

18<sup>th</sup> September, 2017

BSE Limited  
Listing Dept. / Dept. of Corporate Services,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.

National Stock Exchange of India Ltd.  
Listing Dept., Exchange Plaza, 5th Floor,  
Plot No. C/1, G. Block,  
Bandra-Kurla Complex,  
Bandra (E),  
Mumbai - 400 051.

**Security Code : 539301**  
**Security ID : ARVSMART**

**Symbol : ARVSMART**

Dear Sirs,

**Sub: Submission of Annual Report for the Financial Year 2016-17.**


Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2016-17 approved and adopted by the members as per the provisions of the Companies Act, 2013, at the Annual General Meeting of the Company held on Thursday, the 14<sup>th</sup> September, 2017 at 10.00 a.m. Thakorebhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad -380006.

The above is also uploaded on Company's website at [www.arvinsmartspaces.com](http://www.arvinsmartspaces.com).

Thanking you,

Yours faithfully,



  
Prakash Makwana  
Company Secretary

Encl.: As above.

# Arvind SmartSpaces Limited

**2016-17**  
9<sup>th</sup> Annual Report



**ARVIND SMARTSPACES**

## Board of Directors

Mr. Sanjay Lalbhai	: Chairman & Non-Executive Director
Mr. Kamal Singal	: Managing Director & CEO
Mr. Kulin S. Lalbhai	: Non-Executive Director
Mr. Pratul Shroff	: Independent Director
Mr. Prem Prakash Pangotra	: Independent Director
Dr. Indira J. Parikh	: Independent Director
Mr. Nirav Kalyanbhai Shah	: Independent Director

## Audit Committee

Mr. Pratul Shroff	: Chairman
Mr. Prem Prakash Pangotra	: Member
Dr. Indira J. Parikh	: Member
Mr. Kamal Singal	: Member
Mr. Nirav Kalyanbhai Shah	: Member

## Stakeholders Relationship Committee

Mr. Sanjay Lalbhai	: Chairman
Mr. Pratul Shroff	: Member
Mr. Prem Prakash Pangotra	: Member
Mr. Kamal Singal	: Member

## Nomination & Remuneration Committee

Mr. Prem Prakash Pangotra	: Chairman
Mr. Pratul Shroff	: Member
Mr. Sanjay Lalbhai	: Member

## Corporate Social Responsibility Committee

Mr. Sanjay Lalbhai	: Chairman
Mr. Prem Prakash Pangotra	: Member
Dr. Indira J. Parikh	: Member
Mr. Kamal Singal	: Member

## Management Committee

Mr. Sanjay Lalbhai	: Chairman
Mr. Kulin S. Lalbhai	: Member
Mr. Kamal Singal	: Member

## Company Secretary

Mr. Prakash Makwana

## Chief Financial Officer

Mr. Mehul Shah

## Arvind SmartSpaces Limited (formerly Arvind Infrastructure Ltd.)

CIN: L45201GJ2008PLCO55771

**Registered Office** : 24, Government Servant's Society,  
Nr. Municipal Market, Off C.G. Road, Navrangpura,  
Ahmedabad - 380009. Phone No. 079-30137000  
Website: www.arvindsmartspaces.com

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## Auditors

M/s. S R B C Co & LLP,  
2<sup>nd</sup> Floor, Shivalik Ishaan, Near C. N. Vidhayalaya,  
Ambawadi, Ahmedabad-380015.

## Bankers

HDFC Bank Limited  
Axis Bank Limited  
ICICI Bank Limited

## Registrar And Transfer Agent

Link Intime India Private Limited,  
506-508, Amarnath Business Centre-1 (abc-1),  
Beside Gala Business Centre, Near St. Xavier's College Corner,  
Off C G Road, Ellisbridge, Ahmedabad 380006.  
Tel No : +91 79 26465179/86/87

## Important communication to members

Please refer to page No. 111 of this report to support  
Green Initiative of MCA. We request you to  
register and send the details.



## NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of the members of the Company will be held on Thursday, the 14<sup>th</sup> September, 2017 at 10:00 a.m. at J B Auditorium, Ahmedabad Management Association, Opp. Apang Manav Mandal, IIM Road, Dr V S Marg, Ahmedabad 380015 to transact the following Business:

### ORDINARY BUSINESS

- To receive, consider and adopt the audited financial statements (including consolidated financial statements) of the Company for the financial year ended 31<sup>st</sup> March, 2017 and the reports of the Directors and Auditors thereon.
- To appoint a Director in place of Mr. Kulin S. Lalbhai (holding DIN 05206878), who retires by rotation in terms of Article 149 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
- To appoint the Statutory Auditors and to fix their remuneration and in this connection to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s. S R B C & Co LLP, Chartered Accountants (ICAI Firm Registration Number: 324982E/E300003) be and are hereby appointed as the Statutory Auditors of the Company to hold office for a term of five years commencing from the 9<sup>th</sup> Annual General Meeting of the Company till the conclusion of the 14<sup>th</sup> Annual General Meeting (subject to ratification of their appointment by the Members at every intervening Annual General Meeting held after this Annual General Meeting) on such remuneration plus GST, out-of-pocket expenses etc. as may be mutually agreed upon by the Board of Directors and the Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution.

### SPECIAL BUSINESS

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

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Nirav Kalyanbhai Shah (holding DIN 00397336), who was appointed as an Additional Director in the category of Independent Director of the Company by the Board of Directors with effect from

9<sup>th</sup> June, 2017, who holds office until the date of the ensuing Annual General Meeting and relating to whom the Company has received a Notice under Section 160 of the Companies Act, 2013 signifying the intention of proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 8<sup>th</sup> June, 2022 and that his office as Independent Director shall not be subject to retirement by rotation.

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

RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad having Firm Registration No. 000025, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records maintained by the Company for the financial year ending 31<sup>st</sup> March, 2018, amounting to Rs. 75,000 (Rupees Seventy Five Thousand only) as also the payment of GST as applicable and re-imbursalment of out of pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby ratified and confirmed.

Registered Office:

24, Government Servant's Society,  
Near Municipal Market,  
Off C.G. Road, Navrangpura,  
Ahmedabad - 380009  
Date: 8<sup>th</sup> August, 2017

By Order of the Board

**Prakash Makwana**  
Company Secretary

### NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting. A Proxy form is annexed hereto. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.

