

## **C O R P O R A T E   S T R U C T U R E**

### **BOARD OF DIRECTORS**

Mr. Kamal Lunawath	Chairman and Managing Director
Mr. Vimal Lunawath	CFO and Whole time Director
Mr. Bharat M Jain	Whole time Director
Mr. A Damodaran	Director
Mr. A.L Jayabhanu	Director
Mr. Ravikant Choudhary	Director
Mr. Karan Bhasin	Director
Mrs. Ann Gonsalvez	Director

### **BOARD COMMITTEES**

#### **Audit Committee**

Mr. Ravikant Choudhary- Chairman  
Mr. Damodaran- Member  
Mr. Kamal Lunawath- Member

#### **Stakeholder Relationship Committee**

Mr. A. Damodaran- Chairman  
Mr. Ravikant Choudhary- Member  
Mrs. Ann Gonsalvez- Member

#### **Nomination & Remuneration Committee**

Mr. A. Damodaran- Chairman  
Mr. Ravikant Choudhary- Member  
Mrs. Ann Gonsalvez- Member

### **COMPANY SECRETARY**

Mrs. Meenakshi Jayaraman

### **BANKERS**

HDFC Limited  
ICICI Bank Ltd  
Kotak Mahindra Bank  
Standard Chartered Bank  
Vijaya Bank  
State Bank of India

### **AUDITORS**

M/s. B.P Jain & Co.,  
Chartered Accountants  
No.2, Gee Gee Minar,  
23, College Road, Chennai- 600006

### **LEGAL ADVISOR**

#### **K Venkatasubramanian**

New No. 80, Old No. 55 (Rear side block 1st floor) Bazullah Road  
T.Nagar, Chennai - 600 017.

### **Registered Office & Administrative Office**

No.3, Ganapathy Colony, Off. Cenotaph Road, Teynampet, Chennai- 600018

### **REGISTRAR AND SHARE TRANSFER AGENTS**

M/s. Cameo Corporate Services Limited  
V Floor, Subramanian Building,  
No.1, Club House Road, Anna Salai, Chennai- 600002

### **INTERNAL AUDITORS**

M/s. Ernst & Young LLP

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**NOTICE**

Notice is hereby given that the 24th Annual General Meeting of the Shareholders of Arihant Foundations and Housing Limited will be held on Friday the 22nd day of September, 2017 at "Arihant Tiara", Plot No. 2B, TCNS Garden, Nandambakkam, Chennai- 600089 at 9.30 A.M. to transact, with or without modifications as may be permissible, the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Standalone Financial Statements of the Company for the period ended 31.03.2017 together with the Directors' Report and the Auditors' Report and the consolidated financial statements for the period ended 31.03.2017 together with the Auditors' Report.
2. To appoint a Director in place of Mr. A.L. Jayabhanu (DIN: 01516502), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s. Ramachandra Rao & Associates (Firm Regn. No. 007735S), as Statutory Auditors of the Company, to hold office for a period of 5 (Five) consecutive financial years, from the conclusion of the twenty fourth Annual General Meeting of the Company until the conclusion of the twenty ninth Annual General Meeting of the Company (subject to ratification of the appointment at every Annual General Meeting, if required by law) and to authorise the Board of Directors of the Company to fix their remuneration.

By Order of the Board

For Arihant Foundations & Housing Limited

(J Meenakshi)

Company Secretary

Place: Chennai

Date: 30.05.2017

**I. Notes:**

1. The explanatory statements pursuant to Section 102 of the Companies Act, 2013 in respect of the business under item No. 3 as set out above are annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. Proxy to be valid should be deposited with the company not later than forty eight hours before the time for holding the meeting. No Person can act as a Proxy on behalf of a member not exceeding fifty and holding in the aggregate not more than the 10% of the total Share Capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total Share Capital of the Company carrying voting rights, then such proxy shall not be act as a proxy for any other person or shareholder.
4. Members/Proxies should bring their Attendance slip duly completed for attending the meeting. The signature of the attendance slip should match with the signature(s) registered with the Company. Members holding shares in dematerialised form are requested to bring their Client ID and DP ID numbers for identification.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 16.09.2017 to 22.09.2017 (Both days inclusive).
6. Members holding shares in physical form are requested to intimate immediately, changes, if any, in their registered addresses, Bank Mandate and Status, quoting their Folio Numbers, to the Share Transfer Agents of the Company M/s Cameo Corporate Services Limited, "Subramanian Building", No.1, Club House Road, Chennai – 600 002.
7. Details under Reg. 36(3) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, in respect of the Director seeking appointment/re-appointment at the Annual General

Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/ re-appointment.

