**Vimal Lunawath**  
Whole Time Director  
DIN : 00586269

**Mary Belinda Jyotsna**  
Company Secretary  
Membership No. A63097

Place : CHENNAI  
Date : 30-05-2024

Place : CHENNAI  
Date : 30-05-2024

## Standalone statement of changes in equity for the period ended 31 March 2024

(All amounts in INR Lakhs, unless otherwise stated)

### A. Equity share capital

| Particulars                                     | Amount        |
|---|---------------|
| <b>Balance as at 31 March 2023</b>              | <b>860.00</b> |
| Changes in equity share capital during the year | -             |
| <b>Balance as at 31 March 2024</b>              | <b>860.00</b> |

### B. Other Equity

| Particulars  | Reserves and surplus |                       |                      | Total     | Accumulated<br>other<br>comprehensive<br>income | Total     |
|--|----------------------|-----------------------|----------------------|-----------|---|-----------|
|  | General<br>reserve   | Securities<br>premium | Retained<br>earnings |           |   |           |
| Balances at March 31, 2023                                 | 883.09               | 5,706.50              | 9,334.11             | 15,923.70 | 31.98   | 15,955.68 |
| Transfer from statement of<br>profit and loss              | -                    | -                     | 322.50               | 322.50    | -   | 322.50    |
| Other comprehensive<br>income for the year (net of<br>tax) | -                    | -                     | -                    | -         | (1.84)  | (1.84)    |
| Other Adjustments  | -                    | -                     | -                    | -         | -   | -         |
| Balances at March 31,<br>2024                              | 883.09               | 5,706.50              | 9,656.62             | 16,246.20 | 30.14   | 16,276.35 |

In terms of our report attached

For and on behalf of the Board of Directors of  
**Arihant Foundations and Housing Limited**

**For B.P. JAIN & Co**  
Chartered Accountants  
Firm's Registration No.: 050105S

**Devendra Kumar Bhandari**  
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**Kamal Lunawath**  
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**Mary Belinda Jyotsna**  
Company Secretary  
Membership No. A63097

Place : CHENNAI  
Date : 30-05-2024

Place : CHENNAI  
Date : 30-05-2024

## Notes to standalone financial statements

(All amounts in INR Lakhs, unless otherwise stated)

### 1. Background

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

### 2. Summary of significant accounting policies

#### a) Basis of preparation and presentation of financial statements

##### i) Accounting convention

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

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

##### ii) Basis of measurement

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

#### b) Use of estimates

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

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

#### Significant management judgements

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

#### Classification of leases

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

#### Recognition of deferred tax assets

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

## Evaluation of indicators for impairment of assets

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

### Recoverability of advances / receivables

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

### Useful lives of depreciable / amortisable assets

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

## b) Use of estimates (Continued)

### Defined benefit obligation (DBO)

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

### Fair value measurements

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

## c) Current versus non-current classification

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

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or

Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

#### d) Property, plant and equipment

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

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

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

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

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

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

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

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

#### e) Intangible assets

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

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

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

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

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

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss.

If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

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

## **g) Revenue recognition**

### **Revenue from projects**

The Company has adopted Ind AS 115 “Revenue from Contracts with Customers” effective April 1, 2018. Ind AS 115 supersedes Ind AS 11 “Construction Contracts” and Ind AS 18 “Revenue”. The Company has applied Ind AS 115 using the modified retrospective method and the cumulative impact of transition to Ind AS 115 has been adjusted against the Retained earnings as at April 1, 2018. Accordingly, the figures of the previous year are not restated under Ind AS 115.

The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Profit & Loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

### **Significant judgments are used in:**

1. Determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.
2. Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date. Revenue from construction/project related activity is recognised as follows:
  1. Cost plus contracts: Revenue from cost plus contracts is recognized over time and is determined with reference to the extent performance obligations have been satisfied. The amount of transaction price allocated to the performance obligations satisfied represents the recoverable costs incurred during the period plus the margin as agreed with the customer.
  2. Fixed price contracts: Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

**Rental income**

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

**Interest income**

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

**Dividend income**

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

**h) Inventories****Raw materials**

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

**Properties under development**

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

**Properties held for sale**

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

**Properties held for development**

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

**i) Employee benefits**

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

**Defined contribution plan**

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

**Defined benefit plan****(i) Gratuity**

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

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

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

#### **i) Employee benefits (Continued)**

##### **Short-term employee benefits**

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

#### **j) Leases**

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

##### **Finance Lease**

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

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

##### **Operating Lease**

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

#### **k) Foreign currency transactions**

##### **Functional and presentation currency**

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

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

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

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

**l) Borrowing costs**

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

**m) Investments in subsidiaries**

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

**n) Government Grants**

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

**o) Income taxes**

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

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

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

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

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

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

## **p) Provisions and contingencies**

### **Provisions**

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

### **Contingent liabilities**

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

### **Contingent assets**

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

## **q) Financial instruments**

### **Financial assets**

#### **Initial recognition and measurement**

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

#### **Subsequent measurement**

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

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

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

### **q) Financial instruments (Continued)**

#### **(i) Financial asset at amortised cost**

“Includes assets that are held within a business model where the objective is to hold the financial assets to collect contractual cash flows and the contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are measured subsequently at amortized cost using the effective interest method. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

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

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

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

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

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

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

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

**De-recognition of financial assets**

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

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

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

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

## Financial liabilities

### Initial recognition and measurement

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

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

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

### Subsequent measurement

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

#### Financial liabilities at fair value through profit or loss

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

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

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

## Loans and borrowings

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

## Derecognition of financial liabilities

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

## Offsetting of financial instruments

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

## r) Impairment of financial assets

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

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

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

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

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

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

### **Trade receivables**

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

### **Other financial assets**

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

### **s) Fair value measurement**

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

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

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

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

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

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

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

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

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

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

### **t) Cash and cash equivalents**

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

**u) Segment reporting**

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

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

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

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

**w) Cash flow statement**

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

## Notes to standalone financial statements

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

### 3. Property, plant and equipment and Intangible assets

|   | Property, plant and equipment |                    |                     |                         |                     |                  |          |         | Intangible assets |
|---|-------------------------------|--------------------|---------------------|-------------------------|---------------------|------------------|----------|---------|-------------------|
|   | Land                          | Freehold Buildings | Leasehold Buildings | Furnitures and Fixtures | Plant and Equipment | Office Equipment | Vehicles | Total   | Computer software |
| Balance as at 31 March 2023                       | 156.80                        | 697.87             | 57.95               | 253.74                  | 107.09              | 97.84            | 86.47    | 1457.77 | 44.14             |
| Additions   |                               |                    |                     | 5.20                    |                     | 2.59             |          | 7.79    |                   |
| Disposals   |                               |                    |                     |                         |                     |                  | 8.78     | 8.78    |                   |
| Balance as at 31 March 2024                       | 156.80                        | 697.87             | 57.95               | 258.94                  | 107.09              | 100.43           | 77.69    | 1456.78 | 44.14             |
| Accumulated depreciation/ amortization            |                               |                    |                     |                         |                     |                  |          |         |                   |
| Balance as at 31 March 2023                       |                               | 122.15             | 17.30               | 227.54                  | 102.37              | 90.29            | 78.17    | 637.83  | 43.92             |
| Depreciation/ amortization charge during the year |                               |                    | .93                 | 4.15                    | 1.20                | 3.52             | 2.29     | 12.08   | 0.17              |
| Reversal on disposal of assets                    |                               |                    |                     |                         |                     |                  | 8.78     | 8.78    |                   |
| Balance as at 31 March 2024                       |                               | 122.15             | 18.23               | 231.69                  | 103.57              | 93.81            | 71.68    | 641.14  | 44.09             |
| Net block   |                               |                    |                     |                         |                     |                  |          |         |                   |
| Balance as at 31 March 2024                       | 156.80                        | 575.72             | 39.72               | 27.25                   | 3.52                | 6.62             | 6.01     | 815.64  | 0.05              |
| Balance as at 31 March 2023                       | 156.80                        | 575.72             | 40.65               | 26.20                   | 4.72                | 7.55             | 8.29     | 819.94  | .22               |

## Notes to standalone financial statements

(All amounts in INR Lakhs, unless otherwise stated)

|  | As at<br>31-Mar-24<br>₹ | As at<br>31-Mar-23<br>₹ |
|--|-------------------------|-------------------------|
| <b>Financials assets</b>   |                         |                         |
| <b>4. Non - Current Investment</b>   |                         |                         |
| Investment in equity instruments(fully paid-up)  |                         |                         |
| Unquoted   |                         |                         |
| i) Wholly Owned Subsidiaries   | 5.00                    | 5.00                    |
| Arihant Griha Limited<br>(50,000 Equity shares of ₹ 10/- Each fully paid)  |                         |                         |
| Varenya Construction Limited<br>(50,000 Equity shares of ₹ 10/- Each fully paid)   | 5.00                    | 5.00                    |
| Transperent Heights Real Estate Limited<br>(50,000 Equity shares of ₹ 10/- Each fully paid)  | 5.00                    | 5.00                    |
| Vaikunt Housing Limited<br>(5,00,000 Equity shares of ₹ 1/- Each fully paid)   | 5.00                    | 5.00                    |
| Verge Realty Pvt Ltd<br>(1,000 Equity shares of ₹ 100/- Each fully paid)   | 1.00                    | 1.00                    |
| Vihaana Realty Pvt Ltd<br>(10,000 Equity shares of ₹ 10/- Each fully paid)   | 1.00                    | -                       |
| Vinyasa Realty Pvt Ltd<br>(10,000 Equity shares of ₹ 10/- Each fully paid)   | 1.00                    | -                       |
| ii) Joint Controlled Entity  |                         |                         |
| Kairav Developers Ltd<br>(25,000 Equity shares of ₹ 10/- Each Fully Paid Up)   | 2.50                    | 2.50                    |
|  | <b>25.50</b>            | <b>23.50</b>            |
| <b>Investment in Debentures</b>  |                         |                         |
| Mangalagiri Realty Projects Pvt Ltd<br>(1,77,394 Optionally Redeemable Convertible<br>Debentures of ₹ 100/- Each)”   | 177.39                  | 177.39                  |
| Kairav Developers Ltd<br>1170 (P.Y. 1170)10% Unsecured Non Convertible Debentures of ₹ 100000/- each<br>redeemable in trenches or full at the option of the company any time after one year<br>from the date of allotment but compulsorily redeemable in full within 8th December,<br>2031 - held by a related party | 1,170.00                | 1,170.00                |
| Varenya Constructions Ltd<br>(19,78,609, 11.6% unsecured Compulsory Convertible Debentures of INR 100/- each<br>(Previous Year: Nil) are convertible on or before 31st March, 2032.)   | 1,978.61                | 1,978.61                |
| Investment in Partnership Firms  |                         |                         |
| Arihant Heirloom   | 656.49                  | 656.55                  |
| Investment in LLP  |                         |                         |
| KR Wind Energy LLP   | 0.03                    | 0.03                    |
|  | <b>4,008.02</b>         | <b>4,006.08</b>         |
| <b>Investments carried at fair value through other comprehensive income</b>  |                         |                         |
| Investments in other companies (fully paid-up)   |                         |                         |
| Quoted- Non Trade  |                         |                         |
| Happy Homes Profin Ltd<br>(44,800 Equity shares of ₹ 10/- each Fully Paid Up)  | 0.00001                 | 0.00001                 |
| Hindustan Construction Company Ltd<br>(500 Shares of ₹ 45.53 Each Fully Paid Up)   | 0.23                    | 0.23                    |

|   | As at<br>31-Mar-24<br>₹ | As at<br>31-Mar-23<br>₹ |
|---|-------------------------|-------------------------|
| IDBI Bank Ltd<br>(500 Shares of ₹ 156.20 Each Fully Paid Up)                                  | 0.78                    | 0.78                    |
| Indotech Transformers<br>(691 Equity Shares of ₹ 130.19 Each Fully Paid up)                   | 0.90                    | 0.90                    |
| TVS Shriram Growth Fund 3   | 5.26                    | 5.26                    |
|   | <b>7.16</b>             | <b>7.16</b>             |
| <b>4. Non - Current Investment (continued)</b>  |                         |                         |
| <b>Unquoted- Non Trade</b>  |                         |                         |
| National Savings Certificate  | 0.05                    | 0.05                    |
| Mangalagiri Realty Projects Pvt Ltd<br>(2,72,210 Equity shares of R.10/- Each Fully Paid Up)  | 27.22                   | 27.22                   |
| North Town Estates Pvt Ltd<br>(11,500 Equity shares of ₹ 10/- Each Fully Paid Up)             | 1.15                    | 1.15                    |
| Arihant Unitech Realty Projects Ltd.<br>(5,00,000 Equity shares of ₹ 10/- Each Fully Paid Up) | 50.00                   | 50.00                   |
|   | <b>85.58</b>            | <b>85.58</b>            |
| <b>Grand Total (A+B)</b>  | <b>4,093.60</b>         | <b>4,091.66</b>         |
| <b>Aggregate amount of:</b>   |                         |                         |
| -Quoted investments and market value thereof;   | 7.16                    | 7.16                    |
| -Unquoted investments   | 4,035.29                | 4,033.35                |
| -Provision for diminution in value of investments other than temporary                        | -                       | -                       |
| <b>Financials assets</b>  |                         |                         |
| <b>4. Current Investment</b>  |                         |                         |
| <b>Investments carried at fair value through other comprehensive income</b>                   |                         |                         |
| <b>Investments in other companies (fully paid-up)</b>   |                         |                         |
| <b>Quoted- Non Trade</b>  |                         |                         |
| Aditya Birla Sun Life   | 54.61                   | 3.51                    |
|   | <b>54.61</b>            | <b>3.51</b>             |
| <b>5. Trade receivables</b>   |                         |                         |
| (Unsecured considered good, unless stated otherwise)  |                         |                         |
| <b>Non-current</b>  | <b>1,576.88</b>         | <b>2,774.01</b>         |
| Trade receivables   | 1,576.88                | 2,774.01                |

|                              | As at<br>31-Mar-24<br>₹ | As at<br>31-Mar-23<br>₹ |
|------------------------------|-------------------------|-------------------------|
| <b>Current</b>               |                         |                         |
| Trade receivables            |                         |                         |
| -exceeding six months        | 1,772.09                | 2,158.84                |
| -less than six months        | 2,015.46                | 1,727.95                |
| Debts due by related parties | 295.67                  | 292.68                  |
|                              | <b>4,083.23</b>         | <b>4,179.47</b>         |

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

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

#### Trade Receivables ageing schedule as at 31st March,2024

| Particulars  | Outstanding for the following periods from the due dates |                   |           |           |                   | Total    |
|--|--|-------------------|-----------|-----------|-------------------|----------|
|  | Less than 6 months                                       | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |          |
| Undisputed Trade Receivables - considered good     | 2,015.46   | 1,772.09          | 936.27    | 655.39    | 280.89            | 5,660.11 |
| Undisputed Trade Receivables - considered doubtful | -  | -                 | -         | -         | -                 | -        |
| Disputed Trade Receivables - considered good       | -  | -                 | -         | -         | -                 | -        |
| Disputed Trade Receivables - considered doubtful   | -  | -                 | -         | -         | -                 | -        |

