



# T. N. Gala & Associates

CHARTERED ACCOUNTANTS

30, Hazi Habib Bldg., A - Wing, 2nd Floor, Naigaon Cross Road,  
Dadar, Mumbai - 400 014. Tel.: 2411 4369, 24121057

## AUDITORS REPORT

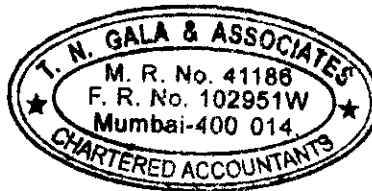
To  
The Shareholders,  
Arihant Abode Ltd.

We have audited the attached Balance Sheet of **ARIHANT ABODE LTD.** as on 31<sup>st</sup> March 2012 and also the annexed Statement of Profit & Loss and Cash Flow Statement for the year ended on that date (herein referred as 'Financial Statement'). These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.


We have conducted our audit in accordance with Auditing Standards generally accepted in India. These standards require that we plan and perform the audit to obtain responsible assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statement. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a responsible basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of Sub Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper Books of Account, as required by Law, have been kept by the Company so far as appears from our examination of books;
  - c) The Balance Sheet and the Statement of Profit & Loss dealt with by this Report are in agreement with the Books of Account;
  - d) In our opinion the Balance Sheet and the Statement of Profit & Loss Account complies with the Mandatory Accounting Standards referred in Section 211(3C) of the Companies Act, 1956;
  - e) On the basis of the written representations received from the Directors and taken on record by the Board of Directors, and according to the information and explanation given to us, none of the Directors are prima facie disqualified as on March 31<sup>st</sup>, 2012 from being appointed as Director in terms of clause (g) of sub-section (1) of Section 274 of Act;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and Notes thereon give the information required by the Companies Act, 1956 in the manner so required and give true and fair view;
    - i. In the case of Balance Sheet of the State of affairs of the company as at 31<sup>st</sup> March, 2012; and
    - ii. In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date.
    - iii. In the case of the Cash flow statement, of the cash flows for the year ended on that date.

Place: Navi Mumbai  
Date: 03.08.2012



For T N Gala & Associates  
Chartered Accountants  
FRN: 102961W

  
Talakchand N. Gala  
Proprietor  
MRN: 41186

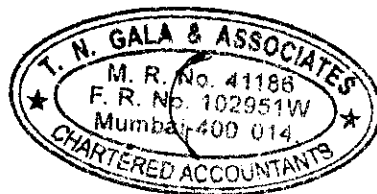
**Annexure to the Auditors' Report of**

**ARIHANT ABODE LIMITED,**

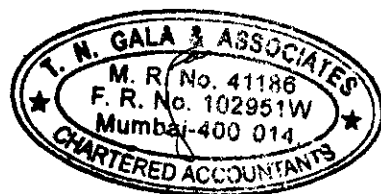
**on the Financial Statements for the year ended March 31, 2012**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Financial Statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

1. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Fixed Assets;
- b) The Fixed Assets have been physically verified by the Management as per a phased program of verification. In our opinion, the frequency of verification of the Fixed Assets is reasonable having regards to the size of the Company and nature of its Assets. No material discrepancies were noticed on such verification.
- c) In our opinion, a substantial part of Fixed Assets has not been disposed off during the year.
2. a) The management has conducted physical verification of inventory at reasonable intervals.
- b) The procedures of physical verification of Inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of Inventory. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the operation of the company and the same have been properly dealt with in the accounts.
3. a) Company has not granted any loans to parties covered under register maintained under Section 301 of the Act. Accordingly, paragraphs 4 (iii) (a) to (d) of the order are not applicable to the Company.
- b) The Company has taken loans from fourteen Entities covered in the register maintained under Section 301 of the Act. The maximum amount outstanding anytime during the period is Rs. 5722.55 Lakhs and year-end balance is Rs.5109.15 Lakhs.
- c) In our opinion, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
- d) In respect of loans taken, the principal amount and interest amount are payable on demand in accordance with the terms and conditions, and payment of interest has been regular in accordance with such terms and conditions.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of property. During the course of our audit, no major weakness has been noticed in the internal controls.