8. The Register of Directors' and Key Managerial Personnel and their Shareholding maintained and The Register of Contracts or Arrangements in which Directors are interested maintained will be available for inspection of the members at the Annual General Meeting.
9. Members are requested to bring their copies of Annual Report to the meeting. The Attendance slips duly completed should be handed over at the entrance of the meeting hall.
10. Electronic copy of the Notice of the 24th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Notice of the 24th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode. Members may also note that the Notice of the 24th Annual General Meeting and the Annual Report for 2016-17 will also be available on the Company's website [www.arihantfoundations.com](http://www.arihantfoundations.com) for their download.
11. Members desiring any clarification on Accounts are requested to write to the Company at an early date so as to enable the Company to keep the information ready.
12. Pursuant to the provisions of sections 107 and 108, read with Companies (Management and Administration) Rules 2014, and in accordance with the requirements of listing agreement the company is pleased to offer e-voting facility to all the members of the company. The company has entered into an agreement with Central Depository Services Limited (CDSL) for facilitating e-voting. The Board of Directors has appointed Mrs. G. Subhasree, Practising Company Secretary, Chennai, as the

Scrutinizer for conducting the e-voting process for the Twenty Fourth Annual General Meeting in a fair and transparent manner

- The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  - The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again
  - The voting period begins on 19th September, 2017 at 9 AM and ends on 21st September, 2017 at 5 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 15.09.2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
13. The Procedure and instructions for members for voting through electronic means are as under:
    - i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
    - ii) Click on Shareholders.
    - iii) Now Enter your User ID
      - a. For CDSL: 16 digits beneficiary ID,
      - b. For NSDL: 8 Character DPID followed by 8 Digits Client ID,
      - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
    - iv) Next enter the Image Verification as displayed and Click on Login.
    - v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
    - vi) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- vii) After entering these details appropriately, click on "SUBMIT" tab.
- viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x) Click on the EVSN 170828055 for the relevant ARIHANT FOUNDATIONS AND HOUSING LIMITED on which you choose to vote.
- xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile
- xvii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are

required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

xix) The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than Forty Eight hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

xx) The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.arihantfoundations.com](http://www.arihantfoundations.com) and on the website of CSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges

## II. DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER Regulation 36(3) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015:

### a) Brief Resume

Mr. A.L. Jayabhanu, 74 B.Sc, B.E and MBA. He is a retired col. from Indian Army. He has served Indian Army for 22 years.

### b) Nature of expertise

Mr. A.L. Jayabhanu specializes in business management professional having experience in the area of marketing, particularly of residential and commercial space. He possesses about 17 years of experience in marketing and personal management

### c) Listed cos' directorship and committee membership

Mr. A.L. Jayabhanu does not hold any Directorship or committee membership in any other listed Company.

### d) Relationship between the directors interse

Nil.

### e) Re-appointment of retiring Director: (item no. 2)

Mr. A.L. Jayabhanu is the Non- Executive Director. He does not hold any equity shares in the Company.

None of the Directors and the Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise in the resolution set out at Item no. 2.

By Order of the Board

For Arihant Foundations & Housing Limited

Sd/-  
(J Meenakshi)  
CompanySecretary

Place: Chennai  
Date: 30.05.2017

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### ITEM NO.3

In accordance with the provisions of Section 139 of the Companies Act, 2013 read with Rule 6 of The Companies (Audit and Auditors) Rules, 2014, every Company shall appoint Statutory Auditors to hold office for one term of 5 years and such appointment is subject to ratification by the Members every year in the annual general meeting. The Act further makes it mandatory to rotate the statutory auditors after two terms of 5 years, in case of a firm of auditors. Further, Companies have been given time till the year 2017 to effect rotation of Auditors, wherever necessary. As you are aware, M/s. B.P. Jain & Co., have been the statutory auditors of the company for more than 10 years. In order to comply with the requirements mentioned above, it is proposed to appoint a new firm of Chartered Accountants to act as the Statutory Auditors of the Company at the ensuing 24th Annual General Meeting.

