

॥ अहिंसा परमो धर्मः ॥



T. N. Gala & Associates

CHARTERED ACCOUNTANT

30, Hazi Habib Bldg., A - Wing, 2nd Floor, Naigaon Cross Road
Dadar, Mumbai - 400 014. Tel.: 2411-4369, 24-1210

Independent Auditor's Report

To the Members of Arihant Abode Limited

Report on the Financial Statements

We have audited the accompanying Financial Statements of **ARIHANT ABODE LIMITED** ('the Company') which comprise the Balance Sheet as at 31st March 2013, the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

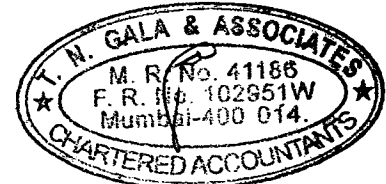
Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in the accordance with Accounting Standard referred in sub-section (3C) of section 211 of the Companies Act of 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conduct our audit in accordance with the standard on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of Financial Statements.

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



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India:

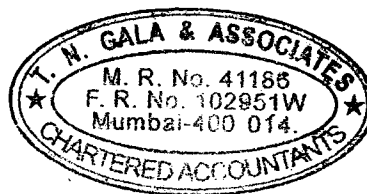
- i. in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2013;
- ii. In the case of the Statement of Profit & Loss, of the loss for the year ended on that date.
- iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.


Report on Other Legal and Regulatory Requirement

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a Statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report 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, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the Books of Account;
 - d) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standards referred in sub-section (3C) of the Section 211 of the Companies Act, 1956; and
 - e) On the basis of the written representations received from the Directors as on 31 March 2013 and taken on record by the Board of Directors, and none of directors is disqualified as on 31 March 2013 from being appointed as Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

Place: Navi Mumbai
Date: 10.05.2013

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




Talakchand N. Gala
Proprietor
MRN: 41186

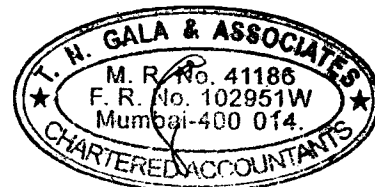
Annexure to the Auditors' Report of

ARIHANT ABODE LIMITED,

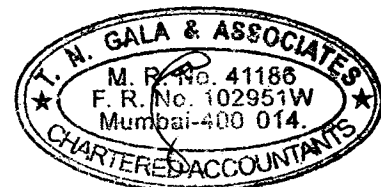
on the Financial Statements for the year ended March 31, 2013

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.
- e) The Company has taken loans from twelve Entities covered in the register maintained under Section 301 of the Act. The maximum amount outstanding anytime during the period was Rs. 4526.58 Lakhs and year-end balance was Rs. 4697.06 Lakhs.
- f) 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.
- g) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- 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.

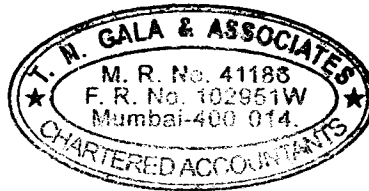


- 5 a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b) Such 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 We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 9 According to the information and explanations given to us in respect of statutory dues:
- 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 except the service tax payable on booking receipts Rs.75312/- outstanding for more then 6 months. However as per the explanation provided same will be paid in Voluntary Compliance Encouragement Scheme announced under Finance Bill 2013 in due course.
- b) 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 given any guarantee for loans taken by others. Accordingly the provisions of clause 4 (xv) of the order is not applicable.
- 16 According to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.
- 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 thorough 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: 10.05.2013