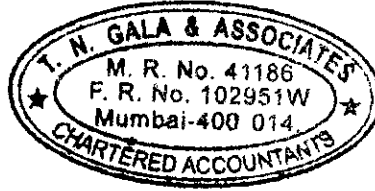


- 5 a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b) Such transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6 In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- 7 In our opinion, the Company has an adequate Internal Audit System commensurate with its size and the nature of its business.
- 8 According to information and explanations offered to us, Central Government has not prescribed any maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act.
- 9 According to the information and explanations given to us in respect of statutory dues:
- b) a) Undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty Excise Duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities. No undisputed amounts payable in respect thereof were outstanding at the year end for a period of more than six months from the date they became payable.
- c) There are no amounts in respect of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and cess that have not been deposited with the appropriate authorities on account of any dispute
- 10 The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- 11 The Company has not defaulted in repayment of dues to a Financial Institution or a Bank or Debenture holders during the year.
- 12 The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4 (xii) of the Order are not applicable.
- 13 In our opinion, the Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund/ Society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.
- 14 In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.



- 15 The Company has not obtained loans from Banks or Financial Institutions. Accordingly the provisions of clause 4 (xv) of the order is not applicable.
- 16 According to the information and explanations given to us, the Company has not borrowed any term loans from banks and financial institutions during the year.
- 17 On the Overall examination of the Balance Sheet, in our opinion no funds raised on short-term basis have been used for long-term investment.
- 18 The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.
- 19 No debentures have been issued during the year. Accordingly the provisions of clause 4 (xix) of the order is not applicable.
- 20 The Company has not raised any money through the public issue during the year.
- 21 No fraud on or by the Company has been noticed or reported during the period covered by our audit.

Place: Navi Mumbai  
Date: 03.08.2012



For T N Gala & Associates  
Chartered Accountants  
FRN: 102951W



Talakchand N. Gala  
Proprietor  
MRN: 41186

# ARIHANT ABODE LIMITED

BALANCE SHEET AS AT 31 MARCH 2012

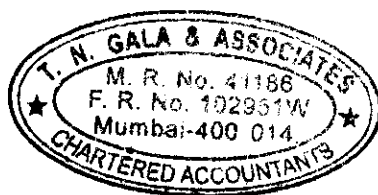
		(Amount in Rs.)	
	Notes	<u>31-Mar-12</u>	<u>31-Mar-11</u>
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	500,000	500,000
(b) Reserves and surplus	4	<u>366,167</u>	<u>101,397</u>
		866,167	601,397
<b>2 Non-current liabilities</b>			
(a) Deferred tax liabilities (Net)	5	<u>56,017</u>	<u>48,586</u>
		56,017	48,586
<b>3 Current liabilities</b>			
(a) Short-term borrowings	6	510,914,564	363,734,315
(b) Trade payables	7	10,196	-
(c) Other current liabilities	7	27,700,468	6,613,869
(d) Short-term provisions	8	-	30,689
		<u>538,625,228</u>	<u>370,378,873</u>
<b>TOTAL</b>		<u><u>539,547,412</u></u>	<u><u>371,028,856</u></u>
<b>II ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	<u>1,625,107</u>	<u>1,731,920</u>
		1,625,107	1,731,920
<b>2 Current assets</b>			
(a) Inventories	10	45,179,502	25,195,420
(b) Cash and cash equivalents	11	79,716,024	7,896,991
(c) Short-term loans and advances	12	402,403	1,055,380
(d) Other current assets	13	<u>412,624,376</u>	<u>335,149,145</u>
		537,922,305	369,296,936
<b>TOTAL</b>		<u><u>539,547,412</u></u>	<u><u>371,028,856</u></u>
See accompanying notes to the financial statements			