M/s. Ramachandra Rao & Associates (Firm Regn. No. 007735S) Chartered Accountants, a firm of long standing have been identified for appointment as the Joint Statutory Auditors of the Company. Being eligible for appointment under the provisions of the Companies Act, 2013, they have furnished their consent to act as the Statutory Auditors, in terms of the second proviso to Section 139 of the Act and also provided a certificate to the effect that their appointment, if made, shall be in accordance with the conditions laid down and that they satisfy the criteria provided under Section 141 of the Act. The Board of Directors, on the recommendations of the Audit Committee, at the meeting held on 30th May, 2017, proposed the appointment of M/s. Ramachandra Rao & Associates (Firm Regn. No. 007735S) Chartered Accountants, as the Statutory

Auditors of the Company for a period of 5 years from the conclusion of the twenty fourth Annual General Meeting until the conclusion of the twenty ninth Annual General Meeting of the Company (subject to ratification of the appointment at every Annual General Meeting, if required by law) and to authorise the Board of Directors of the Company to fix their remuneration. The Board recommends the Resolution for approval by the Members of the Company.

None of the Directors of the Company and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the aforesaid Ordinary Resolution.

### DIRECTORS' REPORT

Your Directors are pleased to present the Directors' Report of your Company together with the Audited Financial Statements and the Auditors' Report for the period ended 31st March, 2017. The summarized financial results for the Financial Year are as under:

### WORKING RESULTS:

#### FINANCIAL PERFORMANCE:

During the year under review, company has Revenue from operation of Rs. 4388.64 Lakhs (Previous Year: Rs. 7180.19 Lakhs) and Other Income of Rs.1116.72 Lakhs (Previous Year: Rs. 1184.66 Lakhs), and the Net Profit of the Company amounted to Rs.164.266 Lakhs (Previous Year: Loss of Rs. 792.55 Lakhs). After providing for Interest & Finance charges, and Depreciation, the Company has performed well during the year under review despite the major changes economic policies like demonetization and enactment of RERA Act with a Profit after Tax of is Rs. 109.96 Lakhs as compared to the previous year loss of Rs.521.63 Lakhs).

(Rs. In Lakhs)

S. No.	Particulars	1st April 2016 to 31st March, 2017 (12 Months)	1st January 2015 to 31st March 2016 (15 Months)
I.	<b>Total Revenue</b>	5505.366	8364.860
II.	<b>Total Expenses</b>	5341.099	9157.407
III	<b>Profit before exceptional and extraordinary items and tax (I-II)</b>	164.266	(792.546)
IV	Exceptional items	-	-
V	<b>Profit before extraordinary items and tax (III -IV)</b>	164.266	(792.546)

VI	Tax expense:		
	(1) Current tax	54.306	47.805
	(2) Deferred tax	-	(318.72)
VII	Profit (Loss) for the period from continuing operations	109.960	(521.632)
VIII	Transfer to Capital Redemption Reserve	-	-
IX	Profit (Loss) for the period (VII- VIII)	109.960	(521.632)

## DIVIDEND

Your directors do not declare any Dividend for the financial year ended, 31st March 2017 due to inadequate profit and to Conserve reserves.

## DEPOSITS

During the year under review, the company didn't raise funds by way of fixed deposits from Public.

## Subsidiaries & Joint Ventures /Associates

There are six subsidiaries and two joint ventures of your Company as on 31st March, 2017. M/s Arihant Griha Limited, Vaikunt Housing Limited, Varenva Constructions Limited and Transperent Heights Real Estate Limited are the wholly-owned subsidiaries and M/s. Escapade Real Estate Private Limited with 66.67% stake and M/s. North Town Estates Private Limited is the subsidiary of your Company with 65% stake. M/s. Arihant Unitech Realty Projects Limited,

Mangalagiri Realty Private Limited (formerly known as Arihant Indo-African Infra Developers and Builders Private Limited) are Joint Venture entities of your Company. Your Company does not have any material non-listed Indian Subsidiary Company. No Company ceases to be Subsidiary and no Company has become Subsidiary during the year under review. Details of financial statements of subsidiaries are given in AoC-1 as Annexure 1.