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


Talakchand N. Gala
Proprietor
MRN: 41186

ARIHANT ABODE LIMITED

BALANCE SHEET AS AT

		(Amount in Rs.)	
	Notes	31-Mar-13	31-Mar-12
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	500,000	500,000
(b) Reserves and surplus	4	263,861	366,167
		<u>763,861</u>	<u>866,167</u>
2 Non-current liabilities			
(a) Long term borrowings	5	452,401,179	-
(b) Deferred tax liabilities (net)	6	158,323	56,017
(c) Long term provisions	7	80,429	-
		<u>452,639,931</u>	<u>56,017</u>
3 Current liabilities			
(a) Short-term borrowings	5	89,971,653	510,914,564
(b) Trade payables	8	33,169,568	10,196
(c) Other current liabilities	8	5,645,017	27,700,468
		<u>128,786,238</u>	<u>538,625,228</u>
TOTAL		<u>582,190,030</u>	<u>539,547,412</u>
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	7,119,648	1,625,107
		<u>7,119,648</u>	<u>1,625,107</u>
2 Current assets			
(a) Inventories	10	60,737,898	45,179,502
(b) Cash and cash equivalents	11	966,021	79,716,024
(c) Short-term loans and advances	12	800,595	402,403
(d) Other current assets	13	512,565,868	412,624,376
		<u>575,070,382</u>	<u>537,922,305</u>
TOTAL		<u>582,190,030</u>	<u>539,547,412</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

Place: Navi Mumbai

Date: 10.05.2013



For & on behalf of the board



Director



Director

Place: Navi Mumbai

Date: 10.05.2013



ARIHANT ABODE LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED

		(Amount in Rs.)	
	Notes	31-Mar-13	31-Mar-12
Income			
Revenue from operations	14	-	162,240
Other income	15	-	338,507
Total Revenue		-	500,747
Expenses			
Cost of construction and development expenses	16	10,634,193	15,890,813
(Increase)/ Decrease in inventories of finished goods, work-in-progress and Stock-in-Trade	17	(15,558,396)	(19,984,082)
Employee benefits expense	18	1,624,515	685,519
Finance costs	19	86,308	16,843
Depreciation and amortization expense	9	195,228	106,813
Other expenses	20	3,018,152	3,512,640
Total expenses		-	228,546
Profit / (Loss) before exceptional and extraordinary items and tax		-	272,201
Exceptional items		-	-
Profit / (Loss) before extraordinary items and tax		-	272,201
Extraordinary Items		-	-
Profit / (Loss) before tax		-	272,201
Tax expense:			
Current tax		-	-
Deferred tax		102,306	7,431
Profit / (Loss) for the period from continuing operations		(102,306)	264,770
Earnings per equity share:	21		
(1) Basic		(2.05)	5.30
(2) Diluted		(2.05)	5.30
See accompanying notes to the financial statements			

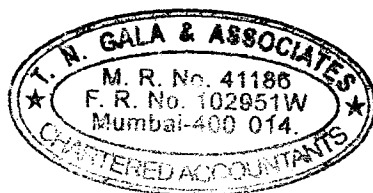
As per our report of even date

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



Talakchand N. Gala
Proprietor
MRN: 41186

Place: Navi Mumbai
Date: 10.05.2013



For & on behalf of the board



Director



Director

Place: Navi Mumbai
Date: 10.05.2013



ARIHANT ABODE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED

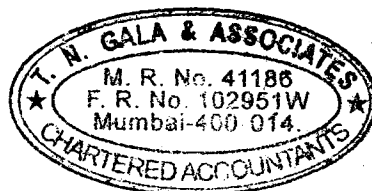
	(Amount in Rs.)	
	<u>31-Mar-13</u>	<u>31-Mar-12</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	-	272,201
Add: Non Cash Items		
Depreciation	195,228	106,813
Gratuity	80,429	-
Preliminary Expenses W/off	-	23,418
Less: Non Operating Incomes		
Dividend Income	-	311,298
Other income	-	27,209
Operating profit before working capital	<u>275,657</u>	<u>63,925</u>
(Increase)/ Decrease in Trade & Other Receivable	(115,898,080)	(96,829,754)
Increase/ (Decrease) in Current Liabilities & Provision	10,335,901	21,066,106
CASH GENERATED FROM OPERATIONS	<u>A</u>	<u>(75,699,723)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase of Fixed Assets)	(5,689,769)	-
Dividend Income	-	311,298
Interest Income	-	27,209
NET CASH USED FOR INVESTING ACTIVITIES	<u>B</u>	<u>338,507</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Secured Loans	453,169,199	-
Increase / (Decrease) in Unsecured Loans	(420,942,911)	147,180,249
CASH GENERATED FROM FINANCING ACTIVITIES	<u>C</u>	<u>147,180,249</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>A + B + C</u>	<u>71,819,033</u>
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	79,716,024	7,896,991
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	<u>966,021</u>	<u>79,716,024</u>
	<u>(78,750,003)</u>	<u>71,819,033</u>