#### Trade Receivables ageing schedule as at 31st March,2023

| Particulars  | Outstanding for the following periods from the due dates |                   |           |           |                   | Total    |
|--|--|-------------------|-----------|-----------|-------------------|----------|
|  | Less than 6 months                                       | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |          |
| Undisputed Trade Receivables - considered good     | 1,727.95   | 2,158.84          | 1,533.34  | 1,073.34  | 460.00            | 6,953.48 |
| Undisputed Trade Receivables - considered doubtful | -  | -                 | -         | -         | -                 | -        |
| Disputed Trade Receivables - considered good       | -  | -                 | -         | -         | -                 | -        |
| Disputed Trade Receivables - considered doubtful   | -  | -                 | -         | -         | -                 | -        |

|  | As at<br>31-Mar-24<br>₹ | As at<br>31-Mar-23<br>₹ |
|--|-------------------------|-------------------------|
| <b>6. Loan</b>   |                         |                         |
| Non Current<br>(Unsecured, considered good)                        |                         |                         |
| Loans to related parties (refer note 34)                           | 2,812.36                | 2,353.49                |
| Others   | 200.04                  | 241.13                  |
|  | <b>3,012.40</b>         | <b>2,594.61</b>         |
| <b>7. Other financial assets</b>                                   |                         |                         |
| Fair Value through Profit and Loss<br>(Unsecured, considered good) |                         |                         |
| Non-current  |                         |                         |
| Security deposits  | 5,856.37                | 7,678.76                |
| Prepaid Finance Cost   | 1,819.99                | 3,227.50                |
|  | <b>7,676.36</b>         | <b>10,906.26</b>        |
| Current  |                         |                         |
| Other deposits   | 207.85                  | 82.84                   |
| Reimbursement Receivable   | 3.65                    | 3.65                    |
|  | 211.50                  | 86.50                   |

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

|   | As at<br>31-Mar-24<br>₹ | As at<br>31-Mar-23<br>₹ |
|---|-------------------------|-------------------------|
| <b>8. Deferred tax assets (net)</b>   |                         |                         |
| The breakup of net deferred tax asset is as follows:                                      |                         |                         |
| Opening Balance   | 598.76                  | 600.20                  |
| <b>Deferred tax asset arising on account of :</b>   |                         |                         |
| -Adjustments on account of fair valuation of Security Deposits                            |                         |                         |
| -Adjustments on account of recognition of premium in the gurantees given by the Company " |                         |                         |
| -Others   | (1.38)                  | (1.44)                  |
| <b>Total deferred tax asset</b>   | <b>A 597.37</b>         | <b>598.76</b>           |
| <b>Less: Deferred tax liability arising on account of :</b>                               |                         |                         |
| -Adjustments on account of fair valuation of Security Depoaits                            | -                       | -                       |
| -Adjustments on account of fair valuation of Investments                                  | -                       | -                       |
| <b>Total deferred tax liability</b>   | <b>B</b>                |                         |
| <b>Net deferred tax assets</b>  | <b>(A-B) 597.37</b>     | <b>598.76</b>           |

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

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

|   | As at<br>31-Mar-24<br>₹ | As at<br>31-Mar-23<br>₹ |
|---|-------------------------|-------------------------|
| <b>9. Inventories</b>   |                         |                         |
| (valued at lower of cost and net realizable value)              | 7,768.86                | 9,026.62                |
| Work in progress  | 7,768.86                | 9,026.62                |
| <b>10. Cash and bank balances</b>                               |                         |                         |
| Cash and cash equivalents                                       |                         |                         |
| Cash on hand  | 38.74                   | 33.54                   |
| Balances with banks in current accounts                         | 142.17                  | 1,949.88                |
| <b>(A)</b>  | <b>180.90</b>           | <b>1,983.43</b>         |
| Bank balances other than mentioned in cash and cash equivalents |                         |                         |
| Deposit accounts  | 341.07                  | 297.31                  |
| <b>(B)</b>  | <b>341.07</b>           | <b>297.31</b>           |
| <b>Total (A+B)</b>  | <b>521.97</b>           | <b>2,280.74</b>         |
| <b>11. Loan</b>   |                         |                         |
| Current   |                         |                         |
| Other loans   | 2,708.19                | 2,638.25                |
|   | 2,708.19                | 2,638.25                |
| <b>12. Current Tax Asset (Net)</b>                              |                         |                         |
| Income Tax Assets (Net)   | 331.32                  | 218.42                  |
|   | <b>331.32</b>           | <b>218.42</b>           |
| <b>13. Other current assets</b>                                 |                         |                         |
| (Unsecured, considered good)                                    |                         |                         |
| Advance for Land  | 329.66                  | 329.66                  |
| Balances with government authorities                            | 15.67                   | 165.21                  |
| Advance given to suppliers and others                           | 2,383.85                | 2,587.55                |
| Staff Advance   | 55.41                   | 25.82                   |
| Prepaid expenses  | 12.25                   | 11.83                   |
| TDS Recoverable (against loans)                                 | 78.36                   | 44.75                   |
| Interest Receivable but not due                                 | 672.20                  | 360.33                  |
|   | <b>3,547.39</b>         | <b>3,525.14</b>         |

|   | As at 31 March 2024 |          | As at 31 March 2023 |          |
|---|---------------------|----------|---------------------|----------|
|   | Number              | Amount   | Number              | Amount   |
| <b>14. Equity share capital</b>   |                     |          |                     |          |
| Authorized<br>1,00,00,000 equity shares of Rs.10/- each                                       | 10,000,000          | 1,000.00 | 10,000,000          | 1,000.00 |
| Issued, subscribed and fully paid up<br>86,00,000 equity shares of Rs.10/- each fully paid up | 8,600,000           | 860.00   | 8,600,000           | 860.00   |
|   | 8,600,000           | 860.00   | 8,600,000           | 860.00   |

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

**b. Terms/right attached to equity shares**

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

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

|  | Nos.      | % holding | Nos.      | % holding |
|--|-----------|-----------|-----------|-----------|
| Equity Shares of ₹ 10 each                   |           |           |           |           |
| Smt. Snehalatha Lunawath                     | -         | -         | 1,407,000 | 16.36%    |
| Smt. S. Jayalakshmi                          | 796,202   | 9.26%     | 796,202   | 9.26%     |
| Mr. Kamal Lunawath                           | 1,452,600 | 16.89%    | 749,100   | 8.71%     |
| Mr. Vimal Lunawath                           | 1,399,900 | 16.28%    | 696,400   | 8.10%     |
| Taj Foundation Private Limited               | 690,000   | 8.02%     | 690,000   | 8.02%     |
| Ocean Dial Asset Management Ltd A/c ICGQ Ltd | -         | -         | 592,400   | 6.89%     |
| Victory Financial Services Pvt Ltd           | 682,307   | 7.93%     | 0         | 0.00%     |

d. There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and buy back of shares during the last 5 years immediately preceding 31 March 2023.

**e. Capital management policies and procedures**

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

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

|                                | As at<br>31-Mar-24 | As at<br>31-Mar-23 |
|--------------------------------|--------------------|--------------------|
| <b>Borrowings</b>              | 8,843.19           | 10,552.31          |
| Cash and bank balances         | 521.97             | 2,280.74           |
| <b>Net debt (A)</b>            | <b>8,321.22</b>    | <b>8,271.57</b>    |
| <b>Total equity (B)</b>        | <b>17,136.35</b>   | <b>16,815.68</b>   |
| <b>Overall financing (A+B)</b> | <b>25,457.57</b>   | <b>25,087.26</b>   |
| <b>Gearing ratio</b>           | <b>33%</b>         | <b>33%</b>         |

**f. Shareholding of promoters**

| Name                    | As on 31.03.2024  |                   | As on 31.03.2023 |                   | % of Change during the year |
|-------------------------|-------------------|-------------------|------------------|-------------------|-----------------------------|
|                         | No. of Shares     | % of total shares | No. of Shares    | % of total shares |                             |
| Snehlatha Lunawath      | .00               | 0.00              | 1,406,960        | 16.36             | (16.36)                     |
| Kamal Lunawath          | 1452600.00        | 16.89             | 749,060          | 8.71              | 8.18                        |
| Vimal Lunawath          | 1399900.00        | 16.28             | 695,740          | 8.09              | 8.19                        |
| Madhu Lunawath          | 250000.00         | 2.91              | 249,400          | 2.90              | 0.01                        |
| Mangi Lal Lunawath      | 250000.00         | 2.91              | 249,400          | 2.90              | 0.01                        |
| Kavita Lunawath         | 86800.00          | 1.01              | 86,000           | 1.00              | 0.01                        |
| Preethi Lunawath        | 61700.00          | 0.72              | 61,060           | 0.71              | 0.01                        |
| Esha Lunawath           | 56000.00          | 0.65              | 55,900           | 0.65              | -                           |
| Meghna Lunawath         | 53400.00          | 0.62              | 53,320           | 0.62              | -                           |
| Paresh Jagdish Bhatt    | 31100.00          | 0.36              | 30,960           | 0.36              | -                           |
| Narendra Kumar Lunawath | 20100.00          | 0.23              | 19,780           | 0.23              | -                           |
| Jagadish Bhat           | 25100.00          | 0.29              | 24,940           | 0.29              | -                           |
| <b>Total</b>            | <b>3686700.00</b> | <b>42.87</b>      | <b>3682520</b>   | <b>42.82</b>      |                             |

**15. Other Equity**

|  | As at<br>31-Mar-24<br>₹ | As at<br>31-Mar-23<br>₹ |
|--|-------------------------|-------------------------|
| Securities premium account   | 5,706.50                | 5,706.50                |
| Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act. |                         |                         |
| <b>General reserve</b>   | <b>883.09</b>           | <b>883.09</b>           |
| <b>Retained earnings</b>   |                         |                         |
| Balance at the beginning of the year   | 9,334.11                | 9,218.49                |
| Add : Transfer from statement of profit and loss   | 322.50                  | 115.62                  |
| Adjustments on accounts of Fair Value  | -                       | -                       |
| Balance at the end of the year   | <b>9,656.61</b>         | <b>9,334.11</b>         |
| <b>Accumulated other comprehensive income</b>  |                         |                         |
| Balance at the beginning of the year   | 31.98                   | 30.91                   |
| Add : Movement during the year   | (1.84)                  | 1.07                    |
| Balance at the end of the year   | <b>30.14</b>            | <b>31.98</b>            |
| <b>Total: Other Equity</b>   | <b>16,276.35</b>        | <b>15,955.68</b>        |

**16, Borrowings**

|  | As at<br>31-Mar-24<br>₹ | As at<br>31-Mar-23<br>₹ |
|--|-------------------------|-------------------------|
| Non-current  |                         |                         |
| Secured  |                         |                         |
| Term Loan  |                         |                         |
| -from bank   | 155.06                  | 2,250.71                |
| -from others   | 6,991.55                | 7,446.06                |
|  | 7,146.61                | 9,696.77                |
| Less: Current maturities of long-term debt (Also, refer note 19) | (418.59)                | (1,687.45)              |
| <b>(A)</b>   | <b>6,728.01</b>         | <b>8,009.32</b>         |
| From others  |                         |                         |
| Loans from related parties                                       | 2,846.07                | 3,117.05                |
| Deposits   | 70.75                   | 420.75                  |
| Other Loan   | 236.26                  | 321.55                  |
| Deferred Income on Loans   | 162.10                  | 249.21                  |
|  | 3,315.18                | 4,108.55                |
| Less: Current maturities of long-term debt (Also, refer note 19) | (1,200.00)              | (1,565.56)              |
| <b>(B)</b>   | <b>2,115.18</b>         | <b>2,542.99</b>         |
| <b>TOTAL (A+B)</b>   | <b>8,843.19</b>         | <b>10,552.31</b>        |

**A. From Banks - Term Loans**

| Particulars   | Interest Rate | Amount Outstanding |               |
|---|---------------|--------------------|---------------|
|   |               | 31 March 2024      | 31 March 2023 |
| ICICI BANK LTD<br>Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothecation of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment - Sanctioned amount Rs.21,00,00,000/- Fifteen monthly instalment of ₹ 1,40,00,000/-                   | 12.30%        | -                  | 1,417.17      |
| PUNJAB NATIONAL BANK<br>Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothecation of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment - Sanctioned amount RS.9,30,00,000/- One hundred and twenty monthly instalment of ₹ 16,87,145/- |               | 155.20             | 833.54        |
| Total (A)   |               | 155.20             | 2,250.71      |

**B. Others - Term Loans  
from others**

| Particulars   | Interest Rate | Amount Outstanding |               |
|---|---------------|--------------------|---------------|
|   |               | 31 March 2024      | 31 March 2023 |
| "Bajaj Finance Ltd: 15.75 CR Loan<br>Secured by way of equitable mortgage on certain immovable properties, owned by the company Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment 149 instalments of varying EMI. EMI starting 02-08-2015. 77 instalments are outstanding as on the balance sheet date."   | 14.85%        | 37.66              | 44.14         |
| "Bajaj Finance Ltd 1.25 cr:<br>Secured by way of equitable mortgage on certain immovable properties, owned by the company Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment - one hundred and forty two instalments of ₹ 1,66,075/. EMI starting 02-09-2015. 64 instalments are outstanding as on the balance sheet date"                                    | 14.85%        | 57.40              | 67.98         |
| TATA CAPITAL HOUSING FINANCE LTD<br>Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothecation of certain project receivables. Sanctioned amount Rs.45,00,00,000/-. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Twenty four monthly instalment of RS.1,87,50,000/-                                     | 12.00%        | 798.80             | -             |
| TATA CAPITAL HOUSING FINANCE LTD<br>Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothecation of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment - Sanctioned amount Rs.10,00,00,000/- Twenty four instalment of ₹ 41,66,667                                       | 13.20%        | 999.88             | 503.12        |
| TATA CAPITAL HOUSING FINANCE LTD<br>Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothecation of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment - Sanctioned amount Rs.15,00,00,000/- Twelve monthly instalment of ₹ 1,25,00,000/-                                | 13.20%        | 300.00             |               |
| Aditya Birla Finance Ltd -<br>Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothecation of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment - Sanctioned amount of Rs.35,00,00,000/- repayable in Forty eight monthly instalments of Rs.72,91,651/-                 | 11.75%        | 1,049.72           | 3,500.00      |
| Bajaj Housing Finance Ltd -<br>Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothecation of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment - Sanctioned amount of Rs.500,00,000/- repayable in Twenty four monthly instalment of Rs.2083333/- from November 2021. | 14.75%        | -                  | 52.39         |

|   |           |                 |                 |
|---|-----------|-----------------|-----------------|
| <p><b>KOTAK MAHINDRA INVESTMENT LTD</b><br/> Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothication of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company.<br/> Repayment - Sanctioned amount Rs.28,00,00,000/- Eighteen monthly instalment of ₹ 1,55,55,556/-</p>                        | 12.25%    |                 | 1,577.30        |
| <p><b>Kotak Mahindra Prime Ltd - Ertiga Car</b><br/> Secured by way mortgage on Car Repayment - Sanctioned amount of Rs.750000/- repayable in Sixty instalment of Rs.15660/- from February 2019. Repayment - 35 instalments payable</p>   | 9.20%     | -               | 1.50            |
| <p><b>Aditya Birla Finance Ltd -</b><br/> Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothication of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company.<br/> Repayment - Sanctioned amount of Rs.25,00,00,000/- repayable in Eighteen monthly instalment of Rs.1,38,88,887</p>            | 12.00%    | 900.00          | -               |
| <p><b>Aditya Birla Finance Ltd -</b><br/> Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothication of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company.<br/> Repayment - Sanctioned amount of Rs.342,00,000/- repayable in one hundred and eighty monthly variable EMI</p>                | 10.00%    | 341.23          | -               |
| <p><b>Aditya Birla Finance Ltd -</b><br/> Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothication of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company.<br/> Repayment - Sanctioned amount of Rs.632,00,000/- repayable in one hundred and eighty monthly variable EMI</p>                | 10.00%    | 628.58          | -               |
| <p><b>CHOLAMANDALAM INVESTMENT AND FINANCE CO LTD</b><br/> Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothication of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company.<br/> Repayment - Sanctioned amountRS.2,57,00,000/- One hundred and eighty monthly instalment of ₹ ,276,174/-</p> | 10.00%    | 247.83          | 255.75          |
| <p><b>SUNDARAM HOME FINANCE LTD</b><br/> Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothication of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company.<br/> Repayment - Sanctioned amount RS.1,99,00,000/- One hundred and eighty monthly instalment of ₹ ,224,935/-</p>                  | 11.20%    | 192.26          | 197.36          |
| <p><b>HINDUJA LEYLAND FINANCE LTD</b><br/> Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothication of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company.<br/> Repayment - Sanctioned amount RS.12,00,00,000/- One hundred and twenty monthly instalment of ₹ 16,87,145/-</p>              | 11.50%    | -               | 744.15          |
| <b>Others:</b>  | 9% to 15% | <b>1,438.18</b> | <b>472.37</b>   |
| <b>Total</b>  | <b>B</b>  | <b>6,991.54</b> | <b>7,446.06</b> |
| <b>Grand Total</b>  |           | <b>7,146.74</b> | <b>9,696.77</b> |