## Performance, Plans and Prospects of your Company

### Your Company's current year Projects:

During the year under review, the Company has executed and handed over three (3) residential projects and one (1) Commercial project covering an area of 4.40 Lakh square feet. The Company's Project managers are guided by policy and principle in the successful implementation and completion of various projects.

## ONGOING PROJECTS

Project name	Location	Area (Sqft)
Arihant - `esta (Residential Complex)	Mugappair, Chennai	1,98,165
Arihant Tiara (Residential Complex)	Nandambakkam, Chennai	1,49,568
Aira (Residential Complex)	Egmore, Chennai	13,000
The Verge (Commercial complex)	OMR, Chennai	85,000
	TOTAL	445,733

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments made during the year are given in the notes to the Financial Statements.



**DIRECTORS:**

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

**A) CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the period under review, Mrs Meenakshi Jayaraman has resigned from the position of Company Secretary on January 5, 2017.

Further on March 25, 2017 Mrs Meenakshi Jayaraman was again appointed as the Company Secretary of the Company and designated as Key Managerial Personnel (KMP) of the company in compliance of provisions of section 203 of the Companies Act, 2013.

**B) DECLARATION BY INDEPENDENT DIRECTORS**

A declaration by the Independent Directors that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 was taken on record by the Board in their meeting held on April 12, 2016. The terms and conditions of appointment of the Independent Directors are placed on the website of the Company <http://www.arihantfoundations.com/investors-details/code-of-conduct/>

The Company has also disclosed the Directors' familiarization programme on its website <http://www.arihantfoundations.com/investors-details/code-of-conduct/>

The independent directors have met on 14.02.2017 and reviewed the performance of non-executive directors, chairman and executive directors and analyzed the flow of information to the Board. All the Independent directors were present at the meeting.

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

**NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:**

During the year, 11 (eleven) Board Meetings and 4 (four) Audit Committee Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

**AUDIT COMMITTEE:**

The Audit Committee had a number of meetings, both formal and internal interactions with the management team in reviewing Accounts, Finances, Compliances and Risks, and in ensuring improved internal reporting, analyses and financial performances. Given the increasing complexities presented by the new Companies Act and other Laws, the Audit Committee has also focused on Compliance and Governance to meet the needs of the present and the future. When necessary, external consultants have been brought in to support the Committee and the Management team.

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

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

**FINANCE**

All taxes and statutory dues have been paid. Payment of interest and instalments to the Financial Institutions and Banks are being made as per schedule. Your Company had not collected any Fixed Deposits during the Financial Year.

**CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the Accounting Standard AS-21 on consolidated financial statements read with Accounting Standard AS-23 on investment in associates, AS-27 on financial reporting of interest in Joint Venture, Auditors Report on the consolidated financial statements, audited consolidated Balance Sheet, statement of Profit and Loss account and Cash flow statements are provided in the Annual Report.

**REPORT ON CORPORATE GOVERNANCE**

Your Company ensures good corporate governance by implementing and complying with the policies, standards set out by Securities and Exchange Board of India and other regulatory authorities. The requisite certificate issued by Mrs. G. Subhasree, Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance as stipulated under Regulation 34(3) of the SEBI (Listing Obligations

And Disclosure Requirements) Regulations, 2015, is attached to this Report as Annexure 5 .

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

The necessary details are furnished in Notes to Financial statements no. 35

### **PARTICULARS OF EMPLOYEES:**

Details of employees covered under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in Annexure 3 to this annual report. Employees at all levels have performed well.

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

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

### **RELATED PARTY TRANSACTIONS**

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

The Board has approved a policy for related party transactions which has been uploaded on the Company's website. <http://www.arihantfoundations.com/investors-details/code-of-conduct/>

Details of transactions with related parties are given in Form AOC - 2 which is attached to this report and report on AOC - 2 by CEO and CFO is attached to this report as Annexure 4.

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

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

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

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

### **DIRECTORS RESPONSIBILITY STATEMENT**

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
- iii) the directors have taken proper and sufficient care to maintain adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) the directors have prepared the annual accounts on a going concern basis.