As Per Report of Even Date

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



Talakchand N Gala
Proprietor
MRN: 41186



Place: Navi Mumbai
Date: 10.05.2013

For & on behalf of the Board



Director



Director

Place: Navi Mumbai
Date: 10.05.2013



ARIHANT ABODE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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 in 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 have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year

2.1 Summary of significant accounting policies

a 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.

b 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.

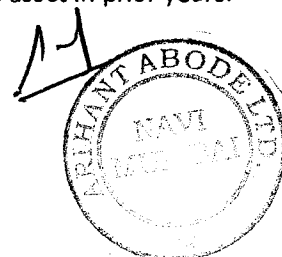
Depreciation on fixed assets is calculated on a Straight-Line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher.

c Impairment of tangible assets

The company assesses once in three years whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.



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ARIHANT ABODE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

d Revenue recognition

In accordance with the "Guidance Note on Accounting for Real Estate Transactions (Revised 2012)" (Guidance note) all projects commencing on or after the said date or projects where revenue is recognised for the first time on or after the above date, construction revenue on such projects have been recognised on percentage of completion method provided the following thresholds have been met:

- (a) all critical approvals necessary for the commencement have been obtained;
- (b) the expenditure incurred on construction and development costs is not less than 25 per cent of the total estimated construction and development costs;
- (c) at least 25 per cent. of the saleable project area is secured by agreements with buyers; and
- (d) at least 10 per cent. of the agreements are realised at the reporting date in respect of such contracts.

All revenue and expenditures are generally accounted on accrual basis as they are earned or incurred. Dividend income is recognised when the company's right to receive dividend is established by the reporting date.

e 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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

f Employee Benefits

Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

Post employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.

g Inventories

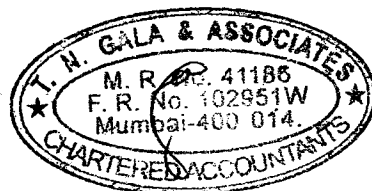
i. Construction materials and consumables

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

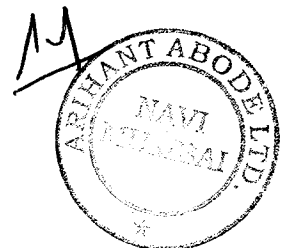
ii. Incomplete Projects / Construction WIP

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

Cost of land, development rights and other directly attributable cost in relation to land will be booked as expenses when revenue will be recognised, till then the same is treated as Other Assets.



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ARIHANT ABODE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

h 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.

i 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.

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

j Provisions

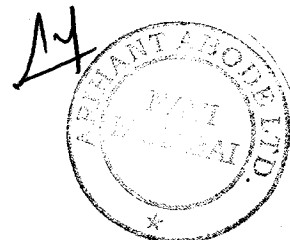
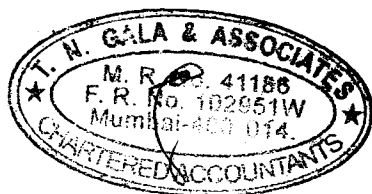
A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted 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.

k Contingent liabilities

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

l 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.



ARIHANT ABODE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

(Amount in Rs.)