**17. Provisions**  
**Non-current**

|                                  | As at<br>31-Mar-24<br>₹ | As at<br>31-Mar-23<br>₹ |
|----------------------------------|-------------------------|-------------------------|
| Provisions for employee benefits | 64.88                   | 42.86                   |
| Gratuity                         | 64.88                   | 42.86                   |

**Provision for employee benefits**
**i) Gratuity**

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

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

|   |  |   |
|---|--|---|
| Change in projected benefit obligation                    |  |   |
| Projected benefit obligation at the beginning of the year | 42.86  | 25.08   |
| Interest cost   | 3.23   | 1.91  |
| Current service cost                                      | 16.24  | 17.35   |
| Past service cost   |  |   |
| Acquisitions/Divestures/Transfer out                      | -  | -   |
| Actuarial (gain) / loss                                   | 2.55   | (1.48)  |
| Projected benefit obligation at the end of the year       | 64.88  | 42.86   |
| Thereof   |  |   |
| Unfunded  | 64.88  | 42.86   |
| Principal actuarial assumptions used:                     |  |   |
| a) Discount rate  | 7.22%  | 7.53%   |
| b) Long-term rate of compensation increase                | 12%  | 12%   |
| c) Attrition rate   | 1%   | 1%  |
| d) Mortality table  | Indian assured<br>lives mortality<br>(2012-14)<br>ultimate | Indian<br>assured lives<br>mortality<br>(2012-14)<br>ultimate |

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

**Provisions (Continued)**

The significant actuarial assumptions for the determination of the defined benefit obligation are the attrition rate, discount rate and the long-term rate of compensation increase. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability at 31 March 2023..

|  | Attrition rate |          | Discount rate |          | Future salary increases |          |
|--|----------------|----------|---------------|----------|-------------------------|----------|
|  | Increase       | Decrease | Increase      | Decrease | Increase                | Decrease |
| <b>31 March 2024</b>                   |                |          |               |          |                         |          |
| > Sensitivity Level                    | (6.97%)        | 8.18%    | (15.10%)      | 18.74%   | 14.40%                  | (13.00%) |
| > Impact on defined benefit obligation | (4.52)         | 5.31     | (9.80)        | 12.16    | 9.34                    | (8.44)   |
| <b>31 March 2023</b>                   |                |          |               |          |                         |          |
| > Sensitivity Level                    | (7.71%)        | 9.13%    | (16.47%)      | 20.66%   | 17.17%                  | (14.60%) |
| > Impact on defined benefit obligation | (3.30)         | 3.91     | (7.06)        | 8.86     | 7.36                    | (6.26)   |

### 18. Trade payables

|                                      | As at<br>31-Mar-24<br>₹ | As at<br>31-Mar-23<br>₹ |
|--------------------------------------|-------------------------|-------------------------|
| Current                              |                         |                         |
| Dues to micro and small enterprises* | -                       | -                       |
| Dues to others                       | 7,739.36                | 8,231.24                |
|                                      | <b>7,739.36</b>         | <b>8,231.24</b>         |

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

#### Trade Payables ageing schedule: As at 31st March 2024

| Particulars            | Outstanding for the following periods from the due dates |           |           |                   | Total    |
|------------------------|--|-----------|-----------|-------------------|----------|
|                        | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |          |
| MSME                   | -  | -         | -         | -                 | -        |
| Others                 | 6,191.49   | 1,547.87  |           |                   | 7,739.36 |
| Disputed dues - MSME   | -  | -         | -         | -                 | -        |
| Disputed dues - Others | -  | -         | -         | -                 | -        |

#### Trade Payables ageing schedule: As at 31st March 2023

| Particulars            | Outstanding for the following periods from the due dates |           |           |                   | Total    |
|------------------------|--|-----------|-----------|-------------------|----------|
|                        | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |          |
| MSME                   | -  | -         | -         | -                 | -        |
| Others                 | 6,584.99   | 1,646.25  |           |                   | 8,231.24 |
| Disputed dues - MSME   | -  | -         | -         | -                 | -        |
| Disputed dues - Others | -  | -         | -         | -                 | -        |

|  | As at<br>31-Mar-24<br>₹     | As at<br>31-Mar-23<br>₹ |
|--|-----------------------------|-------------------------|
| <b>19. Other financial liabilities</b>                     |                             |                         |
| Current  |                             |                         |
| Current maturities of long-term debt (Also, refer note 16) | 1,618.59                    | 3,253.01                |
|  | 1,618.59                    | 3,253.01                |
| <b>20. Other current liabilities</b>                       |                             |                         |
| Statutory dues   | 66.97                       | 124.49                  |
| Advance from customers and for projects                    | 702.49                      | 2,696.59                |
| Revenue received in advance                                | 1.01                        | 1.01                    |
| Other Payables   | 826.56                      | 2,026.90                |
|  | <b>1,597.02</b>             | <b>4,848.99</b>         |
| <b>21. Revenue from operations</b>                         |                             |                         |
| Sales  | 5,807.21                    | 3,485.53                |
| Marketing fees received                                    | -                           | -                       |
| Project management fees received                           | 1,150.00                    | -                       |
|  | <b>(A)</b> 6,957.21         | 3,485.53                |
| <b>22. Other Operating Revenues</b>                        |                             |                         |
| Lease rentals  | 236.99                      | 106.68                  |
| Maintenance charges received                               | 342.11                      | 330.49                  |
| Contractual Charges Income                                 | 120.00                      | -                       |
|  | <b>(B)</b> 699.10           | <b>437.17</b>           |
|  | <b>TOTAL (A+B)</b> 7,656.31 | <b>3,922.70</b>         |
| <b>22. Other income</b>                                    |                             |                         |
| Interest received  | 1,352.84                    | 1,896.22                |
| Commission Received  | -                           | 33.72                   |
| Profit on Sale of Fixed Asset                              | 5.62                        | -                       |
| Share of Profit firms                                      | -                           | -                       |
| Miscellaneous income                                       | 2.48                        | 5.22                    |
| Electricity Deposit Refund                                 | -                           | -                       |
|  | <b>1,360.94</b>             | <b>1,935.16</b>         |
| <b>23. Construction And Project Expenses</b>               |                             |                         |
| Cost of land   | 10.74                       | 22.94                   |
| Materials  | 777.90                      | 1,126.94                |
| Labour & sub-contract expenses                             | 1,398.87                    | 1,367.12                |
| Legal expenses   | 393.85                      | 419.21                  |
| Marketing Expenses   | 11.67                       | 55.02                   |

|  |                 |                  |
|--|-----------------|------------------|
| Consultancy charges  | 78.62           | 88.31            |
| Interest charges and other finance costs related to projects                         | -               | 886.46           |
| Other Project Expenses   | 2,005.77        | 310.92           |
|  | 4,677.42        | 4,276.91         |
| <b>24. Changes In Inventories Of Materials, Work- In-Progress And Finished Goods</b> |                 |                  |
| a. Inventories at the beginning of the year  |                 |                  |
| ii. Work-in-progress   | 9,026.62        | 7,670.84         |
|  | 9,026.62        | 7,670.84         |
| b. Inventories at the end of the year  |                 |                  |
| ii. Work-in-progress   | 7,768.86        | 9,026.62         |
|  | 7,768.86        | 9,026.62         |
| <b>Net (increase) / decrease</b>   | <b>1,257.75</b> | <b>-1,355.78</b> |
| <b>25. Employees Benefit Expenses</b>  |                 |                  |
| Salaries & Wages   | 473.33          | 328.54           |
| Contribution to provident and other funds  | 42.10           | 41.89            |
| Staff Welfare  | 13.59           | 10.61            |
|  | 529.02          | 381.03           |
| <b>26. Finance costs</b>   |                 |                  |
| Interest expenses  | 1,407.23        | 1,829.68         |
| Bank Charges   | 1.24            | 0.44             |
| Processing Charges - Admin   | 11.82           | 5.63             |
|  | 1,420.29        | 1,835.74         |
| <b>27. Depreciation And Amortization</b>   |                 |                  |
| Depreciation of assets (Also, refer note 3)  | 12.26           | 13.06            |
| <b>28. Other expenses</b>  |                 |                  |
| Power & Fuel   | 19.09           | 16.64            |
| Rent   | 57.87           | 49.12            |
| Rates & Taxes  | 15.68           | 16.85            |
| Advertisement & Business Promotion   | 77.78           | 25.80            |
| Legal, Professional & Consultancy Charges  | 47.88           | 82.98            |
| Travelling & Conveyance  | 13.24           | 22.30            |
| Repairs and maintenance:   |                 |                  |
| -Repairs & Office Maintenance  | 414.39          | 306.04           |
| -Vehicle Maintenance   | 2.34            | 1.01             |
| Telephone, Postage, Printing & Stationery  | 9.59            | 6.89             |

|  |           |           |
|--|-----------|-----------|
| Audit Fees   |           |           |
| - For Statutory Audit (Also, refer note 32)                              | 6.00      | 6.00      |
| Miscellaneous expense  | 23.83     | 11.02     |
| Share of Loss  | 0.07      | 0.07      |
|  | 687.76    | 544.71    |
| <b>29. Earnings per equity share (EPS)</b>                               |           |           |
| <b>For profit for the year</b>   |           |           |
| Nominal value of equity shares   | 10        | 10        |
| Profit attributable to equity shareholders (A)                           | 323       | 116       |
| Weighted average number of equity shares outstanding during the year (B) | 8,600,000 | 8,600,000 |
| <b>Basic earnings per equity share (A/B) (in ₹)</b>                      | 3.75      | 1.34      |
| <b>Diluted earnings per equity share (A/B) (in ₹)</b>                    | 3.75      | 1.34      |
| <b>For total comprehensive income</b>                                    |           |           |
| Nominal value of equity shares   | 10        | 10        |
| Total comprehensive income attributable to equity shareholders (A)       | 320.66    | 116.69    |
| Weighted average number of equity shares outstanding during the year (B) | 8,600,000 | 8,600,000 |
| <b>Basic earnings per equity share (A/B) (in ₹)</b>                      | 3.73      | 1.36      |
| <b>Diluted earnings per equity share (A/B) (in ₹)</b>                    | 3.73      | 1.36      |

**30 (a) Financial assets and liabilities**

Categories of financial assets and financial liabilities

| Particulars                | Financial assets at fair value through profit and loss | Financial assets at fair value through other comprehensive income | Financial assets at amortised cost | Total            |
|----------------------------|--|---|------------------------------------|------------------|
| <b>As at 31 March 2024</b> |  |   |                                    |                  |
| Financial assets           |  |   |                                    |                  |
| Investments                | -  | 211.78  | 682.07                             | 893.85           |
| Loans                      | 5,720.60   | -   | -                                  | 5,720.60         |
| Trade receivables          | -  | -   | 5,660.11                           | 5,660.11         |
| Cash and bank balances     | -  | -   | 180.90                             | 180.90           |
| Other bank balances        | -  | -   | 341.07                             | 341.07           |
| Other financial assets     | 7,676.36   | -   | 211.50                             | 7,887.87         |
|                            | <b>13,396.96</b>                                       | <b>211.78</b>   | <b>7,075.65</b>                    | <b>20,684.39</b> |

| Particulars                 | Financial assets at fair value through profit and loss | Financial assets at fair value through other comprehensive income | Financial assets at amortised cost | Total     |
|-----------------------------|--|---|------------------------------------|-----------|
| <b>As at 31 March 2024</b>  |  |   |                                    |           |
| Financial liabilities       |  |   |                                    |           |
| Trade payables              | -  | -   | 7,739.36                           | 7,739.36  |
| Borrowings                  | 2,916.82   | -   | 5,926.38                           | 8,843.19  |
| Other financial liabilities | -  | -   | 1,618.59                           | 1,618.59  |
|                             | 2,916.82   | -   | 15,284.33                          | 18,201.15 |

| Particulars                | Financial assets at fair value through profit and loss | Financial assets at fair value through other comprehensive income | Financial assets at amortised cost | Total     |
|----------------------------|--|---|------------------------------------|-----------|
| <b>As at 31 March 2023</b> |  |   |                                    |           |
| Financial assets           |  |   |                                    |           |
| Investments                | -  | 211.78  | 680.13                             | 891.90    |
| Loans                      | 5,232.86   | -   | -                                  | 5,232.86  |
| Trade receivables          | -  | -   | 6,953.48                           | 6,953.48  |
| Cash and bank balances     | -  | -   | 1,983.43                           | 1,983.43  |
| Other bank balances        | -  | -   | 297.31                             | 297.31    |
| Other financial assets     | 10,906.26  | -   | 86.50                              | 10,992.76 |
|                            | 16,139.12  | 211.78  | 10,000.84                          | 26,351.74 |

| Particulars                 | Financial assets at fair value through profit and loss | Financial assets at fair value through other comprehensive income | Financial assets at amortised cost | Total     |
|-----------------------------|--|---|------------------------------------|-----------|
| <b>As at 31 March 2023</b>  |  |   |                                    |           |
| Financial liabilities       |  |   |                                    |           |
| Trade payables              | -  | -   | 8,231.24                           | 8,231.24  |
| Borrowings                  | 3,537.80   | -   | 7,014.52                           | 10,552.31 |
| Other financial liabilities | -  | -   | 3,253.01                           | 3,253.01  |
|                             | 3,537.80   | -   | 18,498.77                          | 22,036.57 |

### 30(b) Ratios

The ratios for the years ended March 31, 2024 and March 31, 2023 are as follows :

| Particulars                      | Numerator                  | Denominator               | As at 31.03.2024 | As at 31.03.2023 |
|----------------------------------|----------------------------|---------------------------|------------------|------------------|
| Current Ratio                    | Current Assets             | Current Liabilities       | 1.76             | 1.34             |
| Debt-Equity Ratio                | Total Liabilities          | Shareholder's Equity      | 1.16             | 1.60             |
| Debt Service Coverage Ratio      | Net Operating Income       | Debt Service              | 1.24             | 0.71             |
| Return on Equity Ratio           | Profit for the period      | Avg. Shareholders Equity  | 1.90%            | 0.69%            |
| Inventory Turnover Ratio         | Cost of Goods sold         | Average Inventory         | 0.71             | 0.35             |
| Trade Receivables Turnover Ratio | Net Credit Sales           | Average Trade Receivables | 1.21             | 0.56             |
| Trade Payables Turnover Ratio    | Total Purchases            | Average Trade Payables    | 0.59             | 0.56             |
| Net Capital Turnover Ratio       | Net Sales                  | Average Working Capital   | 0.93             | 0.70             |
| Net Profit Ratio                 | Net Profit                 | Net Sales                 | 4.21%            | 2.95%            |
| Return on Capital employed       | EBIT                       | Capital Employed          | 2.53%            | 0.96%            |
| Return on Investment             | Return/Profit/<br>Earnings | Investment                | -                | -                |

|  | As at<br>31-Mar-24<br>₹ | As at<br>31-Mar-23<br>₹ |
|--|-------------------------|-------------------------|
| <b>31. Leases</b>  |                         |                         |
| Operating lease commitments - as lessee                              | 57.87                   | 49.12                   |
| Total lease payments charged off to the statement of profit and loss |                         |                         |
| Operating lease commitments - as lessor                              | 236.99                  | 106.68                  |
| Total lease receipts charged off to the statement of profit and loss |                         |                         |
| <b>32. Remuneration to auditors</b>                                  |                         |                         |
| As auditor   |                         |                         |
| Statutory audit  | 6.00                    | 6.00                    |
| <b>Total</b>   | 6.00                    | 6.00                    |