As per our report of even date

For T N Gala & Associates  
Chartered Accountants  
FRN: 102951W



Talakchand N. Gala  
Proprietor  
MRN: 41186



For & on behalf of the board



Director



Director

Place: Navi Mumbai  
Date: 03.08.2012

Place: Navi Mumbai  
Date: 03.08.2012

# ARIHANT ABODE LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH 2012

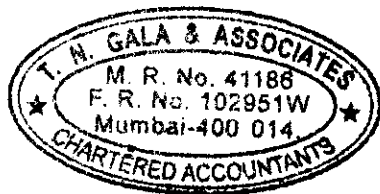
		(Amount in Rs.)	
	Notes	31-Mar-12	31-Mar-11
<b>Income</b>			
Revenue from operations	14	162,240	240,000
Other income	15	338,507	683,206
<b>Total Revenue</b>		<b>500,747</b>	<b>923,206</b>
<b>Expenses</b>			
Cost of materials consumed	16	15,890,813	13,162,838
(Increase)/ Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	17	(19,984,082)	(25,195,420)
Employee benefits expense	18	685,519	390,239
Finance costs	19	16,843	18,035
Depreciation and amortization expense	20	106,813	89,149
Other expenses	21	3,512,640	12,292,835
<b>Total expenses</b>		<b>228,546</b>	<b>757,676</b>
<b>Profit / (Loss) before exceptional and extraordinary items and tax</b>		<b>272,201</b>	<b>165,530</b>
Exceptional items		-	-
<b>Profit / (Loss) before extraordinary items and tax</b>		<b>272,201</b>	<b>165,530</b>
Extraordinary Items		-	-
<b>Profit / (Loss) before tax</b>		<b>272,201</b>	<b>165,530</b>
Tax expense:			
Current tax		-	30,688
Deferred tax		7,431	48,586
<b>Profit / (Loss) for the period from continuing operations</b>		<b>264,770</b>	<b>86,256</b>
Earnings per equity share:	22		
(1) Basic		5.30	1.73
(2) Diluted		5.30	1.73
See accompanying notes to the financial statements			

As per our report of even date

For T N Gala & Associates  
Chartered Accountants  
FRN: 102951W



Talakchand N. Gala  
Proprietor  
MRN: 41186



For & on behalf of the board



Director



Director

Place: Navi Mumbai  
Date: 03.08.2012

Place: Navi Mumbai  
Date: 03.08.2012

# ARIHANT ABODE LIMITED

CASH FLOW STATEMENT FOR THE YEAR 31 MARCH 2012

	<u>31-Mar-12</u>	<u>31-Mar-11</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax and Extraordinary Items	272,201	165,530
Add: Non Cash Items		
Depreciation	106,813	89,149
Preliminary Expenses W/off	23,418	7,806
Less: Non Operating Incomes		
Dividend Income	(311,298)	-
Other income	(27,209)	(683,206)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL</b>	<u>63,925</u>	<u>(420,721)</u>
(Increase)/ Decrease in Trade & Other Receivable	(96,829,754)	(134,438,278)
Increase/ (Decrease) in Current Liabilities & Provision	21,066,106	(229,752,240)
<b>CASH GENERATED FROM OPERATIONS (A)</b>	<u>(75,699,723)</u>	<u>(364,611,239)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Purchase of Fixed Assets)	-	(1,824,205)
Sale of Fixed Assets	-	3,136
Dividend Income	311,298	-
Interest Income	27,209	683,206
<b>NET CASH USED FOR INVESTING ACTIVITIES (B)</b>	<u>338,507</u>	<u>(1,137,863)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Unsecured Loans	147,180,249	363,734,315
<b>CASH GENERATED FROM FINANCING ACTIVITIES (C)</b>	<u>147,180,249</u>	<u>363,734,315</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS A+B+C</b>	<u>71,819,033</u>	<u>(2,014,787)</u>
<b>CASH AND CASH EQUIVALENTS (OPENING BALANCE)</b>	7,896,991	9,911,778
<b>CASH AND CASH EQUIVALENTS (CLOSING BALANCE)</b>	79,716,024	7,896,991
	<u>71,819,033</u>	<u>(2,014,787)</u>

As Per Report of Even Date

For T N Gala & Associates

Chartered Accountants

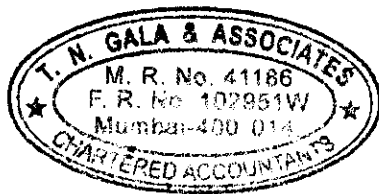
FRN: 102951W



Talakchand N Gala

Proprietor

MRN: 41186



For & on behalf of the Board



Director



Director

Place: Navi Mumbai

Dated: 03.08.2012

Place: Navi Mumbai

Dated: 03.08.2012

# ARIHANT ABODE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

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## 1 CORPORATE INFORMATION

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

## 2 BASIS OF PREPARATION

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

### 2.1 Summary of significant accounting policies

#### a. Presentation and disclosure of financial statements

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

#### b. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

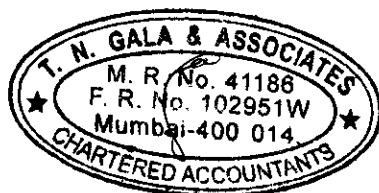
#### c. Tangible fixed asset

Fixed assets, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs and directly attributable cost for bringing the asset to its working condition or the intended use.