3 SHARE CAPITAL

	31-Mar-13	31-Mar-12
Authorised Share Capital	500,000	500,000
50,000 (31 March 2012: 50,000) Equity Shares of Rs. 10/- each		
Issued, subscribed and fully paid-up shares	500,000	500,000
50,000 (31 March 2012: 50,000) Equity Shares of Rs. 10/- each		
Total issued, subscribed and fully paid-up share capital	500,000	500,000

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

Equity Shares	31-Mar-13		31-Mar-12	
	No.	Rs.	No.	Rs.
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	50,000	500,000	50,000	500,000

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:

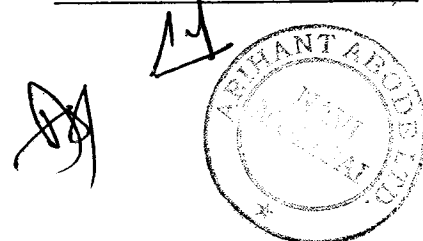
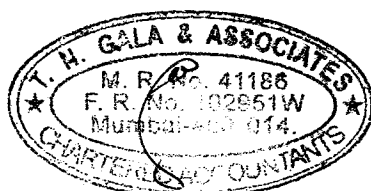
	31-Mar-13	31-Mar-12
Arihant Superstructures Limited, the holding company		
30,000 (31 March 2012: 30,000) equity shares of Rs. 10 each fully paid	300,000	300,000
	300,000	300,000

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

	31-Mar-13		31-Mar-12	
	No.	% holding	No.	% holding
Equity Shares of Rs. 10 each fully paid				
M/s Arihant Superstructures Ltd	30,000	60.00%	30,000	60.00%
Mr. Akshay Agarwal	2,575	5.15%	2,575	5.15%
Mrs. Sangeeta Chhajer	5,525	11.05%	2,275	4.55%
Mrs. Sujata Agarwal	2,525	5.05%	2,525	5.05%

4 RESERVES & SURPLUS

	31-Mar-13	31-Mar-12
Surplus / (deficit) in the statement of profit and loss		
Balance as per last financial statements	366,167	101,397
Profit for the Year	(102,306)	264,770
Total reserves and surplus	263,861	366,167



ARIHANT ABODE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

(Amount in Rs.)

5 BORROWINGS	Long Term		Short Term	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
Secured Loans				
Term loan from banks	4,379,653	-	-	-
Unsecured loan and advances from related parties (refer note 22)	383,789,546	-	68,868,772	426,770,283
Unsecured loan and advances from Body Corporates	65,000,000	-	21,102,881	84,144,281
	<u>453,169,199</u>	<u>-</u>	<u>89,971,653</u>	<u>510,914,564</u>
Less: Current maturities of long term borrowings disclosed under head "other current liabilities" (note 8)	768,020	-	-	-
Net Amount	<u>452,401,179</u>	<u>-</u>	<u>89,971,653</u>	<u>510,914,564</u>

Note: Secured loan from banks are secured against vehicles.

6 DEFERRED TAX LIABILITIES (NET)

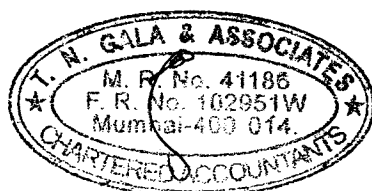
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	185,588	60,841
Others		
Gross deferred tax liability	<u>185,588</u>	<u>60,841</u>
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes in subsequent year	27,265	4,824
Gross deferred tax asset	<u>27,265</u>	<u>4,824</u>
Net deferred tax liabilities	<u>158,323</u>	<u>56,017</u>

7 LONG TERM PROVISIONS

Employee Benefits		
Gratuity (refer note 19)	80,429	-
	<u>80,429</u>	<u>-</u>

8 TRADE PAYABLES & OTHER CURRENT LIABILITIES

Trade payables (refer note 23 for details of dues to micro and small enterprises)	33,169,568	10,196
	<u>33,169,568</u>	<u>10,196.00</u>
Other current liabilities		
Current maturities of long term borrowings (note 5)	768,020	-
Booking - Arihant Akanksha	2,924,688	3,000,000
Retention - Arihant Akanksha	41,595	4,590
Salary payable	214,155	24,765
Leave salary payable	48,045	16,335
Audit fees payable	5,5618	75,843
TDS payable	1,560,376	1,427,035
Professional fees payable	-	25,280
Electricity payable	32,520	26,620
Payable for land	-	23,100,000
	<u>5,645,017</u>	<u>27,700,468</u>