### Related parties

a. Names of related parties and nature of relationship:

| Nature of relationship    | Name of related party  |
|---------------------------|--|
| Wholly owned subsidiaries | Vaikunt Housing Limited<br>Arihant Griha Limited<br>Trasperent Heights Real Estate Limited<br>Varenya Constructions Limited<br>Verge Realty Private Limited<br>Escapade Real Estates Private Limited<br>Vihaana Realty Private Limited<br>Vinyasa Realty Private Limited |

| Nature of relationship          | Name of related party  |
|---------------------------------|--|
| Joint Controlled Entity         | Kairav Developers Limited  |
| Partnership Firms               | Arihant Foundations<br>Arihant Foundations & Housing<br>Arihant Heirloom   |
| <b>Key Management Personnel</b> | Mr. Kamal Lunawath (Chairman and Managing Director)<br>Mr. Vimal Lunawath (Whole time Director)<br>Mr. Bharat Jain (Whole time Director) |

### 33 Related parties (Continued)

#### b) Transactions with related parties

| Particulars                              | Related Party                       | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|--|-------------------------------------|-----------------------------|-----------------------------|
| Remuneration to Key Managerial Personnel | Kamal Lunawath                      | 30.00                       | 12.00                       |
|  | Vimal Lunawath                      | 30.00                       | 12.00                       |
|  | Bharat Jain                         | 18.00                       | 18.00                       |
| Interest expense on loan received        | Kamal Lunawath                      | 146.60                      | 161.40                      |
|  | Vimal Lunawath                      | 40.71                       | 52.57                       |
|  | Escapade Real Estate P Ltd          |                             | 90.13                       |
| Interest income on loan given            | Varenya Constructions Ltd           | -                           | 152.40                      |
| Sales of Goods or Services               | Verge Realty Pvt Ltd                | 1,359.60                    | -                           |
| Loan received                            | Kamal Lunawath                      | 2,812.01                    | 4,340.82                    |
|  | Vimal Lunawath                      | 116.26                      | 213.55                      |
|  | Varenya Constructions Ltd           | 101.27                      | 556.03                      |
|  | Escapade Real Estate P Ltd          | 2,387.13                    | 1,493.32                    |
| Loan repaid                              | Kamal Lunawath                      | 3,070.99                    | 4,952.79                    |
|  | Vimal Lunawath                      | 296.85                      | 407.13                      |
|  | Varenya Constructions Ltd           | 279.45                      | 200.10                      |
|  | Escapade Real Estate P Ltd          | 2,676.15                    | 533.69                      |
| Loan given                               | Arihant Griha Ltd                   | 0.03                        | 10.65                       |
|  | Vaikunt Housing Limited             | 0.13                        | 0.65                        |
|  | Escapade Real Estate P Ltd          | -                           | 190.17                      |
|  | Verge Realty Pvt Ltd                | 6,214.80                    | 830.50                      |
| Advances made                            | Transperent Heights Real Estate Ltd | 2.99                        | 15.23                       |

**Balances with related parties**

| Transaction       | Related Party                       | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-------------------|-------------------------------------|-----------------------------|-----------------------------|
| Borrowings        | Escapade Real Estates Pvt Ltd       | 1,200.00                    | 1,200.00                    |
|                   | Directors                           | 1,333.38                    | 1,604.37                    |
|                   | Arihant Foundations & Housing       | 93.88                       | 93.87                       |
|                   | Arihant Foundations                 | 218.80                      | 218.80                      |
| Loans             | Vaikunt Housing Limited             | 138.11                      | 137.98                      |
|                   | Varenya Constructions Ltd           | 1,296.53                    | 1,263.78                    |
|                   | Verge Realty Pvt Ltd                | 285.83                      | 300.64                      |
|                   | Arihant Griha Limited               | 651.11                      | 651.08                      |
| Trade Receivables | Arihant Griha Limited               | 180.10                      | 180.10                      |
|                   | Transperent Heights Real Estate Ltd | 115.57                      | 112.58                      |
|                   | Verge Realty Pvt Ltd                | 117.00                      | -                           |

**34 Fair value measurement**
**Fair value measurement hierarchy**

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

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

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

- > Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- > Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- > Level 3: Unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy of financial and non-financial assets and liabilities measured at fair value on a recurring basis at 31 March 2024, 31 March 2023.:

|  |                      |        | Fair value measurement using          |                                     |                                       |
|--|----------------------|--------|---------------------------------------|-------------------------------------|---------------------------------------|
|  |                      |        | Quoted prices<br>in active<br>markets | Significant<br>observable<br>inputs | Significant<br>unobservable<br>inputs |
|  | Date of<br>valuation | Total  | (Level 1)                             | (Level 2)                           | (Level 3)                             |
| <b>i) Assets measured at fair value:</b>             |                      |        |                                       |                                     |                                       |
| <b>Fair value through other comprehensive income</b> |                      |        |                                       |                                     |                                       |
| <b>Investments</b>                                   |                      |        |                                       |                                     |                                       |
| 2024   | 31 March 2024        | 211.78 | 7.16                                  | 204.62                              | -                                     |
| 2023   | 31 March 2023        | 211.78 | 7.16                                  | 204.62                              | -                                     |

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

**ii) Liabilities measured at fair value:**

Financial guarantees

|      |               |   |   |   |   |
|------|---------------|---|---|---|---|
| 2024 | 31 March 2024 | - | - | - | - |
| 2023 | 31 March 2023 | - | - | - | - |

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

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

|   |                 |                  |
|---|-----------------|------------------|
| ii) Liabilities measured at amortised cost: | -               | -                |
| a) Interest-bearing loans and borrowings:   | Nil             | Nil              |
| Floating rate borrowings                    |                 |                  |
| Fixed rate borrowings                       | <b>7,382.87</b> | <b>10,018.32</b> |

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

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

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

**35. Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies (Continued)**

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

#### a) Market risk

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

#### b) Interest rate risk

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

#### c) Credit risk

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

|                                    | 31 March 2024 | 31 March 2023 |
|------------------------------------|---------------|---------------|
| <b>Classes of financial assets</b> |               |               |
| Investments                        | 4,093.60      | 4,091.66      |
| Trade receivables                  | 5,660.11      | 6,953.48      |
| Loan                               | 5,720.60      | 5,232.86      |
| Cash and bank balances             | 521.97        | 2,280.74      |
| Other financial assets             | 7,887.87      | 10,992.76     |

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

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

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

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

#### d) Liquidity risk

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

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

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Company's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from trade receivables are all

contractually due within six months except for retention and long term trade receivables which are governed by the relevant contract conditions.

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

### 36. Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date (31 March 2024) and the date of authorization..

### 37. Contingent liabilities, commitments and guarantees

Contingent liabilities

|  | As at<br>31-Mar-24 | As at<br>31-Mar-23 |
|--|--------------------|--------------------|
| i) The cases pending before the CIT Appeals of Income tax are as follows |                    |                    |
| AY 1999-2000   | -                  | 76.39              |
| AY 2011-2012   | 71.83              | 71.83              |
| ii) The cases pending before the High Court of Madras are as follows     |                    |                    |
| AY 2005-2006   | 53.24              | 53.24              |
| AY 2007-2008   | 557.62             | 557.62             |
| AY 2004-2005   | 13.72              | 13.72              |
| AY 2005-2006   | 95.58              | 95.58              |

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

### 38. Segment reporting

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

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

In terms of our report attached

For and on behalf of the Board of Directors of  
**Arihant Foundations and Housing Limited**

#### For B.P. JAIN & Co

Chartered Accountants

Firm's Registration No.: 050105S

**Devendra Kumar Bhandari**

Partner

Membership No. 208862

**Kamal Lunawath**

Managing Director

DIN : 00087344

**Vimal Lunawath**

Whole Time Director

DIN : 00586269

**Mary Belinda Jyotsna**

Company Secretary

Membership No. A63097

Place : CHENNAI

Date : 30-05-2024

Place : CHENNAI

Date : 30-05-2024

**B.P.JAIN & CO.,**  
CHARTERED ACCOUNTANTS,  
# 2,GEE GEE MINAR, 23,COLLEGE ROAD,  
CHENNAI-600 006 Phone:28273871,28255596,28224212  
Mobile No.9840083198  
E-mail: devchennai02@gmail.com

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF ARIHANT FOUNDATIONS AND HOUSING LIMITED**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of Arihant Foundations and Housing Limited (“hereinafter referred to as the Holding Company”) and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”), its associates and joint controlled entity, which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended and notes to the Consolidated Financial Statements on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2024, the consolidated profit and loss and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

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

| Sr.No | Key Audit Matter  | Auditor’s Response  |
|-------|---|---|
| 1     | Recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 “Revenue from Contracts with customers” | <b>Key audit matter description</b><br>The application of new revenue standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. |

| Sr.No | Key Audit Matter  | Auditor's Response   |
|-------|---|--|
|       |   | <p>Refer Note No: 2(g) to Consolidated financial statements.</p> <p><b>Principal Audit Procedures</b></p> <p>We assessed the Group's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach is as follows::</p> <ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>• Testing of the design and implementation of controls involved for the determination of the estimates used as well as their operating effectiveness.</li> <li>• Testing the relevant information technology system's access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new accounting standard.</li> <li>• Testing a sample of contracts for appropriate identification of performance obligations;</li> <li>• Engaging technical experts to review estimates of costs to complete for sample contracts and</li> <li>• Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</li> </ul> |
| 2     | Evaluation of uncertain tax positions   | <p>Key audit matter description</p> <p>The Group has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes</p> <p>Refer Note no: 2(o) &amp; (n) to Consolidated Financial Statements..</p> <p><b>Principal Audit Procedures</b></p> <p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtained understanding of key uncertain tax positions.</li> <li>• Obtained details of completed tax assessments and demands for the year ended March 31, 2024 from the management;</li> <li>• We along with our internal tax experts discussed with appropriated senior management and evaluated the Management's underlying key assumptions in estimating the tax provision.</li> <li>• Additionally, we considered the effect of new information in respect to uncertain tax positions as at March 31, 2024 to evaluate whether any change was required to management's position on these uncertainties.</li> </ul>   |
| 3     | Balance Confirmations From Vendors and Customers                                  | <p>The Company neither follows the practice of obtaining balance confirmation from Vendors and Customers on a period basis nor on Annual Basis. The absence of direct balance confirmation constitute departure from SA-505 External Confirmations. We have performed subsequent audit procedures on test check basis however we are unable to comment on the balances carried forward in the financial statements.</p>  |
| 4     | Compliance under Micro, Small and Medium Enterprises Development Act (MSME), 2006 | <p>The company is in process of identifying the Sundry Creditors under MSME Act, 2006. In absence of adequate documents we are unable to Verify and provide for Interest liability if any under MSME Act, 2006.</p>  |

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

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

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

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

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

## Management's Responsibility for the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

### **Other Matters**

The Statement includes audited financial statement of a subsidiaries, whose financial statements reflect Group's share of total assets of ₹ 14505.23 lakhs as at 31st March, 2024, Group's share of total revenues of ₹ 2537.40 Lakhs and Group's share of total net profit including other comprehensive income of ₹ 922.29 lakhs for year ended on that date, respectively as considered in the Statement, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us by the Management, and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the such auditors and the procedures performed by us as stated in section Basis of Opinion above.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Board of Directors.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors of the Group as on March 31, 2024 taken on record by the Board of Directors of the Group and its joint controlled entity, none of the directors is disqualified as on March 31, 2024 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 Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements has disclosed the impact of pending litigations on its consolidated financial position of its Group and joint controlled entity.
    - ii. Provision has been made in consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. While there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the company, the related shares could not be transferred due to technical issues. We were informed that the company is taking necessary steps in this regard.
    - iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, outside the Group, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. Based on our examination which included test checks, performed by us on the Company and its subsidiaries incorporated in India, except for the instances mentioned below, have used accounting softwares for maintaining their respective books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of audit, we have not come across any instance of the audit trail feature being tampered with.

The financial statements of two subsidiaries that are not material to the Consolidated Financial Statements of the Group, have not been audited under the provisions of the Act as of the date of this report. Therefore, we are unable to comment on the reporting requirement under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 in respect of these subsidiaries.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024

**For M/S B.P.JAIN AND Co.**  
Chartered Accountants  
Firm's Registration No.050105S

Place: Chennai  
Date : 30-05-2024

**DEVENDRA KUMAR BHANDARI**  
Partner  
Membership No: 208862  
UDIN: 24208862BKBUQN5288

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of ARIHANT FOUNDATIONS AND HOUSING LIMITED (“the Company”) and its subsidiary companies and joint controlled entity, as of that date.

### Management’s Responsibility for Internal Financial Controls

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

### Auditors’ Responsibility

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

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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

- i. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

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

### **Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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 M/S B.P.JAIN AND Co.**  
Chartered Accountants  
Firm's Registration No.050105S

Place: Chennai  
Date : 30-05-2024

**DEVENDRA KUMAR BHANDARI**  
Partner  
Membership No: 208862  
UDIN: 24208862BKBUQN5288

## Consolidated Balance sheet as at 31 March 2024

(All amounts in INR Lakhs, unless otherwise stated)

|   | Note | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------|------------------------|------------------------|
| <b>ASSETS</b>   |      |                        |                        |
| <b>Non-current assets</b>   |      |                        |                        |
| Property, plant and equipment   | 3    | 905.92                 | 872.29                 |
| Intangible assets   | 3    | 0.05                   | 0.22                   |
| Goodwill  | 3.1  | 1,155.00               | 1,155.00               |
| Financial assets  |      |                        |                        |
| - Investments   | 4    | 3,304.50               | 3,299.55               |
| - Trade receivables   | 5    | 2,613.18               | 3,667.49               |
| - Loans   | 6    | 2,332.81               | 809.85                 |
| - Other financial assets  | 7    | 7,733.24               | 10,988.00              |
| Deferred tax assets (net)   | 8    | 634.79                 | 635.88                 |
|   |      | <b>18,679.49</b>       | <b>21,428.29</b>       |
| <b>Current assets</b>   |      |                        |                        |
| Inventories   | 9    | 12,198.71              | 13,499.60              |
| Financial assets  |      |                        |                        |
| - Investments   | 4    | 132.34                 | 5.65                   |
| - Trade receivables   | 5    | 4,397.36               | 4,436.20               |
| - Cash and cash equivalents   | 10   | 571.51                 | 2,602.87               |
| Bank balances other than those mentioned in cash and cash equivalents | 10   | 341.07                 | 297.31                 |
| - Loans   | 11   | 2,709.05               | 2,639.10               |
| - Other financial assets  | 7    | 282.28                 | 86.82                  |
| Current tax asset (Net)   | 12   | -                      | 61.64                  |
| Other current assets  | 13   | 4,929.37               | 4,122.37               |
|   |      | <b>25,561.69</b>       | <b>27,751.58</b>       |
| <b>Total assets</b>   |      | <b>44,241.18</b>       | <b>49,179.87</b>       |
| <b>EQUITY AND LIABILITIES</b>   |      |                        |                        |
| <b>Equity</b>   |      |                        |                        |
| Equity share capital  | 14   | 860.00                 | 860.00                 |
| Other equity  | 15   | 18,289.10              | 16,930.71              |
| <b>Total equity</b>   |      | <b>19,149.10</b>       | <b>17,790.71</b>       |
| <b>Non - Controlling interests</b>                                    |      | -                      | -                      |
| <b>Non-current liabilities</b>  |      |                        |                        |
| Financial liabilities   |      |                        |                        |

|                                     | Note | As at<br>31 March 2024 | As at<br>31 March 2023 |
|-------------------------------------|------|------------------------|------------------------|
| - Borrowings                        | 16   | 11,131.66              | 13,608.38              |
| Provisions                          | 17   | 161.04                 | 139.02                 |
| -Other Non Current Liabilities      | 18   | 297.20                 | 821.16                 |
|                                     |      | 11,589.89              | 14,568.55              |
| Current liabilities                 |      |                        |                        |
| Financial liabilities               |      |                        |                        |
| - Borrowings                        | 16   | 657.59                 | 500.00                 |
| - Trade payables                    | 19   | 4,945.02               | 4,521.81               |
| - Other financial liabilities       | 20   | 3,039.17               | 3,788.96               |
| Other current liabilities           | 21   | 4,765.47               | 8,009.84               |
| Provisions                          | 17   | 6.51                   | -                      |
| Current tax liabilities (net)       | 21A  | 88.41                  | -                      |
|                                     |      | <b>13,502.18</b>       | <b>16,820.61</b>       |
| <b>Total liabilities</b>            |      | <b>25,092.07</b>       | <b>31,389.16</b>       |
| <b>Total equity and liabilities</b> |      | <b>44,241.18</b>       | <b>49,179.87</b>       |