3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting is annexed hereto.
4. Members are requested to bring their copy of the Annual Report to the meeting. The Members/Proxies should bring the Attendance Slip annexed hereto duly filled in for attending the meeting.
5. Members intending to require information about Accounts in the Meeting are requested to inform the Company at least 7 days in advance of the Annual General Meeting.
6. The members, holding shares in physical form, are requested to intimate any change in their addresses or bank details to the Company or its Registrar and Transfer Agent (RTA) viz. Link Intime India Pvt. Ltd., Unit: Arvind SmartSpaces Limited, 506-508, Amarnath Business Centre-1 (abc-1) Beside Gala Business Centre, Near St. Xavier's College Corner. Off C G Road, Ellisbridge, Ahmedabad 380006.  
  
Those holding shares in dematerialized form may intimate any change in their addresses or bank details / mandates to their Depository Participants (DP) immediately. The Company or its RTA cannot act on any request directly received from any member holding shares in dematerialized form for any change in such details. Such changes are to be advised only to the DP of the members.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 4<sup>th</sup> day of September, 2017 to Wednesday, the 6<sup>th</sup> day of September, 2017 (both days inclusive).
8. Documents referred to in the Notice and the Explanatory Statement attached hereto are available for inspection by the shareholders at the Registered Office of the Company during business hours on any working day up to and including the date of the Annual General Meeting of the Company.
9. The Notice of the Annual General Meeting and Annual Report of the Company for the year ended 31<sup>st</sup> March, 2017 is posted on the Company's website [www.arvindsmartspaces.com](http://www.arvindsmartspaces.com) and may be accessed by the members.
10. Details under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors seeking appointment/reappointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
11. Electronic copy of the Annual Report for the financial year 2016-17 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report for the financial year 2016-17 are being sent by the permitted mode.
12. Electronic copy of the Notice of the 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 Participants(s) for communication purposes unless a 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 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.
13. Instructions for e-voting  
  
A separate sheet containing the complete details of the instructions for e-voting is being sent to all the shareholders along with the Annual Report for the financial year 2016-17 to enable them to cast their votes through e-voting.

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Date: 8<sup>th</sup> August, 2017

By Order of the Board

**Prakash Makwana**  
Company Secretary

**EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013:****Item No. 4**

Pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and subject to the approval of shareholders of the Company, Mr. Nirav Kalyanbhai Shah was appointed as an Additional Director in the category of Independent Director of the Company by the Board of Directors with effect from 9<sup>th</sup> June, 2017, who holds office for five consecutive years upto 8<sup>th</sup> June, 2022. A notice has been received from a member proposing Mr. Nirav Kalyanbhai Shah as a candidate for the office of the Director of the Company.

Mr. Nirav Shah is a Managing Director of Jayatma Informatics Private Limited and joint Managing Director – Santaram Spinners Limited. He is third generation entrepreneur and has management experience of 20 years. He holds Bachelor's degree in Commerce and has done his Post-Graduate Credit Course in International Business Strategy and Corporate Finance from London School of Economics. Mr. Shah was the President of Gujarat Electronics and Software Industries Association for two consecutive years (2008-2010). He was the Chairman of the Confederation of Indian Industry – Gujarat IT Task Force (2010-2012). He has also been the Co-Chair of the Industry Committee as well as the IT Committee of the Gujarat Chamber of Commerce and Industry for the year 2001-2002.

He is holding 15 equity shares of the Company and is not related to any Director of the Company.

The details of Directorships, Memberships/Chairmanships of Committees in other Companies held by Mr. Nirav Kalyanbhai Shah are as under:

Sr. No.	Name of the Company in which holding Directorship	Name of the Committee	Committee Memberships
1	Santaram Spinners Limited	Audit Committee	Member
		Stakeholders' Relationship Committee	Member
2	Jayatma Spinners Limited	Audit Committee	Member
		Stakeholders' Relationship Committee	Member
3	Jayatma Informatics Private Limited	-	-
4	Niyati (Tex) Private Limited	-	-
5	Dharmanath Textile Private Limited	-	-
6	Jayatma Comtex Private Limited	-	-
7	DMCC Oil Terminals (Navlakhi) Limited	-	-

In the opinion of the Board, Mr. Nirav Kalyanbhai Shah fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. A copy of the Letter of Appointment of Mr. Nirav Kalyanbhai Shah as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Sunday.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Nirav Kalyanbhai Shah as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Nirav Kalyanbhai Shah as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Nirav Kalyanbhai Shah, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4. This Explanatory Statement may also be regarded as a disclosure under SEBI Listing Regulations 2015.

**Item No. 5**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as Cost Auditors to conduct the audit of the cost records maintained by the Company for the financial year ending 31<sup>st</sup> March, 2018 at a remuneration of ₹ 75,000 (Rupees Seventy Five Thousand only) plus GST and out of pocket expenses.

In accordance with the provisions of Section 148 (3) of the Act read with The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2018.

The Board recommends the above resolution for your approval.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

**Annexure to Item No. 2 & 4 of the Notice**

**Details of Director seeking appointment and re-appointment at the forthcoming Annual General Meeting:**

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of the Director	Kulin S. Lalbhai	Nirav Kalyanbhai Shah
Director Identification No.	05206878	00397336
Date of Birth	13 <sup>th</sup> August, 1985	15 <sup>th</sup> June, 1973
Nationality	Indian	Indian
Date of Appointment on the Board	29 <sup>th</sup> March, 2013	9 <sup>th</sup> June, 2017
Qualifications	<ol style="list-style-type: none"> <li>B.Sc. (Electrical Engineering), Stanford University, USA;</li> <li>MBA – Harvard Business School, USA.</li> </ol>	<ol style="list-style-type: none"> <li>Bachelor's degree in Commerce;</li> <li>Post-Graduate Credit Course in International Business Strategy;</li> <li>Corporate Finance from London School of Economics.</li> </ol>
Expertise in specific functional area	<ul style="list-style-type: none"> <li>Consumer Business,</li> <li>Corporate Strategy,</li> <li>B2c Business,</li> <li>E-Commerce and Real Estate Business</li> </ul>	<ul style="list-style-type: none"> <li>Electronics, Software development and Information Technology.</li> </ul>
Number of shares held in the Company	Nil	15 equity shares
List of the directorships held in other companies (excluding Foreign, Private and Section 8 Companies)*	<ol style="list-style-type: none"> <li>Arvind Limited</li> <li>Zyodus Wellness Limited</li> <li>Arvind Fashions Limited</li> <li>Arvind Internet Limited</li> </ol>	<ol style="list-style-type: none"> <li>Santaram Spinners Limited</li> <li>Jayatma Spinners Limited</li> <li>Jayatma Informatics Private Limited</li> <li>Niyati (Tex) Private Limited</li> <li>Dharmanath Textile Private Limited</li> <li>Jayatma Comtex Private Limited</li> <li>DMCC Oil Terminals (Navlakhi) Limited</li> </ol>
Number of Board Meetings attended during the year.	3 out of 4 meetings held during the year 2016-17	-
Chairman/Member in the Committees of the Boards of companies in which he is Director.*	<ol style="list-style-type: none"> <li>Zyodus Wellness Limited: Audit Committee: Member</li> </ol>	<ol style="list-style-type: none"> <li>Santaram Spinners Limited Audit Committee &amp; Stakeholders Relationship Committee : Member</li> <li>Jayatma Spinners Limited Audit Committee &amp; Stakeholders Relationship Committee : Member</li> </ol>
Relationships between Directors inter-se.	Mr. Kulin S. Lalbhai is a son of Mr. Sanjay Lalbhai, Chairman and Non-Executive Director of the Company.	Mr. Nirav Kalyanbhai Shah is not related to any Director of the Company.
* Directorship includes Directorship of other Indian Public Companies and Committee membership includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Company (whether Listed or not).		