ARIHANT ABODE LIMITED

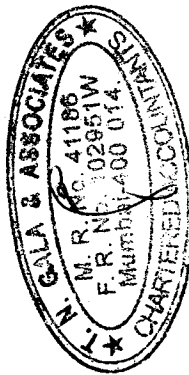
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

(Amount in Rs.)

9 TANGIBLE ASSETS

Particulars	Rate of Depreciation	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As on 01/04/2012	Additions	Deductions	As on 31/03/2013	As on 01/04/2012	Provided During the Year	As on 31/03/2013	As on 31/03/2012
Furniture & Fixtures	6.33%	1,285,553	-	-	1,285,553	148,365	81,375	1,055,813	1,137,188
Office Equipment	4.75%	535,516	-	-	535,516	47,597	25,438	462,481	487,919
Vehicle	9.50%	-	5,645,151	-	5,645,151	-	88,157	5,556,994	-
Computer & Software	16.21%	-	44,618	-	44,618	-	258	44,360	-
Total		1,821,069	5,689,769	-	7,510,838	195,962	195,228	7,119,648	1,625,107
Previous Year		1,821,069	-	-	1,821,069	89,149	106,813	1,625,107	1,731,920

There was no impairment loss on the fixed assets on the basis of review carried out by the management in accordance with AS 28 'Impairment of Assets'.



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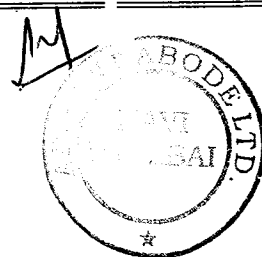
ARIHANT ABODE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	(Amount in Rs.)	
	<u>31-Mar-13</u>	<u>31-Mar-12</u>
10 INVENTORIES		
Incomplete Projects (WIP) - Arihant Akanksha (refer note 18)	60,737,898	45,179,502
	<u>60,737,898</u>	<u>45,179,502</u>
11 CASH & BANK BALANCES		
Cash and cash equivalents		
Balance with banks - in current accounts	103,625	53,557
Cash on hand	862,396	970,067
Other bank balances		
Deposits with original maturity for more than 3 months but less than 12 months	-	78,692,400
	<u>966,021</u>	<u>79,716,024</u>
12 LOANS & ADVANCES		
<u>Short Term</u>		
Advances recoverable in cash or kind		
Unsecured considered good - consultancy fees	-	100,000
Balance with Tax Authorities		
Advance tax / TDS (net of provision)	633,549	302,403
Service tax credit	167,046	-
	<u>800,595</u>	<u>402,403</u>
13 OTHER CURRENT ASSETS		
<u>Short Term</u>		
Land - Palaspe (Akanksha)	502,565,868	400,246,984
Advance for land	10,000,000	10,082,000
Interest accrued on fixed deposits	-	2,295,392
	<u>512,565,868</u>	<u>412,624,376</u>



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ARIHANT ABODE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

	(Amount in Rs.)	
	31-Mar-13	31-Mar-12
14 REVENUE FROM OPERATIONS		
Brokerage income	-	162,240
	-	162,240
15 OTHER INCOME		
Interest on tax refund	-	27,209
Dividend income	-	311,298
	-	338,507
16 COST OF CONSTRUCTION AND DEVELOPMENT EXPENSES		
Purchases (Arihant Akanksha)	7,593,468	9,222,686
Direct Expenses (Arihant Akanksha)	3,040,725	6,668,127
	10,634,193	15,890,813
17 (INCREASE) / DECREASE IN INVENTORIES		
Inventories at the end of the year		
Incomplete Projects (WIP)	60,737,898	45,179,502
	60,737,898	45,179,502
Inventories at the beginning of the year		
Incomplete Projects (WIP)	45,179,502	25,195,420
	45,179,502	25,195,420
	(15,558,396)	(19,984,082)
18 EMPLOYEE BENEFIT EXPENSE		
Salaries, wages and bonus	1,543,172	671,400
Gratuity Expenses	80,429	-
Staff welfare expenses	914	14,119
	1,624,515	685,519