In terms of our report attached

**For B.P. JAIN & Co**  
Chartered Accountants  
Firm's Registration No.: 050105S

For and on behalf of the Board of Directors of  
**Arihant Foundations and Housing Limited**

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

**Kamal Lunawath**  
Managing Director  
DIN : 00087344

**Vimal Lunawath**  
Whole Time Director  
DIN : 00586269

**Mary Belinda Jyotsna**  
Company Secretary  
Membership No. A63097

Place : CHENNAI  
Date : 30-05-2024

Place : CHENNAI  
Date : 30-05-2024

## Consolidated Statement of Profit and Loss for the year ended 31 March 2024

(All amounts in INR Lakhs, unless otherwise stated)

|   | Note | As at<br>31 March 2024 | As at<br>31 March 2023 |
|---|------|------------------------|------------------------|
| Revenue from operations   | 22   | 12,408.21              | 6,426.68               |
| Other income  | 23   | 1,164.66               | 2,031.98               |
| <b>Total revenue</b>  |      | <b>13,572.87</b>       | <b>8,458.66</b>        |
| Expenses  |      |                        |                        |
| Construction and project expenses   | 24   | 6,806.17               | 7,431.56               |
| Changes in inventories of finished goods, work in progress and stock-in-trade   | 25   | 1,294.06               | -3,929.47              |
| Employee benefits expense   | 26   | 702.64                 | 626.77                 |
| Finance costs   | 27   | 1,677.32               | 2,065.47               |
| Depreciation and amortization expense   | 28   | 34.42                  | 32.11                  |
| Other expenses  | 29   | 1,101.06               | 948.76                 |
| <b>Total expenses</b>   |      | <b>11,615.67</b>       | <b>7,175.21</b>        |
| <b>Share of profit / (loss) from equity accounted investments</b>               |      | <b>80.32</b>           | <b>-</b>               |
| <b>Profit/(Loss) before tax</b>   |      | <b>2,037.53</b>        | <b>1,283.45</b>        |
| <b>Tax expense</b>  |      |                        |                        |
| Current tax   |      | (686.30)               | (290.60)               |
| Deferred tax  |      | (1.09)                 | 4.35                   |
| <b>Profit/(Loss) for the year</b>   |      | <b>1,350.13</b>        | <b>997.20</b>          |
| <b>Other comprehensive income</b>   |      |                        |                        |
| <b>Items that will not be reclassified to profit and loss</b>                   |      |                        |                        |
| - Re-measurement (losses) on defined benefit plans                              |      | (2.55)                 | 7.74                   |
| - Income tax relating to items that will not be reclassified to profit and loss |      | 0.71                   | (1.33)                 |
| <b>Other comprehensive income for the year, net of tax</b>                      |      | <b>(1.84)</b>          | <b>6.41</b>            |
| Total comprehensive income for the year   |      | 1,348.30               | 1,003.61               |
| <b>Profit attributable to:</b>  |      |                        |                        |
| Owners of the Company   |      | 1,350.13               | 997.20                 |
| Non-controlling interest  |      | -                      | -                      |
|   |      | <b>1,350.13</b>        | <b>997.20</b>          |
| <b>Other comprehensive income attributable to:</b>                              |      |                        |                        |
| Owners of the Company   |      | (1.84)                 | 6.41                   |
| Non-controlling interest  |      | -                      | -                      |
|   |      | <b>(1.84)</b>          | <b>6.41</b>            |

|  | Note | As at<br>31 March 2024 | As at<br>31 March 2023 |
|--|------|------------------------|------------------------|
| <b>Total comprehensive income attributable to:</b> |      |                        |                        |
| Owners of the Company                              |      | 1,348.30               | 1,003.61               |
| Non-controlling interest                           |      | -                      | -                      |
|  |      | 1,348.30               | 1,003.61               |
| <b>Earnings per equity share</b>                   |      |                        |                        |
| Basic (in ₹) (Face value of ₹ 10 each)             | 30   | 15.70                  | 11.60                  |
| Diluted (in ₹) (Face value of ₹ 10 each)           | 30   | 15.70                  | 11.60                  |

In terms of our report attached

For and on behalf of the Board of Directors of  
**Arihant Foundations and Housing Limited**

**For B.P. JAIN & Co**  
Chartered Accountants  
Firm's Registration No.: 050105S

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

**Kamal Lunawath**  
Managing Director  
DIN : 00087344

**Vimal Lunawath**  
Whole Time Director  
DIN : 00586269

**Mary Belinda Jyotsna**  
Company Secretary  
Membership No. A63097

Place : CHENNAI  
Date : 30-05-2024

Place : CHENNAI  
Date : 30-05-2024

## Consolidated Statement of Cash flows for the year ended 31 March 2024

(All amounts in INR Lakhs, unless otherwise stated)

|  | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|--|-----------------------------|-----------------------------|
| <b>A. Cash flow from operating activities</b>                                    |                             |                             |
| <b>Profit before tax</b>   | <b>2,037.53</b>             | <b>1,283.45</b>             |
| Adjustments to reconcile net income to net cash provided by operating activities | -                           | -                           |
| Depreciation and amortization expense  | 34.42                       | 32.11                       |
| (Gain)/loss on sale of investments   | -                           | -                           |
| Interest expenses  | 1,677.32                    | 2,065.04                    |
| Loss on sale of fixed assets   | -                           | -                           |
| Other non operating income   | -                           | (46.80)                     |
| Interest and dividend income   | (1,244.99)                  | (1,985.18)                  |
| Other adjustments  | 116.00                      | 8,094.00                    |
| <b>Operating profit before working capital changes</b>                           | <b>2,620.28</b>             | <b>9,442.63</b>             |
| <b>Changes in assets and liabilities</b>   |                             |                             |
| Adjustments for working capital changes  |                             |                             |
| (Increase) / Decrease in Inventories   | 1,300.90                    | (3,905.98)                  |
| (Increase) / Decrease in trade receivables                                       | 1,093.15                    | (74.87)                     |
| Decrease / (Increase) in other financial assets                                  | 3,059.30                    | 607.80                      |
| Decrease in other assets   | (807.00)                    | 11,218.36                   |
| (Decrease) / Increase in trade payables  | 423.22                      | (1,929.79)                  |
| (Decrease) / Increase in long term provisions                                    | 28.53                       | 24.72                       |
| Increase / (Decrease) in other financial liabilities                             | (749.78)                    | (2,727.78)                  |
| Increase / (Decrease) in other current liabilities                               | (3,244.38)                  | (332.66)                    |
| <b>Cash generated from/(used) in operating activities</b>                        | <b>3,724.23</b>             | <b>12,322.43</b>            |
| Direct taxes paid, net   | (687.39)                    | 2,422.02                    |
| <b>Net cash generated from/(used) in operating activities</b>                    | <b>3,036.83</b>             | <b>14,744.45</b>            |
| <b>B. Cash flow from investing activities</b>                                    |                             |                             |
| Purchase of fixed Assets   | (68.23)                     | (37.73)                     |
| Sale of fixed Assets   | -                           | -                           |
| Interest/Dividend received during the year                                       | 1,239.06                    | 1,985.18                    |
| Other non - operating income   |                             | 46.80                       |
| Purchase of investment   | (131.63)                    | -                           |
| Proceeds from sale of investment   | 5.93                        | 13.70                       |
| <b>Net cash generated from investing activities</b>                              | <b>1,045.13</b>             | <b>2,007.95</b>             |

|   | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|---|-----------------------------|-----------------------------|
| <b>C. Cash flow from financing activities</b>     |                             |                             |
| Fresh loans taken                                 | (2,843.08)                  | (15,676.53)                 |
| Loans received back / (given)                     | (1,592.91)                  | 3,092.89                    |
| Interest & finance charges                        | (1,677.32)                  | (2,065.04)                  |
| <b>Net cash (used) in financing activities</b>    | <b>(6,113.33)</b>           | <b>(14,648.68)</b>          |
| <b>D. Net change in cash and cash equivalents</b> | <b>(2,031.36)</b>           | <b>2,103.72</b>             |
| E. Cash and cash equivalents at the beginning     | 2,602.87                    | 499.15                      |
| F. Cash and cash equivalents at the end           | 571.51                      | 2,602.87                    |
| <b>Cash and cash equivalents include</b>          |                             |                             |
| Cash on hand                                      | 80.07                       | 56.22                       |
| Balances with banks                               |                             |                             |
| - in current accounts                             | 491.44                      | 2,546.65                    |
| <b>Cash and cash equivalents as per note 10</b>   | <b>571.51</b>               | <b>2,602.87</b>             |

In terms of our report attached

For and on behalf of the Board of Directors of  
**Arihant Foundations and Housing Limited**

**For B.P. JAIN & Co**  
Chartered Accountants  
Firm's Registration No.: 050105S

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

**Kamal Lunawath**  
Managing Director  
DIN : 00087344

**Vimal Lunawath**  
Whole Time Director  
DIN : 00586269

**Mary Belinda Jyotsna**  
Company Secretary  
Membership No. A63097

Place : CHENNAI  
Date : 30-05-2024

Place : CHENNAI  
Date : 30-05-2024

## consolidated statement of changes in equity for the period ended 31 March 2024

(All amounts in INR Lakhs, unless otherwise stated)

### A. Equity share capital

| Particulars                                     | Amount        |
|---|---------------|
| <b>Balance as at 31 March 2023</b>              | <b>860.00</b> |
| Changes in equity share capital during the year | -             |
| <b>Balance as at 31 March 2024</b>              | <b>860.00</b> |

### B. Other Equity

| Particulars  | Reserves and surplus |                       |                      | Total         | Accumulated<br>other<br>comprehensive<br>income | Total |
|--|----------------------|-----------------------|----------------------|---------------|---|-------|
|  | General<br>reserve   | Securities<br>premium | Retained<br>earnings |               |   |       |
| Balances at March 31, 2023                                 | 883.09               | 5,706.50              | 10,099.54            | 241.58        | 16,930.71                                       |       |
| Transfer from statement of<br>profit and loss              | -                    | -                     | 1,350.13             | -             | 1,350.13  | -     |
| Other comprehensive<br>income for the year (net of<br>tax) | -                    | -                     | -                    | (1.84)        | (1.84)  | -     |
| Other Adjustments  | -                    | -                     | 10.10                | -             | 10.10   | -     |
| <b>Balances at March 31,<br/>2024</b>                      | <b>883.09</b>        | <b>5,706.50</b>       | <b>11,459.77</b>     | <b>239.74</b> | <b>18,289.10</b>                                | -     |

In terms of our report attached

For and on behalf of the Board of Directors of  
**Arihant Foundations and Housing Limited**

**For B.P. JAIN & Co**  
Chartered Accountants  
Firm's Registration No.: 050105S

**Devendra Kumar Bhandari**  
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**Kamal Lunawath**  
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DIN : 00586269

**Mary Belinda Jyotsna**  
Company Secretary  
Membership No. A63097

Place : CHENNAI  
Date : 30-05-2024

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## Notes to consolidated financial statements

(All amounts in INR Lakhs, unless otherwise stated)

### 1. Background

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

### 2. Summary of significant accounting policies

#### a) Basis of preparation and presentation of financial statements

##### i) Accounting convention

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

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

##### ii) Basis of measurement

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

##### iii) Principles of consolidation

#### Subsidiaries

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

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

#### Associates

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

#### Joint arrangements

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

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

### iii) Principles of consolidation (Continued)

#### Equity Method

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

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

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

#### b) Use of estimates

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

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

#### Significant management judgements

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

#### Classification of leases

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

#### Recognition of deferred tax assets

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

#### Evaluation of indicators for impairment of assets

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

#### Recoverability of advances / receivables

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

**Useful lives of depreciable / amortisable assets**

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

**Defined benefit obligation (DBO)**

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

**Fair value measurements**

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

**c) Current versus non-current classification**

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

**d) Property, plant and equipment**

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

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

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognised in the statement of profit and loss.

Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

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

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

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

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

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

#### e) Intangible assets

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

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

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

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

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

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

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

#### g) Revenue recognition

##### Revenue from projects

Revenue from sale of properties is recognised when it is probable that the economic benefits will flow to the Company and it can be reliably measured, which coincides with entering into a legally binding agreement.

Revenue is measured at the fair value of the consideration received/receivable net of rebate and taxes.

Revenue from sale of undivided share of land (UDS) in qualifying projects where the risks and rewards on the sale of the UDS are separable from the risks and rewards on the construction contract is recognized upon the transfer of all significant risks and rewards of ownership of such real estate, as per the terms of the contracts entered into with the buyers, which coincides with the firming of the sales contracts/agreements and a minimum level of collection of dues from the customer.

Revenue from the sale of UDS on other projects where the risk and rewards on the sale of the UDS are not separable from the construction contracts and therefore do not qualify above are recognized on the percentage of completion method.

In accordance with the “Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable)” (guidance note) all projects where revenue is recognized for the first time, construction revenue on such projects have been recognized on percentage of completion method provided the following thresholds have been met:

- (a) all critical approvals necessary for the commencement have been obtained;
- (b) the expenditure incurred on construction and development costs is not less than 25 percent of the total estimated construction and development costs;
- (c) at least 25 percent of the saleable project area is secured by agreements with buyers; and
- (d) at least 10 percent of the agreements are realized at the reporting date in respect of such contracts.

The Company has adopted Ind AS 115 “Revenue from Contracts with Customers” effective April 1, 2018. Ind AS 115 supersedes Ind AS 11 “Construction Contracts” and Ind AS 18 “Revenue”. The Company has applied Ind AS 115 using the modified retrospective method and the cumulative impact of transition to Ind AS 115 has been adjusted against the Retained earnings as at April 1, 2018. Accordingly, the figures of the previous year are not restated under Ind AS 115.

The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Profit & Loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

**Significant judgments are used in:**

1. Determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.
2. Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

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

1. Cost plus contracts: Revenue from cost plus contracts is recognized over time and is determined with reference to the extent performance obligations have been satisfied. The amount of transaction price allocated to the performance obligations satisfied represents the recoverable costs incurred during the period plus the margin as agreed with the customer.
2. Fixed price contracts: Contract revenue is recognised over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognised at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

**Rental income**

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

**Interest income**

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

**g) Revenue recognition (Continued)****Dividend income**

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

**h) Inventories****Raw materials**

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

**Properties under development**

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

**Properties held for sale**

Completed properties held for sale are stated at the lower of cost and net realizable value. Cost includes cost of land, construction related overhead expenditure, borrowing costs and other costs incurred during the period of development.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

**Properties held for development**

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

**i) Employee benefits**

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

**Defined contribution plan**

The Group's contribution to provident fund is charged to the statement of profit and loss or inventorized as

a part of project under development, as the case may be. The Group's contributions towards provident fund are deposited with a government administered fund, in accordance with Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

### **Defined benefit plan**

#### **(i) Gratuity**

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

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

Service cost on the Group's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Net interest expense on the net defined benefit liability is included in finance costs.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period.