Registered Office:  
24, Government Servant's Society,  
Near Municipal Market,  
Off C.G. Road, Navrangpura,  
Ahmedabad - 380009  
Date: 8<sup>th</sup> August, 2017

By Order of the Board

**Prakash Makwana**  
Company Secretary



# DIRECTORS' REPORT

To, The Members,

Your Directors are pleased to present their Ninth Annual Report with the Audited Financial Statements of the Company for the period from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017.

## 1. FINANCIAL RESULTS :

Highlights of the Financial Results are as under:

[₹ in lacs]

Particulars	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Operating Revenue	9,001.89	11,084.41	15,983.93	11,473.97
<b>Profit before Finance costs, Depreciation and Amortisation Expenses, Extraordinary Items &amp; Tax Expenses</b>	<b>3,339.94</b>	<b>3,629.52</b>	<b>4,635.46</b>	<b>3,657.14</b>
Less: Finance Costs	1,158.03	839.29	1,158.03	843.38
<b>Profit before Depreciation and Amortisation Expenses, Extraordinary Items &amp; Tax Expenses</b>	<b>3,257.77</b>	<b>3,552.03</b>	<b>3,477.43</b>	<b>2,813.76</b>
Less : Depreciation and Amortisation Expenses	82.17	77.50	105.57	92.32
<b>Profit before Extraordinary Items &amp; Tax Expenses</b>	<b>2,099.73</b>	<b>2,712.73</b>	<b>3,371.86</b>	<b>2,721.44</b>
Less : Extraordinary Items	0.00	0.00	0.00	0.00
<b>Profit before Tax</b>	<b>2,099.73</b>	<b>2,712.73</b>	<b>3,371.86</b>	<b>2,721.44</b>
Less : Current Tax	0.00	952.10	1170.31	1,009.40
Less : Deferred Tax	9.68	30.02	5.42	33.29
Add: Adjustment of tax pertaining to earlier years	0.00	0.00	37.73	4.41
Less : MAT Credit Entitlement	37.73	0.00	0.00	0.00
<b>Profit before minority interest</b>	<b>2,127.78</b>	<b>1,730.61</b>	<b>2,233.86</b>	<b>1,683.16</b>
Less: Share of Profit/(Loss) of minority interest	0.00	0.00	136.96	(37.67)
<b>Profit for the year</b>	<b>2,127.78</b>	<b>1,730.61</b>	<b>2,096.90</b>	<b>1,720.83</b>
Balance of profit brought forward	4,360.47	2629.86	4,312.85	2,592.03
<b>Balance carried forward to Balance Sheet</b>	<b>6,488.26</b>	<b>4,360.47</b>	<b>6,409.75</b>	<b>4,312.86</b>

Note: Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation.

## 2. OPERATIONS :

The standalone revenue of the company stood at ₹ 9,001.89 lacs compared to ₹ 11,084.41 lacs in the previous year. The operating cash flows were however better, profit after tax stood at ₹ 2,127.78 lacs as compared to ₹ 1,730.61 lacs in the previous fiscal, showing an increase of 23%.

The consolidated revenue of the company stood at ₹ 15,983.93 lacs compared to ₹ 11,473.97 lacs in the previous fiscal, showing increase of 39%. The profit after tax stood at ₹ 2,096.90 lacs as compared to ₹ 1,720.83 lacs in the previous fiscal, showing an increase of 22%.

A detailed analysis of the financial results is given in the Management Discussion and Analysis Report which forms part of this report.

## 3. DIVIDEND:

In order to conserve the resources for the future development of the Company, your Directors do not recommended any dividend on Equity Shares for the year under review.

## 4. TRANSFER TO RESERVES:

During the year under review, the Company has not transferred any amount to reserves.

## 5. CHANGE IN THE NAME OF THE COMPANY

The name of the Company was changed to "Arvind SmartSpaces Limited" from "Arvind Infrastructure Limited" with effect from 16<sup>th</sup> November, 2016. There was no change in the nature of business of the Company on account of the change in name. The new name Arvind SmartSpaces reflect that we represent trust, innovation and customer-centric thinking coming together to deliver a thoughtful realty experience that is the benchmark for the sector to aspire to.



**6. SHARE CAPITAL:**

During the year under review, the following changes were made in the capital structure of the Company:

- (a) The Company has allotted 10,000 equity shares of ₹ 10/- each to the eligible employee/ies pursuant to the exercise of stock options granted under Employees Stock Option Scheme-2013 (AIL ESOP 2013).
- (b) The Company has allotted 25,75,000 equity shares of ₹ 10/- each to the warrant holders pursuant to exercise of option of conversion of warrants by the warrant holders, being promoter and promoter group entities on Preferential basis under Tranche-I.

Consequently, the paid up Equity Share Capital of the Company stood at ₹ 2840.93 lacs.

During the year under review, the Company has not issued shares with differential voting rights and sweat equity shares.

**7. EMPLOYEE STOCK OPTION SCHEME:**

The Company has instituted the Arvind Infrastructure Limited (now Arvind SmartSpaces Limited) - Employees Stock Option Scheme-2013 (AIL ESOP 2013) to grant equity based incentives to certain eligible employees and directors of the Company and its Subsidiary Companies. During the year under review, the Company has not granted any stock options.