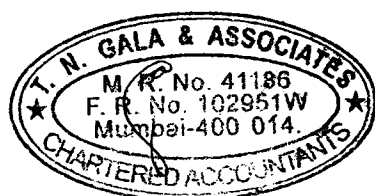
As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below: The Company is in process to create Employee's Group Gratuity Fund with Life Insurance Corporation of India for the benefit of employees.

A Gratuity Plan

The AS-15 stipulates that the rate used to discount post employment benefit obligation (both funded and non-funded) should be determined by reference to market yields at the Balance Sheet date on government bonds. The currency and terms of the government bonds should be consistent with the currency and estimated terms of the post-employment benefit obligation. Estimated future salary increases take account of inflation, seniority, promotion and other retirement factors, such as supply and demand in the employment market.

Reconciliation of opening and closing balance of the present value of the defined benefit obligation

Current Service Cost	42,387	-
Past Service Cost	38,042	-
Benefits paid	-	-
Actuarial (gain) / loss on defined benefits obligation	-	-
Obligations at year end	80,429	-



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ARIHANT ABODE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows

Opening fair value of plan assets	-	-
Add / Less: Adjustments	-	-
Closing fair value of plan assets	-	-

Amounts to be recognised in the Balance Sheet

Projected benefits obligation, at the end of the year	80,429	-
Fair value of plan assets at end of the year	-	-
Net asset / (liability) to be provided in the Balance Sheet	80,429	-

Gratuity Cost for the year

Current Service Cost	42,387	-
Past Service Cost	38,042	-
Expense to be recognised in the Statement of Profit and Loss	80,429	-

19 FINANCE COSTS

Interest on term loan	66,753	-
Interest on TDS	354	-
Bank charges	19,201	16,843
	86,308	16,843

20 OTHER EXPENSES

Selling & distribution	22,525	15,000
Professional & legal fees	481,225	569,795
Rent, rates & taxes	1,855,620	2,395,121
Electricity expenses	454,230	308,940
Auditor's Remuneration	117,978	139,679
Other expenses	86,574	84,105
	3,018,152	3,512,640

Payment to auditor

As auditor:

Audit fee	61,798	56,180
Tax audit fee	-	28,090

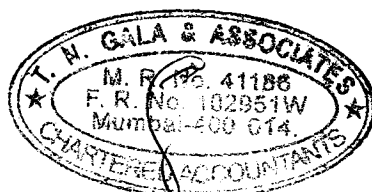
In other capacity:

Limited review	56,180	55,409
	117,978	139,679

21 EARNINGS PER SHARE (EPS)

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

Profit/(loss) after tax for calculation of Basic & Diluted EPS	(102,306)	264,770
Weighted average number of equity shares in calculating Basic and Diluted EPS	50,000	50,000
	(2.05)	5.30



ARIHANT ABODE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

22 RELATED PARTY DISCLOSURE

Names of related parties and related party relationship

a. Related parties who exercise control

<u>Sr</u>	<u>Name of Party</u>	<u>Relationship</u>
1	Arihant Superstructures Ltd	Holding Company

