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

1. Background

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

2. Summary of significant accounting policies

a) Basis of preparation and presentation of financial statements

i) Accounting convention

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

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

ii) Basis of measurement

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

b) Use of estimates

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

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

Significant management judgements

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

Classification of leases

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

Recognition of deferred tax assets

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

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

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

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

b) Use of estimates (Continued)

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

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

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

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

All other assets are classified as non-current.

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

All other liabilities are classified as non-current.

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

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

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

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

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

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

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

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

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

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

e) Intangible assets

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

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

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

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

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

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

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

g) Revenue recognition

Revenue from projects

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

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

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

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

Significant judgments are used in:

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

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

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

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

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

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

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

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

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

h) Inventories

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

Properties under development

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

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

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

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

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

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

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

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

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

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

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

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

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

k) Foreign currency transactions

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

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

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

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

l) Borrowing costs

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

m) Investments in subsidiaries

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

n) Government Grants

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

o) Income taxes

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

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

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

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

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

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

p) Provisions and contingencies

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

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

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

q) Financial instruments
Financial assets
Initial recognition and measurement

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

Subsequent measurement

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

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

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

q) Financial instruments (Continued)
(i) Financial asset at amortised cost

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Derecognition of financial liabilities

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

Offsetting of financial instruments

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

r) Impairment of financial assets

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

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

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

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

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

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

"*Trade receivables*

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

"Other financial assets

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

s) Fair value measurement

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

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

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

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

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

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

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

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

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

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

t) Cash and cash equivalents

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

u) Segment reporting

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

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

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

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

w) Cash flow statement

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

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

3 Property, plant and equipment and Intangible assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

B. Others - Term Loans
from others

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

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

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

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

a) Provision for employee benefits

i) Gratuity

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

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

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

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

Employee benefits - Maturity profile

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

17 Provisions (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

c) Balances with related parties

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

34. Fair value measurement
Fair value measurement hierarchy

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

d) Liquidity risk

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

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

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

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

36. Events after the reporting period

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

3.7 Contingent liabilities, commitments and guarantees

Contingent liabilities

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

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

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

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

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

38. Segment reporting

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

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

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

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

PLACE : CHENNAI
DATE : 30.05.2019

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

sd/-	sd/-	sd/-
Kamal Lunawath	**Vimal Lunawath**	**Sharon Josh**
Managing Director	Whole Time Director	Company Secretary
DIN :00087324	DIN : 00586269	

PLACE : CHENNAI
DATE : 30.05.2019