Depreciation on fixed assets is calculated on a Straight-Line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher.

#### d. Revenue recognition

All revenue and expenditures are generally accounted on accrual basis as they are earned or incurred.





# ARIHANT ABODE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

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e Inventories

i. Construction materials and consumables

The construction materials and consumables are valued at lower of cost or net realisable value. The construction materials and consumables purchased for construction work issued to the construction work-in-progress are treated as consumed.

ii. Construction work-in-progress

The construction work-in-progress is valued at lower of cost or net realisable value. Cost includes cost of land, development rights, rates and taxes, construction costs, borrowing costs, other direct expenditures, allocated overheads and other incidental expenses.

iii. Finished stock of completed projects (ready units)

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

f Taxation

Tax expense comprises current and deferred tax. Current income-tax is measured on the basis of taxable income determined in accordance with the provisions of Income-tax Act, 1961.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

g Earnings Per Share

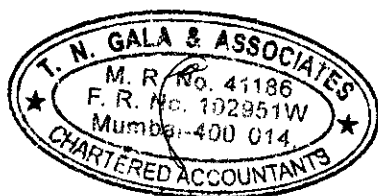
Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

h Provisions

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

i Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



*[Handwritten signatures]*

# ARIHANT ABODE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(Amount in Rs.)

## 3 SHARE CAPITAL

Authorised Share Capital	<u>31-Mar-12</u>	<u>31-Mar-11</u>
50,000 (31 March 2011 : 50,000) Equity Shares of Rs. 10/- each	500,000	500,000
Issued, subscribed and fully paid-up shares		
50,000 (31 March 2011 : 50,000) Equity Shares of Rs. 10/- each	500,000	500,000
Total issued, subscribed and fully paid-up share capital	<u>500,000</u>	<u>500,000</u>

### a. Reconciliation of the shares outstanding at the beginning and at the end of reporting period

Equity Shares	<u>31-Mar-12</u>		<u>31-Mar-11</u>	
	<u>No.</u>	<u>Rs.</u>	<u>No.</u>	<u>Rs.</u>
At the beginning of the period	50,000	500,000	50,000	500,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	<u>50,000</u>	<u>500,000</u>	<u>50,000</u>	<u>500,000</u>

### b. Terms / rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in INR. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### c. Shares held by holding / ultimate holding company and / or their subsidiaries / associates

Out of equity shares issued by the company, shares held by its holding company, are as below:

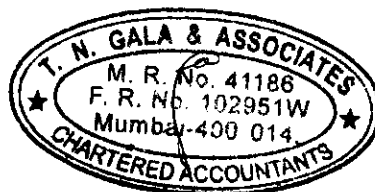
	<u>31-Mar-12</u>	<u>31-Mar-11</u>
Arihant Superstructures Limited, the holding company		
30,000 (31 March 2011 : 30,000) equity shares of Rs. 10 each fully paid	300,000	300,000
	<u>300,000</u>	<u>300,000</u>

### d. Details of shareholders holding more than 5% shares in the company

Equity Shares of Rs. 10 each fully paid	<u>31-Mar-12</u>		<u>31-Mar-11</u>	
	<u>No.</u>	<u>% holding</u>	<u>No.</u>	<u>% holding</u>
Akshay Agarwal	2,575	5.15%	2,575	5.15%
Sujata Agarwal	2,525	5.05%	2,525	5.05%

## 4 RESERVES & SURPLUS

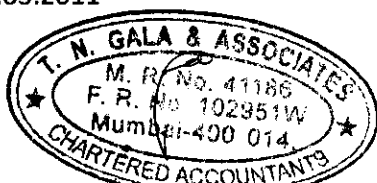
	<u>31-Mar-12</u>	<u>31-Mar-11</u>
Surplus / (deficit) in the statement of profit and loss		
Balance as per last financial statements	101,397	15,141
Profit for the Year	264,770	86,256
Total reserves and surplus	<u>366,167</u>	<u>101,397</u>