Details of equity shares issued upon exercise of options by the eligible employee/s under AIL ESOP 2013 and disclosure in compliance with Section 62 of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and the Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 are set out in **Annexure - A** to this report.

**8. DISCLOSURE UNDER SECTION 67(3)(C) OF THE COMPANIES ACT, 2013:**

No disclosure is required under section 67 (3) (c) of the Companies Act, 2013 read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014, in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said section are not applicable.

**9. FINANCE :**

During the year, the Company has made fresh borrowings of ₹ 12,850 lacs for its working capital requirements. Total Long Term Debt of the Company stands at ₹ 4,531.56 lacs as on 31<sup>st</sup> March, 2016.

**10. FIXED DEPOSITS:**

The Company has not accepted or renewed any deposits falling within the purview of provisions of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits), Rules 2014 during the year under review. Hence, the requirement for furnishing of details of deposits, which are not in compliance with Chapter V of the Act is not applicable.

**11. PARTICULARS OF LOANS, GUARANTEES, OR INVESTMENTS UNDER SECTION 186:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**12. INDIAN ACCOUNTING STANDARDS (IND AS):**

Pursuant to the notification, issued by the Ministry of Corporate Affairs dated 16<sup>th</sup> February, 2015 relating to the Companies (Indian Accounting Standard) Rules, 2015, the Company, its Subsidiaries and Joint Venture Company will adopt "IND AS" with effect from 1<sup>st</sup> April, 2017.

**13. CONSOLIDATED FINANCIAL STATEMENTS:**

The Consolidated Financial Statements of the Company prepared in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India form part of this Annual Report.

**14. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

Arvind SmartSpaces Limited undertakes "Corporate Social Responsibility" (CSR) initiatives through Strategic Help Alliance for Relief to Distressed Area ("**SHARDA**") Trust and Narottam Lalbhai Rural Development Fund ("**NLRDF**"). SHARDA & NLRDF have been active in improving the quality of life of the urban poor & rural poor respectively.

As a part of initiatives under CSR, the Company has undertaken Projects for setting up of primary health medical centre and for the development of underprivileged children for promoting education which are largely in accordance with Schedule VII of the Companies Act, 2013. The brief details of Corporate Social Responsibility Policy and the amount spent during the financial year 2016-17 on each activity is enclosed as **Annexure - B**.

**15. HUMAN RESOURCES:**

The Company believes that Human Resources will play a significant role in its future growth. With an unswerving focus on nurturing and retaining talent, the Company provides avenues for learning and development through functional, behavioural and leadership training programs, knowledge exchange conferences, communication channels for information sharing to name a few. The Company provides various opportunities to the employees to develop and hone their skills to take up higher responsibilities in the organization.

A well - defined competency framework outlines the leadership behaviours expected from employees to be successful in Arvind Group. The Company also uses various communication channels to seek employees' feedback about the overall working environment and the necessary tools and resources they need to perform at their best potential.

Diverse employee engagement initiatives are launched to ensure employees of various age and background continue to be effective in their roles and build meaningful career at Arvind. The Group's Corporate Human Resources plays a critical role in company's talent management process.

**16. RISK MANAGEMENT:**

The Real Estate market is inherently a cyclical market and is affected by macroeconomics conditions, changes in governmental schemes, changes in supply and demand for projects, availability of consumer finance and liquidity. These factors can affect the demand for both our forthcoming and ongoing projects. The Company follows certain policies such as leveraging of Balance sheet, building projects in an asset light mode.

The Company has developed and implemented Risk Management Policy. The policy identifies the threat of such events which if occurred will adversely affect either/or, value to shareholders, ability of Company to achieve objectives, ability to implement business strategies, the manner in which the Company operates and reputation as "Risks". Further, such risk are categorized into Strategic Risks, Operating Risks and Regulatory Risks.

Under the framework, the Company has laid down a Risk Management Policy which defines the process for identification of risks, its assessment, mitigation measures, monitoring and reporting. While the Company, through its employees and Executive Management, continuously assess the identified Risks, the Audit Committee reviews the identified Risks and its mitigation measures annually.

#### **17. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Company has an Internal Audit department with adequate experience and expertise in internal controls, operating system and procedures. In discharging their role and responsibilities, the department is supported by an external audit firm.

The system is supported by documented policies, guidelines and procedures to monitor business and operational performance which are aimed at ensuring business integrity and promoting operational efficiency.

The Internal Audit Department reviews the adequacy of internal control system in the Company, its compliance with operating systems and laid down policies and procedures. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board of Directors from time to time.

#### **18. VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has a vigil mechanism named Whistle Blower Policy to deal with the instances of fraud or mismanagement, if any. The details of the Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the website of the company at [www.arvindsmartspaces.com](http://www.arvindsmartspaces.com).

#### **19. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:**

As on 31<sup>st</sup> March, 2017, the Company has 9 subsidiaries including one wholly owned subsidiary and 1 Joint venture Company.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 a statement containing salient features of financial statements of subsidiaries, associates and joint venture Companies in Form AOC-1 is attached to the Financial Statements. The separate audited financial statements in respect of each of the subsidiary shall be kept open for inspection at the Registered Office of the Company. The Company will also make available these documents upon request by any Member of the Company interested in obtaining the same.

The Company has framed a policy for determining material subsidiaries, which has been posted on company's website at [www.arvindsmartspaces.com](http://www.arvindsmartspaces.com).

#### **20. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

The Board of Directors consist of 6 Directors out of which 1 is Executive Director, 2 are Non-Executive Non-Independent Directors and 3 are Non-Executive Independent Directors including Woman Director which is in compliance Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the provisions of Section 152 (6) of the Companies Act, 2013 and the Company's Article of Association, Mr. Kulin S. Lalbhai (DIN 05206878) shall retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment as the Director of the Company.

The Independent Directors hold office for a fixed period of five years from the date of their appointment at the Annual General Meeting and are not liable to retire by rotation. In accordance with Section 149(7) of the Companies Act 2013, each Independent Director has given a written declaration to the Company confirming that he/she meets the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors are disqualified from being appointed as Directors as specified in section 164 of the Companies Act, 2013. The profile of Directors forms part of the Corporate Governance Report.

As per the provisions of Section 203 of the Companies Act, 2013, Mr. Kamal Singal - Managing Director & CEO, Mr. Mehul Shah - Chief Financial Officer and Mr. Prakash Makwana - Company Secretary are the key managerial personnel of the Company.