### **Short-term employee benefits**

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

#### **j) Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2016 (date of transition to Ind AS), the group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

#### **j) Leases (Continued)**

##### **Finance Lease**

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

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

##### **Operating Lease**

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

## **k) Foreign currency transactions**

### **Functional and presentation currency**

The functional currency of the Group is the Indian Rupee (₹). These financial statements are presented in Indian Rupees (₹) Transactions and balances

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

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

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

### **l) Borrowing costs**

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

### **m) Government Grants**

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

### **n) Income taxes**

Income tax expense comprises current and deferred income tax. Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

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

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

### **n) Income taxes (Continued)**

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

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

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

## **o) Provisions and contingencies**

### **Provisions**

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

### **Contingent liabilities**

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

### **Contingent assets**

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

## **p) Financial instruments**

### **Financial assets**

#### **Initial recognition and measurement**

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

#### **Subsequent measurement**

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

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

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

#### **(i) Financial asset at amortised cost**

Includes assets that are held within a business model where the objective is to hold the financial assets to collect contractual cash flows and the contractual terms gives rise on specified dates to cash flows that are solely

payments of principal and interest on the principal amount outstanding.

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

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

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

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

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

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

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

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

**De-recognition of financial assets**

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

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

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

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

### **Financial liabilities**

Initial recognition and measurement

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

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

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

### **Subsequent measurement**

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

Financial liabilities at fair value through profit or loss

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

### **Financial liabilities (Continued)**

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

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

### **Loans and borrowings**

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### **Derecognition of financial liabilities**

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

### **Offsetting of financial instruments**

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

#### **q) Impairment of financial assets**

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

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

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

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity uses the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

#### **Trade receivables**

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

#### **Other financial assets**

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

#### **r) Fair value measurement**

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

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

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

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

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

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

#### **s) Fair value measurement (Continued)**

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

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

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

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

#### **s) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

#### **t) Segment reporting**

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

#### **u) Earnings/ (Loss) per Share (EPS)**

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

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

#### **v) Cash flow statement**

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

## Notes to consolidated financial statements

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

### 3. Property, plant and equipment and Intangible assets

|   | Property, plant and equipment |                    |                     |                         |                     |                  |          |          | Intangible assets |
|---|-------------------------------|--------------------|---------------------|-------------------------|---------------------|------------------|----------|----------|-------------------|
|   | Land                          | Freehold Buildings | Leasehold Buildings | Furnitures and Fixtures | Plant and Equipment | Office Equipment | Vehicles | Total    | Computer software |
| Balance as at 31 March 2023                       | 147.48                        | 606.88             | 57.95               | 320.10                  | 150.59              | 144.72           | 467.59   | 1,895.32 | 44.14             |
| Additions   |                               |                    |                     | 6.46                    | 16.76               | 14.92            | 30.09    | 68.23    | -                 |
| Appropriation                                     | -                             | -                  | -                   | -                       | -                   | -                | -        | -        | -                 |
| Disposals   | -                             | -                  | -                   | -                       | -                   | -                | -        | -        | -                 |
| Balance as at 31 March 2024                       | 147.48                        | 606.88             | 57.95               | 326.56                  | 167.35              | 159.64           | 497.67   | 1,963.54 | 44.14             |
| Accumulated depreciation/ amortization            |                               |                    |                     |                         |                     |                  |          |          |                   |
| Balance as at 31 March 2023                       | -                             | 163.51             | 17.30               | 242.05                  | 114.19              | 107.98           | 378.00   | 983.96   | 43.92             |
| Depreciation/ amortization charge during the year |                               |                    | 1.14                | 8.71                    | 2.33                | 9.37             | 12.68    | 34.24    | 0.17              |
| Reversal on disposal of assets                    |                               |                    | 0.36                |                         |                     |                  |          | 0.36     |                   |
| Balance as at 31 March 2024                       | -                             | 163.51             | 18.80               | 250.76                  | 116.52              | 117.35           | 390.68   | 1,018.55 | 44.09             |
| Net block   |                               |                    |                     |                         |                     |                  |          |          |                   |
| Balance as at 31 March 2023                       | 147.48                        | 443.37             | 40.65               | 78.06                   | 36.40               | 36.75            | 89.59    | 872.29   | 0.22              |
| Balance as at 31 March 2024                       | 147.48                        | 443.37             | 39.15               | 75.80                   | 50.83               | 42.29            | 107.00   | 905.92   | 0.05              |

#### 3.1 Goodwill

The summary of changes in the carrying amount of goodwill is as follows :

| Particulars                   | As on 31 March 2024 | As on 31 March 2023 |
|-------------------------------|---------------------|---------------------|
| Goodwill on business transfer | 1,155.00            | 1,155.00            |
| Carrying Value at the end     | 1,155.00            | 1,155.00            |

## Notes to consolidated financial statements

(All amounts in INR Lakhs, unless otherwise stated)

|  | As at<br>31-Mar-24<br>₹ | As at<br>31-Mar-23<br>₹ |
|--|-------------------------|-------------------------|
| <b>Financials assets</b>   |                         |                         |
| <b>4. Non - Current Investment</b>   |                         |                         |
| Investment in equity & preference instruments(fully paid-up)   |                         |                         |
| Unquoted   |                         |                         |
| i) Joint Controlled Entity   | 2,430.00                | 2,430.00                |
| Arihant Unitech Realty Projects Ltd.<br>“(5,00,000 Equity shares of ₹ 10/- Each fully paid)<br>23,800,000 0.05% compulsorily convertible preference shares of Arihant Unitech Realty Projects Limited of ₹ 10 each.)”<br>(23,800,000 0.05% compulsorily convertible preference shares of Arihant Unitech Realty Projects Limited of ₹ 10 each) |                         |                         |
| Mangalagiri Realty Projects Pvt Ltd<br>(2,72,210 Equity shares of R.10/- Each Fully Paid Up)   | 27.22                   | 27.22                   |
|  | <b>2,457.22</b>         | <b>2,457.22</b>         |
| Investment in Debentures   | 177.39                  | 177.39                  |
| Mangalagiri Realty Projects Pvt Ltd<br>(1,77,394 Optionally Redeemable Convertible Debentures of ₹ 100/- Each)   |                         |                         |
| Investment in Partnership Firms  |                         |                         |
| Arihant Heirloom   | 656.49                  | 656.55                  |
| CRS Properties   | 5.00                    |                         |
| Investment in LLP  | 0.03                    | 0.03                    |
| KR Wind Energy LLP   |                         |                         |
|  | <b>3,296.13</b>         | <b>3,291.19</b>         |
| Investments carried at fair value through other comprehensive income   |                         |                         |
| Investments in other companies (fully paid-up)   |                         |                         |
| Quoted- Non Trade  |                         |                         |
| Hindustan Construction Company Ltd<br>(500 Shares of ₹ 45.53 Each Fully Paid Up:)  | 0.23                    | 0.23                    |
| IDBI Bank Ltd<br>(500 Shares of ₹ 156.20 Each Fully Paid Up)   | 0.78                    | 0.78                    |
| Indotech Transformers<br>(691 Equity Shares of ₹ 130.19 Each Fully Paid up)  | 0.90                    | 0.90                    |
| TVS Shriram Growth Fund 3  | 5.26                    | 5.26                    |
|  | <b>7.16</b>             | <b>7.16</b>             |
| Unquoted- Non Trade  | 1.15                    | 1.15                    |
| North Town Estates Pvt Ltd<br>(11,500 Equity shares of ₹ 10/- Each Fully Paid Up)  |                         |                         |
| National Savings Certificate   | 0.05                    | 0.05                    |
|  | 8.36                    | 8.36                    |
| <b>Grand Total (A+B)</b>   | <b>3,304.50</b>         | <b>4,454.55</b>         |

|   | As at<br>31-Mar-24<br>₹ | As at<br>31-Mar-23<br>₹ |
|---|-------------------------|-------------------------|
| Aggregate amount of:  |                         |                         |
| -Quoted investments and market value thereof;                               | 7.16                    | 7.16                    |
| -Unquoted investments   | 3,297.33                | 4,447.39                |
| -Provision for diminution in value of investments other than temporary      | -                       | -                       |
| <b>4. Current Investment</b>  |                         |                         |
| <b>Investments carried at fair value through other comprehensive income</b> |                         |                         |
| <b>Investments in other companies (fully paid-up)</b>                       |                         |                         |
| <b>Quoted- Non Trade</b>  |                         |                         |
| Aditya Birla Sun Life   | 54.61                   | 3.51                    |
| CRS Properties Pvt.ltd.   | 77.73                   | 2.14                    |
|   | 132.34                  | 5.65                    |
| <b>5. Trade receivables</b>   |                         |                         |
| <b>(Unsecured considered good, unless stated otherwise)</b>                 |                         |                         |
| <b>Non-current</b>  | 2,613.18                | 3,667.49                |
| Trade receivables   | <b>2,613.18</b>         | <b>3,667.49</b>         |
| <b>Current</b>  |                         |                         |
| Trade receivables   |                         |                         |
| -exceeding six months   | 1,974.93                | 2,500.11                |
| -less than six months   | 2,015.46                | 1,727.95                |
| Debts due by Related parties  | 406.97                  | 208.14                  |
|   | <b>4,397.36</b>         | <b>4,436.20</b>         |

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

All of the Company's trade receivables have been reviewed for indicators of impairment by the management and no receivables were found to be impaired.

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

**Trade Receivables ageing schedule as at 31st March,2024**

| Particulars  | Outstanding for the following periods from the due dates |                   |           |           |                   | Total    |
|--|--|-------------------|-----------|-----------|-------------------|----------|
|  | Less than 6 months                                       | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |          |
| Undisputed Trade Receivables - considered good     | 2,015.46   | 1,974.93          | 1,510.07  | 1,057.05  | 453.02            | 7,010.54 |
| Undisputed Trade Receivables - considered doubtful | -  | -                 | -         | -         | -                 | -        |
| Disputed Trade Receivables - considered good       | -  | -                 | -         | -         | -                 | -        |
| Disputed Trade Receivables - considered doubtful   | -  | -                 | -         | -         | -                 | -        |

**Trade Receivables ageing schedule as at 31st March,2023**

| Particulars  | Outstanding for the following periods from the due dates |                   |           |           |                   | Total    |
|--|--|-------------------|-----------|-----------|-------------------|----------|
|  | Less than 6 months                                       | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |          |
| Undisputed Trade Receivables - considered good     | 1,727.95   | 2,500.11          | 1,937.82  | 1,356.47  | 581.34            | 8,103.69 |
| Undisputed Trade Receivables - considered doubtful | -  | -                 | -         | -         | -                 | -        |
| Disputed Trade Receivables - considered good       | -  | -                 | -         | -         | -                 | -        |
| Disputed Trade Receivables - considered doubtful   | -  | -                 | -         | -         | -                 | -        |

|  | As at 31-Mar-24<br>₹ | As at 31-Mar-23<br>₹ |
|--|----------------------|----------------------|
| <b>6. Loan</b>   |                      |                      |
| Non Current<br>(Unsecured, considered good)<br>Other parties                           | 2,332.81             | 809.85               |
|  | <b>2,332.81</b>      | <b>809.85</b>        |
| <b>7. Other financial assets</b><br>(Unsecured, considered good)<br><b>Non-current</b> |                      |                      |
| Security deposits  | 5,913.25             | 7,760.50             |
| Prepaid Finance Cost   | 1,819.99             | 3,227.50             |
|  | <b>7,733.24</b>      | <b>10,988.00</b>     |
| <b>Current</b>   |                      |                      |
| Other deposits   | 259.80               | 83.17                |
| Reimbursement Receivable   | 22.48                | 3.65                 |
|  | <b>282.28</b>        | <b>86.82</b>         |

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

|   | As at<br>31-Mar-24<br>₹   | As at<br>31-Mar-23<br>₹ |
|---|---------------------------|-------------------------|
| <b>8. Deferred tax assets (net)</b>                             |                           |                         |
| Net deferred tax assets   | 634.79                    | 635.88                  |
| <b>9. Inventories</b>   |                           |                         |
| (valued at lower of cost and net realizable value)              |                           |                         |
| Work in progress  | 12,008.18                 | 13,263.01               |
| Project under development                                       | 190.53                    | 236.60                  |
|   | <b>12,198.71</b>          | <b>13,499.60</b>        |
| <b>10. Cash and bank balances</b>                               |                           |                         |
| <b>Cash and cash equivalents</b>                                |                           |                         |
| Cash on hand  | 80.07                     | 56.22                   |
| Balances with banks in current accounts                         | 491.44                    | 2,546.65                |
|   | (A) <b>571.51</b>         | <b>2,602.87</b>         |
| Bank balances other than mentioned in cash and cash equivalents |                           |                         |
| Deposit accounts  | 341.07                    | 297.31                  |
|   | (B) 341.07                | 297.31                  |
|   | Total (A+B) <b>912.58</b> | <b>2,900.18</b>         |
| <b>11. Loan</b>   |                           |                         |
| <b>Current</b>  |                           |                         |
| Other loans   | 2,709.05                  | 2,639.10                |
|   | <b>2,709.05</b>           | <b>2,639.10</b>         |
| <b>12. Current tax asset (Net)</b>                              |                           |                         |
| Income tax assets (Net)   | -                         | 61.64                   |
|   | -                         | <b>61.64</b>            |
| <b>13. Other current assets</b>                                 |                           |                         |
| (Unsecured, considered good)                                    |                           |                         |
| Advance for Immovable Property                                  | 567.16                    | 567.16                  |
| Balances with government authorities                            | 158.17                    | 193.63                  |
| Advance given to suppliers and others                           | 3,253.41                  | 2,689.97                |
| Unaccrued Selling Expenses                                      | 41.79                     | -                       |
| Project in Progress On which revenue is recognised              | -                         | -                       |
| Advance given to employees                                      | 87.39                     | 28.73                   |
| Prepaid expenses  | 14.33                     | 13.84                   |
| Other Receivables   | 807.13                    | 629.04                  |
|   | <b>4,929.37</b>           | <b>4,122.37</b>         |

|   | As at 31 March 2024 |          | As at 31 March 2023 |          |
|---|---------------------|----------|---------------------|----------|
|   | Number              | Amount   | Number              | Amount   |
| <b>14. Equity share capital</b>   |                     |          |                     |          |
| Authorized<br>1,00,00,000 equity shares of Rs.10/- each                                       | 10,000,000          | 1,000.00 | 10,000,000          | 1,000.00 |
| Issued, subscribed and fully paid up<br>86,00,000 equity shares of Rs.10/- each fully paid up | 8,600,000           | 860.00   | 8,600,000           | 860.00   |
|   | 8,600,000           | 860.00   | 8,600,000           | 860.00   |

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

**b. Terms/right attached to equity shares**

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

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

|  | Nos.       | % holding | Nos.       | % holding |
|--|------------|-----------|------------|-----------|
| Equity Shares of ₹ 10 each                   |            |           |            |           |
| Smt. Snehalatha Lunawath                     | -          | -         | 1407000.00 | 16.36%    |
| Smt. S. Jayalakshmi                          | 796202.00  | 9.26%     | 796202.00  | 9.26%     |
| Mr. Kamal Lunawath                           | 1452600.00 | 16.89%    | 749100.00  | 8.71%     |
| Mr. Vimal Lunawath                           | 1399900.00 | 16.28%    | 696400.00  | 8.10%     |
| Taj Foundation Private Limited               | 690000.00  | 8.02%     | 690000.00  | 8.02%     |
| Ocean Dial Asset Management Ltd A/c ICGQ Ltd | -          | -         | 592400.00  | 6.89%     |
| Victory Financial Services Pvt Ltd           | 682307.00  | 7.93%     | -          | -         |

d. There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and buy back of shares during the last 5 years immediately preceding 31 March 2023.