# ARIHANT ABODE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	(Amount in Rs.)		
	31-Mar-12	31-Mar-11	
<b>5 DEFERRED TAX LIABILITIES (NET)</b>			
Deferred tax liability			
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	60,841	48,586	
Others			
Gross deferred tax liability	<u>60,841</u>	<u>48,586</u>	
Deferred tax asset			
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent year	4,824	-	
Gross deferred tax asset	<u>4,824</u>	<u>-</u>	
Net deferred tax liabilities	<u><u>56,017</u></u>	<u><u>48,586</u></u>	
<b>6 SHORT-TERM BORROWINGS</b>			
	31-Mar-12	31-Mar-11	
Loan and advances from related parties repayable on demand (unsecured) (refer note 23)	510,914,564	363,734,315	
	<u><u>510,914,564</u></u>	<u><u>363,734,315</u></u>	
<b>7 OTHER CURRENT LIABILITIES</b>			
	31-Mar-12	31-Mar-11	
Trade payables (refer note 24 for details of dues to micro and small enterprises)	10,196	-	
	<u><u>10,196</u></u>	<u><u>-</u></u>	
Other liabilities			
Booking - Arihant Akanksha	3,000,000	1,945,000	
Retention - Arihant Akanksha	4,590	3,750	
Salary payable	41,100	6,835	
Audit fees payable	75,843	64,525	
TDS payable	1,427,035	871,423	
Professional fees Payable	25,280	22,336	
Electricity payable	26,620	-	
Payable for Land	23,100,000	3,700,000	
	<u><u>27,700,468</u></u>	<u><u>6,613,869</u></u>	
<b>8 PROVISIONS</b>			
<u>Short Term</u>	31-Mar-12	31-Mar-11	
Provision for Tax	-	30,689	
	<u><u>-</u></u>	<u><u>30,689</u></u>	
<b>9 FIXED ASSETS</b>			
	Furniture & Fixtures	Office Equipment	Total
Gross:			
As at 01.04.2010			
Additions	1,288,689	535,516.00	1,824,205
Adjustments	-	-	-
Sub Total	<u>1,288,689</u>	<u>535,516</u>	<u>1,824,205</u>
Less: Disposals	3,136	-	3,136
Gross Block at the Year End 31.03.2011	<u><u>1,285,553</u></u>	<u><u>535,516</u></u>	<u><u>1,821,069</u></u>



# ARIHANT ABODE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Additions	-	-	-
Sub Total	1,285,553	535,516	1,821,069
Less: Disposals	-	-	-
Gross Block at the Year End 31.03.2012	<b>1,285,553</b>	<b>535,516</b>	<b>1,821,069</b>

## Less: Depreciation/Amortization

Accumulated Depreciation as at 01.04.2010	-	-	-
Depreciation for the year	66,989	22,160.00	89,149
Total Depreciation at the Year end 2011	<b>66,989</b>	<b>22,160</b>	<b>89,149</b>
Depreciation for the year	81,376	25,437	106,813
Total Depreciation at the Year end 2012	<b>148,365</b>	<b>47,597</b>	<b>195,962</b>

## Net Carrying Value

At 31 March 2011	<b>1,218,564</b>	<b>513,356</b>	<b>1,731,920</b>
At 31 March 2012	<b>1,137,188</b>	<b>487,919</b>	<b>1,625,107</b>

## 10 INVENTORIES

	<u>31-Mar-12</u>	<u>31-Mar-11</u>
Incomplete Projects (WIP) - Arihant Akanksha (refer note 17)	45,179,502	25,195,420
	<b>45,179,502</b>	<b>25,195,420</b>

## 11 CASH & BANK BALANCES

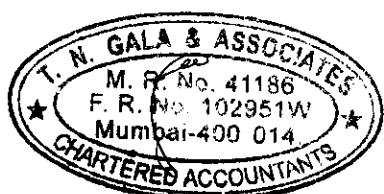
<u>Current</u>	<u>31-Mar-12</u>	<u>31-Mar-11</u>
Cash and cash equivalents		
Balance with banks - in current accounts	53,557	522,956
Cash on hand	970,067	524,335
Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months	78,692,400	6,849,700
	<b>79,716,024</b>	<b>7,896,991</b>