b. Key Management Personal (KMP) and Relatives thereof

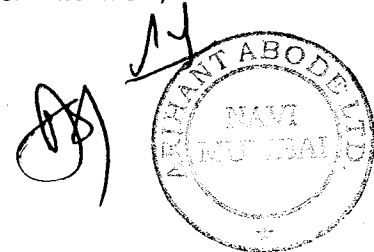
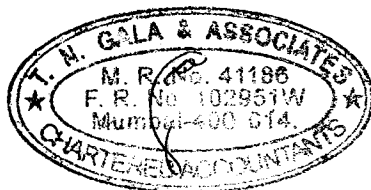
<u>Sr</u>	<u>Name of Party</u>	<u>Relationship</u>
1	Mr. Abhishek Balar	Director & KMP
2	Mr. Akshay Agarwal	Director & KMP
3	Mr. Ashok B. Chhajer	Director & KMP
4	M/s Balar Fabrics Pvt Ltd	Enterprise in which KMP has significant influence
5	M/s Jagprem Chemicals Pvt Ltd	Enterprise in which KMP has significant influence
6	M/s Marnite Enterprises Pvt. Ltd.	Enterprise in which KMP has significant influence
7	M/s Marnite Shoppe Pvt. Ltd.	Enterprise in which KMP has significant influence
8	M/s Marnite Steel Pvt. Ltd.	Enterprise in which KMP has significant influence
9	M/s Pragya Textiles Pvt. Ltd	Enterprise in which KMP has significant influence
10	M/s Tulsi Guru Textile Pvt Ltd	Enterprise in which KMP has significant influence
11	M/s Vivek Textech Pvt Ltd	Enterprise in which KMP has significant influence

Related party transactions

a. Loans given/taken and repayemt thereof

<u>Sr</u>	<u>Name</u>	<u>Opening Payable</u>	<u>Loans taken</u>	<u>Repayment</u>	<u>Interest accrued (net of TDS)</u>	<u>payable to Related parties</u>
1	Arihant Superstructures Ltd	282,148,029	46,400,000	49,000,000	31,741,517	311,289,546
2	Mr. Abhishek Balar	877,496	-	980,989	103,493	-
3	Mr. Akshay Agarwal	35,806,250	-	-	4,269,896	40,076,146
4	Mr. Ashok B. Chhajer	34,186,103	58,100,000	58,000,000	1,466,391	35,752,494
5	M/s Balar Fabrics Pvt Ltd	4,076,452	-	-	486,118	4,562,570
6	M/s Jagprem Chemicals Pvt Ltd	4,464,547	-	1,793,187	377,146	3,048,506
7	M/s Marnite Enterprises Pvt. Ltd.	11,022,206	-	-	1,314,397	12,336,603
8	M/s Marnite Shoppe Pvt. Ltd.	19,582,836	-	-	2,335,253	21,918,089
9	M/s Marnite Steel Pvt. Ltd.	8,260,839	-	-	985,105	9,245,944
10	M/s Pragya Textiles Pvt. Ltd	10,395,836	-	10,000,000	1,200,498	1,596,334
11	M/s Tulsi Guru Textile Pvt. Ltd	7,150,530	-	5,000,000	833,097	2,983,627
12	M/s Vivek Textech Pvt. Ltd	8,799,159	-	-	1,049,300	9,848,459
		<u>426,770,283</u>	<u>104,500,000</u>	<u>124,774,176</u>	<u>46,162,211</u>	<u>452,658,318</u>

23 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, 2013.



ARIHANT ABODE LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

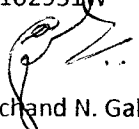
24 SEGMENT INFORMATION

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.

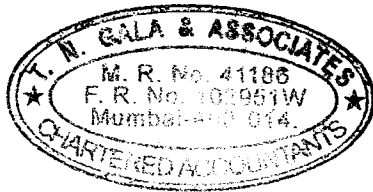
- 25 Company has capitalised borrowing cost amounting to Rs.60,589,077/- during the year. The said borrowing cost is added to cost of land shown under head Other Assets.
- 26 There are no contingent liabilities as on year end.
- 27 There are no commitments outstanding as on year end.
- 28 In the opinion 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 Previous year figures have been regrouped and rearranged wherever necessary to confirm with the current year presentation.

As per our report of even date

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


Talakchand N. Gala
Proprietor
MRN: 41186

Place: Navi Mumbai
Date: 10.05.2013



For & on behalf of the board


Director

Place: Navi Mumbai
Date: 10.05.2013