**e. Capital management policies and procedures**

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

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

|                                | As at<br>31-Mar-24 | As at<br>31-Mar-23 |
|--------------------------------|--------------------|--------------------|
| <b>Borrowings</b>              | 11,131.66          | 13,608.38          |
| Cash and bank balances         | 912.58             | 2,900.18           |
| <b>Net debt (A)</b>            | <b>10,219.07</b>   | <b>10,708.19</b>   |
| <b>Total equity (B)</b>        | <b>19,149.10</b>   | <b>17,790.71</b>   |
| <b>Overall financing (A+B)</b> | <b>29,368.17</b>   | <b>28,498.90</b>   |
| <b>Gearing ratio</b>           | <b>35%</b>         | <b>38%</b>         |

**15. Other Equity**

|  | As at<br>31-Mar-24<br>₹ | As at<br>31-Mar-23<br>₹ |
|--|-------------------------|-------------------------|
| Securities premium account   | 5,706.50                | 5,706.50                |
| Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act. |                         |                         |
| <b>General reserve</b>   | <b>883.09</b>           | <b>883.09</b>           |
| <b>Retained earnings</b>   |                         |                         |
| Balance at the beginning of the year   | 10,099.54               | 4,045.62                |
| Add : Transfer from statement of profit and loss   | 1,350.13                | 997.20                  |
| Adjustments on accounts of Fair Value  | 10.10                   | 5,056.72                |
| Balance at the end of the year   | <b>11,459.77</b>        | <b>10,099.54</b>        |
| <b>Accumulated other comprehensive income</b>  |                         |                         |
| Balance at the beginning of the year   | 241.58                  | 235.17                  |
| Add : Movement during the year   | (1.84)                  | 6.41                    |
| Balance at the end of the year   | <b>239.74</b>           | <b>241.58</b>           |
| <b>Total: Other Equity</b>   | <b>18,289.10</b>        | <b>16,930.71</b>        |

**16, Borrowings**

|  | As at<br>31-Mar-24<br>₹ | As at<br>31-Mar-23<br>₹ |
|--|-------------------------|-------------------------|
| Non-current  |                         |                         |
| Secured  |                         |                         |
| Term Loan  |                         |                         |
| -from bank   | 414.91                  | 2,488.96                |
| -from others   | 7,274.13                | 8,764.81                |
|  | 2,206.02                | 2,671.68                |
|  | <b>9,895.07</b>         | <b>13,925.45</b>        |
| Less: Current maturities of long-term debt (Also, refer note 20) | (453.75)                | (1,779.48)              |
|  | <b>(A) 9,441.32</b>     | <b>12,145.97</b>        |
| Unsecured  |                         |                         |
| From others  |                         |                         |
| Loans from related parties                                       | 2,297.25                | 1,923.80                |
| Deposits   | 70.75                   | 420.75                  |
| Other Loan   | 360.23                  | 434.22                  |
| Deferred Income on Loans   | 162.10                  | 249.21                  |
|  | 2,890.34                | 3,027.97                |
| Less: Current maturities of long-term debt (Also, refer note 20) | (1,200.00)              | (1,565.56)              |
|  | <b>(B) 1,690.34</b>     | <b>1,462.41</b>         |
| <b>TOTAL (A+B)</b>   | <b>11,131.66</b>        | <b>13,608.38</b>        |

|  | As at<br>31-Mar-24<br>₹ | As at<br>31-Mar-23<br>₹ |
|--|-------------------------|-------------------------|
| Current<br>Unsecured<br>From others<br>Loans | 657.59                  | 500.00                  |
|  | <b>657.59</b>           | <b>500.00</b>           |

**A. From Banks - Term Loans**

| Particulars   | Interest Rate | Amount Outstanding |                 |
|---|---------------|--------------------|-----------------|
|   |               | 31 March 2024      | 31 March 2023   |
| <b>ICICI BANK LTD</b><br>Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothecation of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company.<br>Repayment - Sanctioned amount Rs.21,00,00,000/- Fifteen monthly instalment of ₹ 1,40,00,000/-                   | 12.30%        | -0.14              | 1,417.17        |
| <b>PUNJAB NATIONAL BANK</b><br>Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothecation of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company.<br>Repayment - Sanctioned amount RS.9,30,00,000/- One hundred and twenty monthly instalment of ₹ 16,87,145/- |               | 155.20             | 833.54          |
| <b>ICICI BANK</b><br>Secured against the Flat for which the loan has been taken.<br>Repayment-'Two Hundred and Forty monthly variable installements of Rs.2,20,928/- starts on full withdrawal of Rs. 2,50,00,000/- ( Rs.2,37,50,000/- withdrawn from loan as on balance sheet date)  | 8.75%         | 237.50             | 237.50          |
| <b>AXIS BANK</b><br>Secured against the vehicle for which the loan has been taken.<br>Repayment-'Thirty Six monthly installements of Rs.19,110/- starting from 02-01-2016 ( Nine monthly installment payable as on balance sheet date)  | 9.35%         |                    | 0.75            |
| <b>ICICI BANK</b><br>Secured against the vehicle for which the loan has been taken.<br>Repayment-'Sixty monthly installements of Rs.47,013/- starting from 10-05-2024   | 9.40%         | 22.35              |                 |
| <b>Total (A)</b>  |               | <b>414.91</b>      | <b>2,488.96</b> |

**B. Others - Term Loans  
from others**

| Particulars   | Interest Rate | Amount Outstanding |               |
|---|---------------|--------------------|---------------|
|   |               | 31 March 2024      | 31 March 2023 |
| <b>Hinduja Leyland Finance Ltd</b><br>Secured against the land for which the loan has been taken.<br>Repayment-' One hundred and twenty monthly installements of Rs.2108932/- | 12.00%        | 282.59             | 347.74        |

| Particulars   | Interest Rate | Amount Outstanding |               |
|---|---------------|--------------------|---------------|
|   |               | 31 March 2024      | 31 March 2023 |
| HDFC LTD:<br>Secured by way of equitable mortgage on certain immovable properties, owned by Associate company. Further the loan has been guaranteed by way of personal guarantee of the directors of the company. The date of commencement of loan is 31-07-21  |               |                    |               |
| Bajaj Finance Ltd: 15.75 CR Loan<br>Secured by way of equitable mortgage on certain immovable properties, owned by the company Further the loan has been guaranteed by way of personal guarantee of the directors of the company. Repayment 149 instalments of varying EMI. EMI starting 02-08-2015. 77 instalments are outstanding as on the balance sheet date.                                       | 14.85%        | 37.66              | 44.14         |
| 16. Bajaj Finance Ltd 1.25 cr:  | 14.85%        | 57.40              | 67.98         |
| TATA CAPITAL HOUSING FINANCE LTD<br>Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothecation of certain project receivables. Sanctioned amount Rs.45,00,00,000/-. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Twenty four monthly instalment of RS.1,87,50,000/-                     | 12.00%        | 798.80             | -             |
| TATA CAPITAL HOUSING FINANCE LTD<br>Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothecation of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment - Sanctioned amount Rs.10,00,00,000/- Twenty four instalment of ₹ 41,66,667                       | 13.20%        | 999.88             | 503.12        |
| TATA CAPITAL HOUSING FINANCE LTD<br>Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothecation of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment - Sanctioned amount Rs.15,00,00,000/- Twelve monthly instalment of ₹ 1,25,00,000/-                | 13.20%        | 300.00             | 0.00          |
| Aditya Birla Finance Ltd -<br>Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothecation of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment - Sanctioned amount of Rs.35,00,00,000/- repayable in Forty eight monthly instalments of Rs.72,91,651/- | 11.75%        | 1,049.72           | 3,500.00      |
| Aditya Birla Finance Ltd -<br>Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothecation of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment - Sanctioned amount of Rs.25,00,00,000/- repayable in Eighteen monthly instalment of Rs.1,38,88,887     | 12.00%        | 900.00             | -             |
| Aditya Birla Finance Ltd -<br>Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothecation of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment - Sanctioned amount of Rs.342,00,000/- repayable in one hundred and eighty monthly variable EMI         | 10.00%        | 341.23             | -             |

| Particulars   | Interest Rate | Amount Outstanding |                  |
|---|---------------|--------------------|------------------|
|   |               | 31 March 2024      | 31 March 2023    |
| <p>Bajaj Housing Finance Ltd -<br/>Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothecation of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment - Sanctioned amount of Rs.500,00,000/- repayable in Twenty four monthly instalment of Rs.2083333/- from November 2021.</p> | 14.75%        | -                  | 52.39            |
| <p>KOTAK MAHINDRA INVESTMENT LTD<br/>Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothecation of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment - Sanctioned amount Rs.28,00,00,000/- Eighteen monthly instalment of ₹ 1,55,55,556/-</p>                                 | 12.25%        | -                  | 1,577.30         |
| <p>Kotak Mahindra Prime Ltd - Ertiga Car<br/>Secured by way mortgage on Car Repayment - Sanctioned amount of Rs.750000/- repayable in Sixty instalment of Rs.15660/- from February 2019. Repayment - 35 instalments payable</p>   | 9.20%         | -                  | 1.50             |
| <p>CHOLAMANDALAM INVESTMENT AND FINANCE CO LTD<br/>Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothecation of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment - Sanctioned amount RS.2,57,00,000/- One hundred and eighty monthly instalment of ₹ ,276,174/-</p>         | 10.00%        | 247.83             | 255.75           |
| <p>SUNDARAM HOME FINANCE LTD<br/>Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothecation of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment - Sanctioned amount RS.1,99,00,000/- One hundred and eighty monthly instalment of ₹ ,224,935/-</p>                           | 11.20%        | 192.26             | 197.36           |
| <p>HINDUJA LEYLAND FINANCE LTD<br/>Secured by way of equitable mortgage on certain immovable properties, owned by the company and hypothecation of certain project receivables. Further the loan has been guaranteed by way of personal guarantee of the Managing Director of the Company. Repayment - Sanctioned amount RS.12,00,00,000/- One hundred and twenty monthly instalment of ₹ 16,87,145/-</p>                       | 11.50%        | -                  | 774.15           |
| <p>Others:<br/>Secured against the asset/ property for which the loan has been obtained</p>   | 9% to 15%     | 1,438.18           | 1,443.37         |
| <b>Total</b>  | <b>B</b>      | <b>7,274.13</b>    | <b>8,764.81</b>  |
| <b>Grand Total</b>  |               | <b>7,689.04</b>    | <b>11,253.77</b> |

**17. Provisions**  
**Non-current**

|                                  | As at<br>31-Mar-24<br>₹ | As at<br>31-Mar-23<br>₹ |
|----------------------------------|-------------------------|-------------------------|
| Provisions for employee benefits | 161.04                  | 139.02                  |
| Gratuity                         | <b>161.04</b>           | <b>139.02</b>           |

**Provision for employee benefits**
**i) Gratuity**

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

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

| Principal actuarial assumptions used:      |       |       |
|--|-------|-------|
| a) Discount rate                           | 7.22% | 6.96% |
| b) Long-term rate of compensation increase | 12%   | 12%   |
| c) Attrition rate                          | 1%    | 1%    |

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

**18. Other Non Current Liabilities**

|                  | As at<br>31-Mar-24<br>₹ | As at<br>31-Mar-23<br>₹ |
|------------------|-------------------------|-------------------------|
| Security deposit | 297.20                  | 821.16                  |
|                  | <b>297.20</b>           | <b>821.16</b>           |

The Company had entered into a Joint Development Agreement (JDA 1) dated 3 December 2014 with Ashiana Housing Limited ('AHL') for construction and development of housing establishments for senior citizens and/or regular housing in accordance with applicable laws and approved building plans within a period of five year. In accordance with the above JDA 1, the Company has granted developmental rights to AHL and has accepted interest free, adjustable deposits amounting to ₹ 250,000,000 from AHL upon execution of the JDA 1 agreement. As per JDA 1, the Company will get a specified percentage of gross revenue receipts, earned by AHL as its revenue share. A portion of Company's revenue share will be adjusted against the security deposit.

**19. Trade payables**

|                                      | As at<br>31-Mar-24<br>₹ | As at<br>31-Mar-23<br>₹ |
|--------------------------------------|-------------------------|-------------------------|
| Current                              |                         |                         |
| Dues to micro and small enterprises* | 23.27                   | -                       |
| Dues to others                       | <b>4,921.76</b>         | <b>4,521.81</b>         |
|                                      | <b>4,945.02</b>         | <b>4,521.81</b>         |

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

**Trade Payables ageing schedule: As at 31st March 2024**

| Particulars            | Outstanding for the following periods from the due dates |           |           |                   | Total    |
|------------------------|--|-----------|-----------|-------------------|----------|
|                        | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |          |
| MSME                   | 23   |           | -         | -                 | 23       |
| Others                 | 3,937.40   | 984.35    |           |                   | 4,921.76 |
| Disputed dues - MSME   | -  |           | -         | -                 | -        |
| Disputed dues - Others | -  |           | -         | -                 | -        |

**Trade Payables ageing schedule: As at 31st March 2023**

| Particulars            | Outstanding for the following periods from the due dates |           |           |                   | Total    |
|------------------------|--|-----------|-----------|-------------------|----------|
|                        | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |          |
| MSME                   | -  |           |           | -                 | -        |
| Others                 | 3,617.45   | 904.36    |           |                   | 4,521.81 |
| Disputed dues - MSME   | -  |           |           | -                 | -        |
| Disputed dues - Others | -  |           |           | -                 | -        |

|   | As at<br>31-Mar-24<br>₹ | As at<br>31-Mar-23<br>₹ |
|---|-------------------------|-------------------------|
| <b>20. Other financial liabilities</b>      |                         |                         |
| Current                                     |                         |                         |
| Interest Accrued but not due                | 553.44                  | 300.55                  |
| Current maturities of long-term debt        | 2,356.86                | 3,345.04                |
| Statutory Dues payable                      | 4.54                    | 49.79                   |
| Employee dues payable                       | 77.71                   | 84.21                   |
| Other payables                              | 46.63                   | 9.36                    |
|   | <b>3,039.17</b>         | <b>3,788.96</b>         |
| <b>21. Other current liabilities</b>        |                         |                         |
| Statutory dues                              | 153.79                  | 144.53                  |
| Advance from customers and for projects     | 3,580.14                | 5,622.89                |
| Revenue received in advance                 | 24.78                   | 36.69                   |
| Other Payables                              | 1,006.76                | 2,205.73                |
|   | <b>4,765.47</b>         | <b>8,009.84</b>         |
| <b>17. Current</b>                          |                         |                         |
| Provisions for employee benefits            |                         |                         |
| Gratuity                                    | 6.51                    | -                       |
|   | <b>6.51</b>             | <b>-</b>                |
| <b>21A. Current tax liabilities (net)</b>   |                         |                         |
| Provision for taxation (net of advance tax) | 88.41                   |                         |
|   | <b>88.41</b>            |                         |