#### **21. FORMAL ANNUAL EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees on the basis of criteria formulated by the Nomination and Remuneration Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

#### **22. REMUNERATION POLICY :**

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The Remuneration Policy is explained in the Corporate Governance Report forming part of this Report.

#### **23. FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS:**

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of

the familiarization programme are explained in the Corporate Governance Report. The same is also posted on the website of the Company at [www.arvindsmartspaces.com](http://www.arvindsmartspaces.com).

**24. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEES:**

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year under review, 4 meetings of the Board of Directors, 4 meetings of Audit Committee, 3 meetings of Nomination and Remuneration Committee, 3 meetings of Stakeholders' Relationship Committee, 2 meetings of Corporate Social Responsibility Committee and 14 meetings of Management Committee of Board of Directors were convened and held, the details of which are provided in the Corporate Governance Report forming part of this Report.

**25. DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (a) in the preparation of the annual accounts for the year ended on 31<sup>st</sup> March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) that they have taken proper and sufficient care towards the maintenance of 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;
- (d) they have prepared annual accounts on a going concern basis;
- (e) they have laid down proper internal financial controls, which are adequate and are adequate and are operating effectively;
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

**26. RELATED PARTY TRANSACTIONS:**

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with Related Party are

provided in the Company's financial statements in accordance with the Accounting Standards.

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Policy on Related Party Transactions as approved by the Board is posted on Company's website at [www.arvindsmartspaces.com](http://www.arvindsmartspaces.com).

**27. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS :**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

**28. AUDITORS:**

**(a) Statutory Auditor:**

M/s. S R B C & Co LLP, Chartered Accountants, having Firm Registration No. 324982E/ E300003 allotted by the Institute of Chartered Accountants of India (ICAI), the Statutory Auditors of the Company, will hold office until the conclusion of the ensuing Annual General Meeting and are eligible for appointment as per Section 139 of the Companies Act, 2013.

M/s. S R B C & Co LLP have expressed their willingness to be appointed as the Statutory Auditors of the Company and has furnished a certificate of their eligibility and consent under Section 141 of the Companies Act, 2013 and the rules framed there under. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI. The Board, based on the recommendation of the Audit Committee, recommends the appointment of M/s. S R B C & Co LLP as the Statutory Auditors of the Company.

The members are requested to appoint M/s. S R B C & Co LLP, Chartered Accountants as Auditors to hold office for a term of five years commencing from the 9<sup>th</sup> Annual General Meeting of the Company till the conclusion of the 14<sup>th</sup> Annual General Meeting (subject to ratification of their appointment by the Members at every intervening Annual General Meeting held after this Annual General Meeting) and to authorise the Board to fix their remuneration.

Further, the report of the Statutory Auditors along with notes to Financial Statements is enclosed to this report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

**(b) Cost Auditors:**

On the recommendation of the Audit Committee, the Board of Directors appointed M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad (Firm Registration No. 000025), as Cost Auditors of the Company for the year 2017-18 under Section 148 of the Companies Act 2013 read with the Companies (Cost Records and Audit) Amendment Rules,



2014. M/s Kiran J. Mehta & Co. have confirmed that they are free from disqualification specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Companies Act, 2013 and that their appointment meets the requirements of Section 141(3)(g) of the Companies Act, 2013. They have further confirmed their independent status and an arm's length relationship with the Company.

**(c) Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s N. V. Kathiria & Associates, a firm of Company Secretaries in Practice to conduct the Secretarial Audit of the Company for the Financial Year 2016-17. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks. The Secretarial Audit Report is enclosed herewith as **Annexure - C.**

**29. ENHANCING SHAREHOLDERS VALUE:**

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

**30. CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS:**

The Corporate Governance Report and Management Discussion & Analysis, which form part of this Report, are set out as separate Annexures, together with the Certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**31. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 regarding conservation of energy and Technology absorption are not given as the Company has not undertaken any manufacturing activity. There were no foreign Exchange Earnings or Outgo during the period under review except on foreign travelling.

**32. EXTRACT OF ANNUAL RETURN IN FORM MGT - 9 :**

The details forming part of the extract of Annual Return in form MGT-9 is attached as **Annexure - D.**

**33. PARTICULARS OF EMPLOYEES:**

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136(1) of the Companies Act, 2013, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, are given in **Annexure - E** to this report.

**34. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has zero tolerance for Sexual Harassment at Workplace and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

Arvind Real Estate Internal Complaints Committee ("AREICC") is formed by the Company which is working under purview of group level Committee i.e. Arvind Internal Complaints Committee ("AICC"), the details of which are declared across the organization. All the members of AREICC are trained by the subject experts on handling the investigations and proceedings as defined in the policy.

During the financial year 2016-17 the Company has not received any complaints on sexual harassment and hence no complaints remain pending as of 31<sup>st</sup> March, 2017.

**35. ACKNOWLEDGEMENTS:**

The Board expresses its sincere thanks to all the employees, customers, suppliers, investors, lenders, regulatory and government authorities and stock exchanges for their support.

By Order of the Board

Date: 12<sup>th</sup> May, 2017  
Place: Ahmedabad

**Sanjay Lalbhai**  
Chairman



## Annexure – A to the Director’s Report

### Disclosures under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations:

The Details of Arvind SmartSpaces Limited Employees Stock Option Scheme - 2013 for the year ended on 31<sup>st</sup> March, 2017 are as under:

<b>1</b>	<b>Description of ESOP 2013:</b>	
(a)	Date of shareholder approval	8 <sup>th</sup> March, 2013
(b)	Total number of shares approved under ESOP 2013	5% of share capital from time to time.
(c)	Vesting requirements	Options vest over minimum 1 year and maximum 5 years based on Continued service and certain Performance parameters.
(d)	Exercise price or pricing formula	Grant I – ₹ 41.25 Grant II – ₹ 45.14
(e)	Maximum term of options granted	5 years from the date of grant
(f)	Source of shares	Primary
(g)	Variation of terms of options	None
2	Method used to account for ESOS	Intrinsic Value Method
3	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on the profits and EPS of the Company shall also be disclosed.	
(i)	Difference between Intrinsic value and Fair value compensation cost	₹ 9.74 lacs
(ii)	Impact on the Profits of the Company (₹)	Profits would have been lower by ₹ 9.74 lacs
(iii)	Impact on Basic Earnings Per Share of the Company (₹)	Basic EPS would have been ₹ 0.03 Per share
(iv)	Impact on Diluted Earnings Per Share of the Company (₹)	Diluted EPS would have been ₹ 0.03 Per share
4	Option movement during the year:	
(a)	Options Outstanding at the beginning of the Year	10,32,972
(b)	Options granted during the year	0
(c)	Options forfeited / lapsed during the year	0
(d)	Options vested during the year	2,42,103
(e)	Options exercised during the year	10,000
(f)	Number of shares arising as a result of exercise of option	10,000
(g)	Money realised by exercise of options (₹)	₹ 4,12,500/-
(h)	Loan repaid by the Trust during the year from exercise price received	NA
(i)	Options Outstanding at the end of the year	10,22,972
(j)	Options Exercisable at the end of the year	0
5A	Weighted average exercise prices of options whose: Exercise price equals market price of stock Exercise price exceeds market price of stock Exercise price is less than market price of stock	₹ 41 0 0
5B	Weighted average fair value of options whose: Exercise price equals market price of stock Exercise price exceeds market price of stock Exercise price is less than market price of stock	₹ 10 0 0
6	Employee wise details of options granted to: (i) Senior managerial personnel; (ii) any other employee who receives a grant in any one year of options amounting to five per cent or more of options granted during that year; (iii) Identified employees who were granted options, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the issuer at the time of grant.	Nil
7	A description of the method and significant assumptions used during the year to estimate the fair values of options, including following information: (i) Share price (₹) (ii) Exercise price (₹) (iii) Expected volatility (iv) Expected dividends (v) Risk-free interest rate (vi) Any other inputs to the model (vii) Method used and the assumptions made to incorporate effects of expected early exercise (viii) How expected volatility was determined, including an explanation of the extent of which expected volatility was based on historical volatility (ix) Whether any or how any other features of option grant were incorporated into the measurement of fair value, such as market condition.	No grants made during the year.

## Annexure-B to the Director's Report

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES:

1	A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.	<p>➤ <b>Brief outline of the company's CSR Policy:</b></p> <p>For Arvind SmartSpaces Limited ("<b>ASL</b>"), care for the society has been an intrinsic value in the same manner as it is for other entities of the Lalbhai group. Though the rationale for long tradition of reaching out through planned interventions had always been nurturing society, at the base of it all lies an implicit value system. The underlying value system has a firm belief that only in a healthy society healthy businesses flourish and to ensure this, Business leaders must positively impact society.</p> <p>ASL conducts its CSR Programs through Strategic Help Alliance for Relief to Distressed Areas ("<b>SHARDA</b>") Trust and Narottam Lalbhai Rural Development Fund ("<b>NLRDF</b>"), CSR arms of Lalbhai group for undertaking initiatives of social renewal with urban and rural poor respectively.</p> <p>➤ <b>Overview of projects or programs proposed to be undertaken:</b></p> <p>Arvind SmartSpaces Limited Policy on Corporate Social Responsibility aims to impact positively, the quality of life of people, through initiatives of social, economic, educational, infrastructural, environmental, health and cultural advancement.</p> <p>ASL has decided to contribute ₹ 50 lacs for setting up primary health centre for promoting health care in the Ahmedabad district, which are required to be spent over a period of two financial years i.e. 2015-16 and 2016-17.</p> <p>During the year 2015-16 and 2016-17, the Company had made a grant of ₹ 21 lacs and ₹ 29 lacs respectively to SHARDA Trust, for setting up primary health centre for promoting health care in the Ahmedabad district. We are happy to report that the Primary Health Centre in Ahmedabad district is now functional.</p> <p>During the year 2016-17, the Company had also made a grant of ₹ 8 lacs to SHARDA Trust for purpose of educational support programs for the development of underprivileged children.</p> <p>As the project of Primary Health Center is now functional, we are now providing quality healthcare services to people under one roof. The services includes:</p> <ul style="list-style-type: none"> <li>• Doctor (consultation),</li> <li>• Strip Packed Quality Medicines (Drug),</li> <li>• Day Time Care when required.</li> <li>• Diagnosis (Pathological Tests),</li> <li>• Dental Care and</li> </ul> <p>A brief account of the project supported by the Company during 2016-17 is mentioned below in the format given by the Ministry of Corporate Affairs.</p> <p>➤ <b>Web-link of CSR Policy:</b></p> <p>The Policy is also posted on the website of the company at <a href="http://arvinsmartspaces.com/CSR_AIL.pdf">http://arvinsmartspaces.com/CSR_AIL.pdf</a></p>												
2	Composition of CSR Committee.	<p>Mr. Sanjay Lalbhai - Chairman</p> <p>Mr. Prem Prakash Pangotra - Independent Director</p> <p>Dr. Indira J. Parikh - Independent Director</p> <p>Mr. Kamal Singal - Managing Director &amp; CEO.</p>												
3	Average net profit of the Company for last three years.	₹ 1824 Lacs												
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above).	₹ 37.00 Lacs												
5	Details of CSR Spend during the financial year 2016-17.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center;">a.</td> <td style="width: 70%;">Total amount to be spent for F.Y. 2016-17</td> <td style="width: 25%; text-align: right;">₹ 37.00 Lacs</td> </tr> <tr> <td style="text-align: center;">b.</td> <td>Actual amount spent during the F.Y. 2016-17</td> <td style="text-align: right;">₹ 37.00 Lacs</td> </tr> <tr> <td style="text-align: center;">c.</td> <td>Amount unspent, if any</td> <td style="text-align: center;">Nil</td> </tr> <tr> <td style="text-align: center;">d.</td> <td colspan="2">Manner in which the amount was spent during the financial year and details of implementing agency are given below separately.</td> </tr> </table>	a.	Total amount to be spent for F.Y. 2016-17	₹ 37.00 Lacs	b.	Actual amount spent during the F.Y. 2016-17	₹ 37.00 Lacs	c.	Amount unspent, if any	Nil	d.	Manner in which the amount was spent during the financial year and details of implementing agency are given below separately.	
a.	Total amount to be spent for F.Y. 2016-17	₹ 37.00 Lacs												
b.	Actual amount spent during the F.Y. 2016-17	₹ 37.00 Lacs												
c.	Amount unspent, if any	Nil												
d.	Manner in which the amount was spent during the financial year and details of implementing agency are given below separately.													