## 12 LOANS & ADVANCES

<u>Short Term</u>	<u>31-Mar-12</u>	<u>31-Mar-11</u>
Advances recoverable in cash or kind		
Unsecured considered good - consultancy fees	100,000	-
Other loans and advances		
Advance income-tax	302,403	555,380
Pre-paid expense	-	500,000
	<b>402,403</b>	<b>1,055,380</b>

## 13 OTHER CURRENT ASSETS

<u>Short Term</u>	<u>31-Mar-12</u>	<u>31-Mar-11</u>
Land - Palaspe (Akanksha)	400,246,984	323,915,702
Advance for land	10,082,000	11,082,000
Interest accrued on fixed deposits	2,295,392	128,025
Preliminary expense pending amortisation	-	23,418
	<b>412,624,376</b>	<b>335,149,145</b>

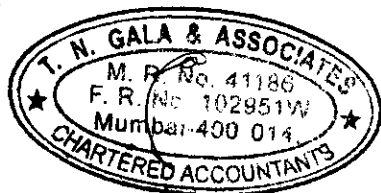


*[Handwritten signatures]*

# ARIHANT ABODE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

	(Amount in Rs.)	
	31-Mar-12	31-Mar-11
<b>14 REVENUE FROM OPERATIONS</b>		
Brokerage income	162,240	240,000
	<u>162,240</u>	<u>240,000</u>
<b>15 OTHER INCOME</b>		
Interest income on		
Bank deposits	-	683,206
IT refund	27,209	-
Dividend income on Current investments	311,298	-
	<u>338,507</u>	<u>683,206</u>
<b>16 COST OF MATERIAL CONSUMED</b>		
Purchases (Arihant Akanksha)	9,222,686	12,127,270
Direct Expenses (Arihant Akanksha)	6,668,127	1,035,568
	<u>15,890,813</u>	<u>13,162,838</u>
<b>17 (INCREASE) / DECREASE IN INVENTORIES</b>		
Inventories at the end of the year		
Incomplete Projects (WIP)	45,179,502	25,195,420
	<u>45,179,502</u>	<u>25,195,420</u>
Inventories at the beginning of the year		
Incomplete Projects (WIP)	25,195,420	-
	<u>25,195,420</u>	<u>-</u>
	<u>(19,984,082)</u>	<u>(25,195,420)</u>
<b>18 EMPLOYEE BENEFIT EXPENSE</b>		
Salaries, wages and bonus	671,400	307,180
Software Training Expenses	-	19,000
Staff welfare expenses	14,119	64,059
	<u>685,519</u>	<u>390,239</u>
<b>19 FINANCE COSTS</b>		
Interest	-	877
Bank charges	16,843	17,158
	<u>16,843</u>	<u>18,035</u>
<b>20 DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation of tangible assets	106,813	89,149
	<u>106,813</u>	<u>89,149</u>
<b>21 OTHER EXPENSES</b>		
Selling & Distribution	15,000	775,500
Professional & Legal Fees	625,204	300,105
Rent, Rates & Taxes	2,395,121	1,944,570
Compensation	-	9,005,877
Administrative Expenses	477,315	266,783
	<u>3,512,640</u>	<u>12,292,835</u>
Payment to auditor		
As auditor:		
Audit fee	56,180	44,120
Tax audit fee	28,090	27,575
Limited Review	55,409	68,938
	<u>139,679</u>	<u>140,633</u>



*[Handwritten signature]*

# ARIHANT ABODE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

## 22 EARNINGS PER SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

	<u>31-Mar-12</u>	<u>31-Mar-11</u>
Net profit/(loss) for calculation of basic and diluted EPS	264,770	86,256
	<u>No.</u>	<u>No.</u>
Weighted average number of equity shares in calculating basic and diluted EPS	50,000	50,000

## 23 RELATED PARTY DISCLOSURE

### Names of related parties and related party relationship

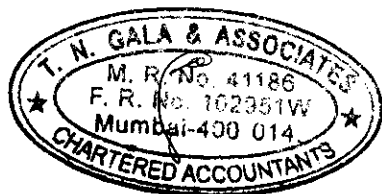
#### a. Related parties where control exists