|  | As at<br>31-Mar-24<br>₹ | As at<br>31-Mar-23<br>₹ |
|--|-------------------------|-------------------------|
| <b>22. Revenue from operations</b>   |                         |                         |
| Sales  | 11,694.66               | 5,837.63                |
| Other Operating Revenues   | 713.56                  | 589.05                  |
|  | <b>12,408.21</b>        | <b>6,426.68</b>         |
| <b>23. Other income</b>  |                         |                         |
| Interest received  | 1,156.26                | 1,993.03                |
| Commission Received  | -                       | 33.72                   |
| Profit on Sale of Fixed Asset/ Investment  | 5.93                    | -                       |
| Miscellaneous income   | 2.48                    | 5.22                    |
| Share of Profit from Firms   | 80.39                   | -                       |
|  | <b>1,164.66</b>         | <b>2,031.98</b>         |
| <b>24. Construction And Project Expenses</b>   |                         |                         |
| Cost of land   | 10.74                   | 1,921.01                |
| Cost of constructed properties   | -                       | 31.71                   |
| Materials  | 906.20                  | 1,170.81                |
| Labour & sub-contract expenses   | 1,426.34                | 1,387.57                |
| Legal expenses   | 483.79                  | 480.36                  |
| Marketing Expenses   | 12.13                   | 55.02                   |
| Consultancy charges  | 150.90                  | 105.18                  |
| Interest charges and other finance costs related to projects                         | 1,136.12                | 1,233.23                |
| Cost of plots and plot development right   | 65.46                   | 79.37                   |
| Other Project Expenses   | 2,614.48                | 967.31                  |
|  | <b>6,806.17</b>         | <b>7,431.56</b>         |
| <b>25. Changes In Inventories Of Materials, Work- In-Progress And Finished Goods</b> |                         |                         |
| a. Inventories at the beginning of the year  |                         |                         |
| i. Raw Materials   |                         |                         |
| ii. Work-in-progress   | 13,264.85               | 9,333.54                |
| iii. Finished goods  | -                       | -                       |
|  | <b>13,264.85</b>        | <b>9,333.54</b>         |
| b. Inventories at the end of the year  |                         |                         |
| i. Raw Materials   | -                       | -                       |
| ii. Work-in-progress   | 11,970.79               | 13,263.01               |
| iii. Finished goods  | -                       | -                       |
|  | 11,970.79               | 13,263.01               |
| <b>Net (increase) / decrease</b>   | <b>1,294.06</b>         | <b>-3,929.47</b>        |
| <b>26. Employees Benefit Expenses</b>  |                         |                         |
| Salaries & Wages   | 646.94                  | 555.58                  |
| Contribution to provident and other funds  | 42.11                   | 60.57                   |
| Staff Welfare  | 13.59                   | 10.63                   |
|  | <b>702.65</b>           | <b>626.77</b>           |
| <b>27. Finance costs</b>   |                         |                         |
| Interest expenses  | 1,656.67                | 2,065.47                |
| Bank Charges   | -                       | -                       |
| Processing Charges   | 20.65                   | -                       |
|  | <b>1,677.32</b>         | <b>2,065.47</b>         |

|  | As at<br>31-Mar-24<br>₹ | As at<br>31-Mar-23<br>₹ |
|--|-------------------------|-------------------------|
| <b>28. Depreciation And Amortization</b>                                 |                         |                         |
| Depreciation of assets (Also, refer note 3)                              | 34.42                   | 32.11                   |
|  | <b>34.42</b>            | <b>32.11</b>            |
| <b>29. Other expenses</b>  |                         |                         |
| Power & Fuel   | 19.99                   | 16.84                   |
| Rent   | 60.87                   | 50.92                   |
| Rates & Taxes  | 12.10                   | 20.48                   |
| Advertisement & Business Promotion                                       | 138.91                  | 223.68                  |
| Legal, Professional & Consultancy Charges                                | 127.07                  | 139.37                  |
| Travelling & Conveyance  | 13.24                   | 22.65                   |
| Repairs and maintenance:   |                         |                         |
| -Repairs & Office Maintenance  | 507.26                  | 381.32                  |
| -Vehicle Maintenance   | 2.34                    | 1.01                    |
| Telephone, Postage, Printing & Stationery                                | 9.79                    | 7.09                    |
| Donation   | -                       | -                       |
| Audit Fees   |                         |                         |
| - For Statutory Audit (Also refer note 33)                               | 15.32                   | 13.77                   |
| Share of Loss from Firms   | 0.07                    | 0.07                    |
| Miscellaneous expense  | 117.00                  | 71.56                   |
| Bank Charges   | 1.86                    | -                       |
| Marketing Expenses   | 64.29                   | -                       |
| CSR Activity   | 11.00                   | -                       |
|  | <b>1,101.13</b>         | <b>948.76</b>           |
| <b>30. Earnings per equity share (EPS)</b>                               |                         |                         |
| For profit for the year  | 1,350.13                | 997.20                  |
| Nominal value of equity shares   | 10.00                   | 10.00                   |
| Profit attributable to equity shareholders (A)                           | 1,350.13                | 997.20                  |
| Weighted average number of equity shares outstanding during the year (B) | 8,600,000.00            | 8,600,000.00            |
| Basic earnings per equity share (A/B) (in ₹)                             | 15.70                   | 11.60                   |
| Diluted earnings per equity share (A/B) (in ₹)                           | 15.70                   | 11.60                   |
| <b>31. Remuneration to auditors</b>                                      |                         |                         |
| As auditor   |                         |                         |
| Statutory audit  | 15.32                   | 13.77                   |
| Total  | <b>15.32</b>            | <b>13.77</b>            |

**32 Financial assets and liabilities**

## Categories of financial assets and financial liabilities

| Particulars                | Financial assets at fair value through profit and loss | Financial assets at fair value through other comprehensive income | Financial assets at amortised cost | Total            |
|----------------------------|--|---|------------------------------------|------------------|
| <b>As at 31 March 2024</b> |  |   |                                    |                  |
| <b>Financial assets</b>    |  |   |                                    |                  |
| Investments                | -  | 184.56  | 3,113.76                           | 3,298.32         |
| Loans                      | 5,041.86   | -   | -                                  | 5,041.86         |
| Trade receivables          | -  | -   | 7,010.54                           | 7,010.54         |
| Cash and bank balances     | -  | -   | 571.51                             | 571.51           |
| Other bank balances        | -  | -   | 341.07                             | 341.07           |
| Other financial assets     | 7,733.24   | -   | 282.28                             | 8,015.52         |
|                            | <b>12,775.10</b>                                       | <b>184.56</b>   | <b>11,319.15</b>                   | <b>24,278.81</b> |

| Particulars                  | Financial assets at fair value through profit and loss | Financial assets at fair value through other comprehensive income | Financial assets at amortised cost | Total            |
|------------------------------|--|---|------------------------------------|------------------|
| <b>As at 31 March 2024</b>   |  |   |                                    |                  |
| <b>Financial liabilities</b> |  |   |                                    |                  |
| Trade payables               | -  | -   | 4,945.02                           | 4,945.02         |
| Borrowings                   | 2,368.00   | -   | 9,421.24                           | 11,789.25        |
| Other financial liabilities  | 77.71  | -   | 2,961.47                           | 3,039.17         |
|                              | <b>2,445.71</b>  | <b>-</b>  | <b>17,327.74</b>                   | <b>19,773.44</b> |

| Particulars                | Financial assets at fair value through profit and loss | Financial assets at fair value through other comprehensive income | Financial assets at amortised cost | Total            |
|----------------------------|--|---|------------------------------------|------------------|
| <b>As at 31 March 2023</b> |  |   |                                    |                  |
| <b>Financial assets</b>    |  |   |                                    |                  |
| Investments                | -  | 184.56  | 3,113.82                           | 3,298.37         |
| Loans                      | 3,448.95   | -   | -                                  | 3,448.95         |
| Trade receivables          | -  | -   | 8,103.69                           | 8,103.69         |
| Cash and bank balances     | -  | -   | 2,602.87                           | 2,602.87         |
| Other bank balances        | -  | -   | 297.31                             | 297.31           |
| Other financial assets     | 10,988.00  | -   | 86.82                              | 11,074.82        |
|                            | <b>14,436.95</b>                                       | <b>184.56</b>   | <b>14,204.51</b>                   | <b>28,826.02</b> |

| Particulars                  | Financial assets at fair value through profit and loss | Financial assets at fair value through other comprehensive income | Financial assets at amortised cost | Total            |
|------------------------------|--|---|------------------------------------|------------------|
| <b>As at 31 March 2023</b>   |  |   |                                    |                  |
| <b>Financial liabilities</b> |  |   |                                    |                  |
| Trade payables               | -  | -   | 4,521.81                           | 4,521.81         |
| Borrowings                   | 2,344.55   | -   | 11,763.83                          | 14,108.38        |
| Other financial liabilities  | 84.21  | -   | 3,704.75                           | 3,788.96         |
|                              | <b>2,428.75</b>  | <b>-</b>  | <b>19,990.39</b>                   | <b>22,419.14</b> |

|  | As at 31-Mar-24<br>₹ | As at 31-Mar-23<br>₹ |
|--|----------------------|----------------------|
| <b>33. Leases</b>  |                      |                      |
| Operating lease commitments - as lessee                              |                      |                      |
| Total lease payments charged off to the statement of profit and loss | 60.87                | 50.92                |

**34. Additional Information, as required under Schedule III to the Companies Act, 2013, of Enterprises consolidated as Subsidiaries/Associates/Joint Ventures.**

| Name of the Enterprise                      | Net Assets, i.e Total Assets Minus Total Liabilities |                  | Share in Profit / Loss                         |                  |
|---|--|------------------|--|------------------|
|   | As % of Consolidated Net Assets                      | Amount (in Lakh) | As % of Consolidated Profit or Loss before tax | Amount (in Lakh) |
| Parent                                      |  |                  |  |                  |
| Arihant Foundations and Housing Ltd         | 89.49%   | 17,136           | 21.24%   | 433              |
| Subsidiary (Indian)                         |  |                  |  |                  |
| Arihant Griha Ltd                           | 0.46%  | 88               | 3.82%  | 78               |
| Vaikunt Housing Ltd                         | (0.03%)  | (5)              | 0.03%  | 1                |
| Varenya Constructions Ltd                   | (10.97%)   | (2,101)          | (15.35%)                                       | (313)            |
| Transperent Heights Real Estate Ltd         | (0.05%)  | (9)              | 0.30%  | 6                |
| Verge Realty Private Limited                | 0.52%  | 100              | 7.20%  | 147              |
| Escapade Realty Private Limited             | 19.75%   | 3,782            | 83.10%   | 1,693            |
| Vihaana Realty Private Limited              | 0.00%  | 1                | (0.01%)  | (0)              |
| Vinyasa Realty Private Limited              | 0.00%  | 1                | (0.01%)  | (0)              |
| Joint Venture                               |  |                  |  |                  |
| Kairav Developers Pvt Ltd                   | 1.82%  | 348              | (0.32%)  | (6)              |
| Inter Company and Consolidation Adjustments | (0.99%)  | (191)            | 0.00%  |                  |
| <b>Grand Total</b>                          | <b>100%</b>  | <b>19,149</b>    | <b>100%</b>                                    | <b>2,037.5</b>   |

### 35. Related parties

#### a) Names of related parties and nature of relationship:

| Nature of relationship   | Name of related party  |
|--------------------------|--|
| Partnership Firms        | Arihant Foundations<br>Arihant Foundations & Housing<br>Arihant Heirloom   |
| Key Management Personnel | Mr. Kamal Lunawath (Chairman and Managing Director)<br>Mr. Vimal Lunawath (Whole time Director)<br>Mr. Bharat Jain (Whole time Director) |

#### b) Transactions with related parties

| Particulars                              | Related Party  | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|--|----------------|-----------------------------|-----------------------------|
| Remuneration to Key Managerial Personnel | Kamal Lunawath | 30.00                       | 12.00                       |
|  | Vimal Lunawath | 30.00                       | 12.00                       |
|  | Bharat Jain    | 18.00                       | 18.00                       |
| Interest expense on loan received        | Kamal Lunawath | 146.60                      | 161.40                      |
|  | Vimal Lunawath | 40.71                       | 52.57                       |
| Loan received                            | Kamal Lunawath | 2,812.01                    | 4,340.82                    |
|  | Vimal Lunawath | 116.26                      | 213.55                      |
| Loan repaid                              | Kamal Lunawath | 3,070.99                    | 4,952.79                    |
|  | Vimal Lunawath | 296.85                      | 407.13                      |

#### c) Balances with related parties

| Particulars | Related Party       | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
|-------------|---------------------|-----------------------------|-----------------------------|
| Borrowings  | Directors           | 1,333.38                    | 1,922.55                    |
| Borrowings  | Arihant Foundations | -                           | 5.50                        |
| Receivables | Directors           | -                           | 208.14                      |

### 36 Fair value measurement

#### Fair value measurement hierarchy

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

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

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

- > Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- > Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- > Level 3: Unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy of financial and non-financial assets and liabilities measured at fair value on a recurring basis at 31 March 2024, 31 March 2023.:

|  |                   |        | Fair value measurement using    |                               |                                 |
|--|-------------------|--------|---------------------------------|-------------------------------|---------------------------------|
|  |                   |        | Quoted prices in active markets | Significant observable inputs | Significant unobservable inputs |
|  | Date of valuation | Total  | (Level 1)                       | (Level 2)                     | (Level 3)                       |
| <b>i) Assets measured at fair value:</b>             |                   |        |                                 |                               |                                 |
| <b>Fair value through other comprehensive income</b> |                   |        |                                 |                               |                                 |
| <b>Investments</b>                                   |                   |        |                                 |                               |                                 |
| 2024   | 31 March 2024     | 184.56 | 7.16                            | 177.39                        | -                               |
| 2023   | 31 March 2023     | 184.56 | 7.16                            | 177.39                        | -                               |

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

**ii) Liabilities measured at fair value:**

Financial guarantees

|      |               |   |   |   |   |
|------|---------------|---|---|---|---|
| 2024 | 31 March 2024 | - | - | - | - |
| 2023 | 31 March 2023 | - | - | - | - |

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

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

|   |  |                  |                  |
|---|--|------------------|------------------|
| ii) Liabilities measured at amortised cost: |  | -                | -                |
| a) Interest-bearing loans and borrowings:   |  |                  |                  |
| Floating rate borrowings                    |  | Nil              | Nil              |
| Fixed rate borrowings                       |  | <b>12,785.40</b> | <b>16,953.42</b> |

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

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

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

### 37, Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies (Continued)

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

#### a) Market risk

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

#### b) Interest rate risk

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

#### d) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example trade receivables, placing deposits, investment in mutual funds etc. the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at 31 March 2020, as summarised below:

|                                    | 31 March 2024 | 31 March 2023 |
|------------------------------------|---------------|---------------|
| <b>Classes of financial assets</b> |               |               |
| Investments                        | 3,304.50      | 3,299.55      |
| Trade receivables                  | 7,010.54      | 8,103.69      |
| Loan                               | 5,041.86      | 3,448.95      |
| Cash and bank balances             | 912.58        | 2,900.18      |
| Other financial assets             | 8,015.52      | 11,074.82     |

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

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

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

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

#### c) Liquidity risk

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

The Company's objective is to maintain cash to meet its liquidity requirements for 30-day periods at a minimum.

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

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

### 38. Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date (31 March 2024) and the date of authorization..

### 39. Contingent liabilities, commitments and guarantees

Contingent liabilities

|  | As at<br>31-Mar-24 | As at<br>31-Mar-23 |
|--|--------------------|--------------------|
| i) The cases pending before the CIT Appeals of Income tax are as follows |                    |                    |
| AY 1999-2000   | -                  | 76.39              |
| AY 2011-2012   | -                  | 71.83              |
| ii) The cases pending before the respective High Court's are as follows  |                    |                    |
| AY 2005-2006   | 53.24              | 53.24              |
| AY 2007-2008   | 557.62             | 557.62             |
| AY 2004-2005   | 13.72              | 13.72              |
| AY 2005-2006   | 95.58              | 95.58              |

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

### 40. Segment reporting

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

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

In terms of our report attached

#### For B.P. JAIN & Co

Chartered Accountants

Firm's Registration No.: 050105S

**Devendra Kumar Bhandari**

Partner

Membership No. 208862

**Kamal Lunawath**

Managing Director

DIN : 00087344

**Vimal Lunawath**

Whole Time Director

DIN : 00586269

**Mary Belinda Jyotsna**

Company Secretary

Membership No. A63097

Place : CHENNAI

Date : 30-05-2024

Place : CHENNAI

Date : 30-05-2024