6	In case the Company has failed to spend the two percent, of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.	Not Applicable as the Company has spent the required amount during the F.Y. 2016-17.
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➤ **Manner in which the amount was spent during the financial year:**

1	2	3	4	5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programmes	Amount outlay (budget) project or programmes wise	Amount spent on the projects or programmes	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
					Sub Heads		
			(1) Local area or other		(1) Direct expenditure on Projects or programmes		
			(2) Specify the State and district where projects or programmes was undertaken		(2) Overhead		
	<b>From 2% CSR Fund</b>					<b>Lacs (₹)</b>	
1	Setting up Primary Health Centre	Promoting Health care	Project of setting up primary health centres in district Ahmedabad, Gujarat.	50.00	29.00	29.00	Through SHARDA Trust
2	Education Support for Underprivileged Students	Promoting Health care	Project of Education Support for Underprivileged Students in Ahmedabad, Gujarat.	8.00	8.00	37.00	Through SHARDA Trust
	<b>Total Spend (₹ Lacs)</b>					<b>37.00</b>	

➤ **Details of the Implementation Agencies:**

Project and Programmes	Theme	Implementing Agency	Registration No
Setting up Primary Health Centre in Ahmedabad	Promoting Health	Strategic Help Alliance for Relief to Distressed Area (SHARDA) Trust.	Registration No. E/10699/Ahmedabad Dated 13 <sup>th</sup> December, 1995 under Bombay Public Trust Act 1950.
Education Support for Underprivileged Students	Promoting Education	Strategic Help Alliance for Relief to Distressed Area (SHARDA) Trust.	

The CSR Committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and policy of the Company.

**Sanjay Lalbhai**  
Chairman – CSR Committee

**Kamal Singal**  
Managing Director & CEO

## Annexure - C to the Director's Report

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2017

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

To,  
The Members,  
Arvind SmartSpaces Limited  
(Formerly Arvind Infrastructure Limited)  
24, Govt. Servant's Society,  
Nr. Municipal Market, Off. C.G. Road,  
Navrangpura, Ahmedabad- 380009.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Arvind SmartSpaces Limited** (Formerly Arvind Infrastructure Limited) (hereinafter "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company has given in **Annexure I**, for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:
  - (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (iv) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
  - (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable as the Company has not issue any such securities during the financial year)
  - (vi) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client; (Not Applicable as the Company is not registered as Registrar and Transfer Agents with SEBI).
  - (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable as the Company has not delisted any of its equity shares during the financial year);
  - (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable as the Company has not bought back any of the securities during the financial year)
3. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations as applicable to the Company as given in **Annexure II**.
4. The Company has complied with following specific laws to the extent applicable to the Company:
  1. Transfer of Property Act, 1882.
  2. The Building and Other Construction Workers' (Regulation of Employment and Conditions of Services) Act, 1996.
  3. The Land Acquisition Act, 1894.
  4. The Contract Labour (Regulation and Abolition) Act, 1970
  5. The Indian Easements Act, 1882.
  6. The Gujarat Town Planning and Urban Development Act, 1976.
  7. Gujarat Development Control Regulations Act, 2011 as amended from time to time.
  8. The Environment (Protection) Act, 1986.
  9. The Gujarat Land Revenue Code, 1879.
  10. The Gujarat Tenancy & Agricultural Lands Act, 1948.



11. The Registration Act, 1908.
  12. The Indian Stamp Act, 1899.
  13. The Gujarat Stamp Act, 1958.
  14. The Gujarat Ownership Flats Act, 1973
5. We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (As applicable for the period under audit).
  - (ii) The Uniform Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period there were no specific events / actions having a major bearing on the company's affairs except the following:

1. The Company has allotted 57,50,000 warrants ("Warrants") at Rs. 88.00/- (Rupees Eighty Eight only) per Warrant for an aggregate consideration of upto Rs. 50,60,00,000 (Rupees Fifty Crores Sixty Lacs only) and entitling the Warrant holder(s), being promoter and promoter group entities, to convert the Warrants into equivalent numbers of Equity Shares in one or more tranches within eighteen months from the date of allotment of Warrants (i.e. 2<sup>nd</sup> May, 2016) in accordance with provisions of Chapter VII of the SEBI ICDR Regulations or subject to other applicable laws and regulations as may be prevailing at the time of allotment of Warrants / conversion of Warrants into Equity Shares ("Preferential Issue");

Further the Company has allotted 25,75,000 equity shares on 22<sup>nd</sup> March, 2017 to the warrant holders, being promoter and promoter group entities, pursuant to exercise of conversion of warrant option by them under Preferential Issue Tranche-I.

**For N. V. KATHIRIA & ASSOCIATES**

DATE: 25/04/2017  
PLACE: AHMEDABAD

**N. V. KATHIRIA**  
PROPRIETOR  
FCS 4573  
COP 3278

#### **Annexure I**

##### **List of documents verified**

- 1 Memorandum & Articles of Association of the Company.
- 2 Annual Report for the financial year ended 31<sup>st</sup> March, 2016.
- 3 Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee along with Attendance Register held during the financial year under report.
- 4 Minutes of General Body Meetings held during the financial year under report.
- 5 Statutory Registers viz,
  - Register of Directors & KMP
  - Register of Directors' Shareholding
  - Register of loans, guarantees and security and acquisition made by the Company
  - Register of Renewed and Duplicate Share Certificate
- 6 Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
- 7 Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013.
- 8 Intimations received from directors under the prohibition of Insider Trading Code.
- 9 E-forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
- 10 Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Uniform Listing Agreement during the financial year under report.

**Annexure II****Major General Acts, Laws and Regulations as applicable to the Company**

1. Transfer of Property Act, 1882.
2. The Building and Other Construction Workers' (Regulation of Employment and Conditions of Services) Act, 1996.
3. The Land Acquisition Act, 1894.
4. The Contract Labour (Regulation and Abolition) Act, 1970
5. The Indian Easements Act, 1882.
6. The Gujarat Town Planning and Urban Development Act, 1976.
7. Gujarat Development Control Regulations Act, 2011 as amended from time to time.
8. The Environment (Protection) Act, 1986.
9. The Gujarat Land Revenue Code, 1879.
10. The Gujarat Tenancy & Agricultural Lands Act, 1948.
11. The Registration Act, 1908.
12. The Indian Stamp Act, 1899.
13. The Gujarat Stamp Act, 1958.
14. The Gujarat Ownership Flats Act, 1973

To,  
The Members,  
**Arvind SmartSpaces Limited**  
(formerly Arvind Infrastructure Limited)  
24, Govt. Servant's Society,  
Nr. Municipal Market, Off. C.G. Road,  
Navrangpura, Ahmedabad- 380009.