<u>Sr</u>	<u>Name of Party</u>	<u>Relationship</u>
1	Arihant Superstructures Ltd	Holding Company
2	Abhishek Balar	Director/ Key Management Personal
3	Akshay Agarwal	Director/ Key Management Personal
4	Ashok B. Chhajer	Director/ Key Management Personal
5	Lalit Parasmal Bothra	Director/ Key Management Personal
6	Balar Fabrics Pvt Ltd	Enterprise in which KMP has significant influence
7	Jagprem Chemicals Pvt Ltd	Enterprise in which KMP has significant influence
8	Marnite Enterprises Pvt. Ltd.	Enterprise in which KMP has significant influence
9	Marnite Shoppe Pvt. Ltd.	Enterprise in which KMP has significant influence
10	Marnite Steel Pvt. Ltd.	Enterprise in which KMP has significant influence
11	Pragya Textiles Pvt. Ltd	Enterprise in which KMP has significant influence
12	Shree Bhairavnath Garment Pvt Ltd	Enterprise in which KMP has significant influence
13	Tulsi Guru Textile Pvt Ltd	Enterprise in which KMP has significant influence
14	Vivek Textech Pvt Ltd	Enterprise in which KMP has significant influence

### Related party transactions

#### a. Loans given/taken and repayment thereof

<u>Sr</u>	<u>Name</u>	<u>Opening Payable</u>	<u>Loans taken</u>	<u>Repayment</u>	<u>Interest accrued</u>	<u>payable to Related parties</u>
1	Arihant Superstructures Ltd	147,962,665	112,600,000	-	23,983,738	282,148,029
2	Abhishek Balar	-	2,435,000	1,615,000	63,884	877,496
3	Akshay Agarwal	34,784,931	11,670,000	14,500,000	4,279,244	35,806,250
4	Ashok B. Chhajer	18,178,142	70,650,000	58,450,000	4,231,068	34,186,103
5	Lalit Parasmal Bothra	10,107,034	600,000	8,500,000	714,403	2,849,996
6	Balar Fabrics Pvt Ltd	3,678,126	-	-	442,584	4,076,452
7	Jagprem Chemicals Pvt Ltd	12,869,714	-	9,000,000	660,926	4,464,547
8	Marnite Enterprises Pvt. Ltd.	2,403,710	10,200,000	2,000,000	464,994	11,022,206
9	Marnite Shoppe Pvt. Ltd.	21,717,525	5,293,500	9,000,000	1,746,456	19,582,836
10	Marnite Steel Pvt. Ltd.	12,246,852	-	5,293,500	1,452,765	8,260,839
11	Pragya Textiles Pvt. Ltd	10,944,572	-	1,615,000	1,184,738	10,395,836
12	Shree Bhairavnath Garment Pvt Ltd	74,449,860	17,850,000	19,000,000	8,882,695	81,294,285
13	Tulsi Guru Textile Pvt Ltd	6,451,824	-	-	776,340	7,150,530
14	Vivek Textech Pvt Ltd	7,939,360	-	-	955,333	8,799,159
		<u>363,734,315</u>				<u>510,914,564</u>



# ARIHANT ABODE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

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24 As per the information given by the Management, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2012.

## 25 SEGMENT INFORMATION

The Company operates in a single business and geographical segment i.e. "Construction and Allied Activities" within India. Accordingly, no separate disclosures for primary business and secondary geographical segment are required as per AS 17 issued by ICAI.

26 As per the information and explanations of the management there are no contingent liabilities as on year end.

27 As per the information and explanations of the management there are no commitments outstanding as on year end.

28 In the opinion of the management; loans and advances are approximately of the value stated, if realised in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

29 Balances of certain loans and advances are subject to confirmations / reconciliation and consequential adjustments, if any. The management does not expect any material difference affecting the current year's Financial Statements on such reconciliation / adjustments.

30 The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to confirm to this year's classification.

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As per our report of even date

For T N Gala & Associates

Chartered Accountants

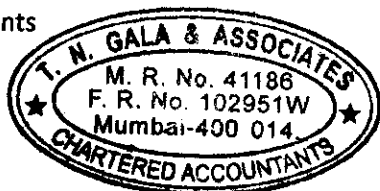
FRN: 102951W



Talakchand N. Gala

Proprietor

MRN: 41186



For & on behalf of the board



Director



Director

Place: Navi Mumbai

Date: 03.08.2012

Place: Navi Mumbai

Date: 03.08.2012