Our Secretarial Audit Report of even date is to be read along with this letter.

**Management's Responsibility**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility**

2. Our responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on our audit.
3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer**

4. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For N. V. KATHIRIA & ASSOCIATES**

DATE : 25/04/2017  
PLACE: AHMEDABAD

**N. V. KATHIRIA**  
PROPRIETOR  
FCS 4573  
COP 3278

## Annexure – D to the Director’s Report

### FORM NO. MGT 9

**EXTRACT OF ANNUAL RETURN** as on financial year ended on 31<sup>st</sup> March, 2017.

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.

#### I. REGISTRATION & OTHER DETAILS:

i	CIN	L45201GJ2008PLCo55771
ii	Registration Date	26 <sup>th</sup> December, 2008
iii	Name of the Company	Arvind SmartSpaces Limited (formerly Arvind Infrastructure Limited)
iv	Category / Sub-category of the Company	Company Limited by Shares
v	Address of Registered office and contact details	24, Government Servant’s Society, Near Municipal Market, Off. C.G. Road, Navrangpura, Ahmedabad, Gujarat – 380009. Contact: +91 79 30137000 Fax : +91-79-30137021
vi	Whether listed Company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited 506-508, Amarnath Business Centre-1 (abc-1) Beside Gala Business Centre, Near St. Xavier’s College Corner, Off C G Road , Ellisbridge, Ahmedabad 380006 Tel No : +91 79 26465179 /86 / 87 E-mail id : <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a> Website : <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> Sharepro Services (India) Pvt. Ltd. (upto 15 <sup>th</sup> June, 2016)

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated. Arvind SmartSpaces Limited (formerly Arvind Infrastructure Limited) (“the Company”) is dealing in real estate development.

Sr. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Real Estate developer	70	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

Sr. No.	Name & Address of the Company	CIN/GLN/LLPIN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	Arvind Hebbal Homes Private Limited	U45200GJ2011PTCo66023	Subsidiary	100%	2(87)
2.	Ahmedabad East Infrastructure LLP	AAA - 1786	Subsidiary	51%	2(87)
3.	Arvind Alcove LLP	AAB - 1983	Subsidiary	100%	2(87)
4.	Changodar Industrial Infrastructure (One) LLP	AAB - 8772	Subsidiary	100%	2(87)
5.	Arvind Altura LLP	AAB - 1906	Subsidiary	100%	2(87)
6.	Arvind Beyond Five Club LLP	AAC - 3674	Subsidiary	100%	2(87)
7.	Arvind Infracon LLP	AAC - 1446	Subsidiary	100%	2(87)
8.	Ahmedabad Industrial Infrastructure (One) LLP	AAB - 8247	Subsidiary	100%	2(87)
9.	Arvind Five Homes LLP	AAB - 0742	Subsidiary	100%	2(87)
10.	Arvind Bsafal Homes LLP Khokhara, Mehmedabad, Ahmedabad, Gujarat.	AAA - 2005	Associate (Joint Venture)	50%	2(6)

Note: Address of the above subsidiary & associate companies specified in point No. 1 to 9 is 24, Government Servant’s Society, Near Municipal Market, off. C.G. Road, Navrangpura, Ahmedabad, Gujarat - 380009.

**IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as % to total Equity):****(i) Category-wise Shareholding**

Category Code	Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A</b>	<b>Promoters and Promoter Group</b>									
<b>(1)</b>	<b>Indian</b>									
(a)	Individual/ HUF	234538	0	234538	0.91	234538	0	234538	0.83	(0.08)
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other (Body Corporate)	11997186	0	11997186	46.46	14572486	0	14572486	51.29	4.84
	<b>Sub-Total (A)(1)</b>	<b>12231724</b>	<b>0</b>	<b>12231724</b>	<b>47.37</b>	<b>14807024</b>	<b>0</b>	<b>14807024</b>	<b>52.12</b>	<b>4.76</b>
<b>(2)</b>	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total A = (A)(1) + (A)(2)</b>	<b>12231724</b>	<b>0</b>	<b>12231724</b>	<b>47.37</b>	<b>14807024</b>	<b>0</b>	<b>14807024</b>	<b>52.12</b>	<b>4.76</b>
<b>B</b>	<b>Public shareholder</b>									
<b>(1)</b>	<b>Institutions</b>									
(a)	Mutual Funds	162279	1148	163427	0.63	600483	1093	601576	2.12	1.48
(b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Venture Capital Investors	0	0	0	0.00	96	15	111	0.00	0.00
(e)	Foreign Portfolio Investors	2395138	2204	2397342	9.28	494503	2204	496707	1.75	(7.53)
(f)	Financial Institutions/ Banks	1559395	804	1560199	6.04	1591754	804	1592558	5.61	(0.44)
(g)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (B)(1)</b>	<b>4116424</b>	<b>4156</b>	<b>4120580</b>	<b>15.96</b>	<b>2686740</b>	<b>4101</b>	<b>2690841</b>	<b>9.47</b>	<b>(6.48)</b>
<b>(2)</b>	<b>Central Government/State Government(s)/President of India</b>	50	0	50	0.00	50	0	50	0.00	0.00
	<b>Sub-Total (B)(2)</b>	<b>50</b>	<b>0</b>	<b>50</b>	<b>0.00</b>	<b>50</b>	<b>0</b>	<b>50</b>	<b>0.00</b>	<b>0.00</b>
<b>(3)</b>	<b>Non-institutions</b>									
(a)	Individuals -									
(i)	Individual shareholders holding nominal share capital up to Rs. 1 lacs.	4326095	286230	4612325	17.86	5433890	278830	5712720	20.11	2.25
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lacs.	2356705	0	2356705	9.13	2476939	0	2476939	8.72	(0.41)
(b)	NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Employee Trusts	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)									
(e-i)	Trusts	5633	0	5633	0.02	5682	0	5682	0.02	0.00
(e-ii)	Hindu Undivided Family	487951	0	487951	1.89	599505	0	599505	2.11	0.22
(e-iii)	Non Resident Indians (Non Repat)	38245	311	38556	0.15	62534	238	62772	0.22	0.07
(e-iv)	Non Resident Indians (Repat)	351706	16256	367962	1.42	474204	16087	490291	1.73	0.30
(e-v)	Overseas Bodies Corporates	290	0	290	0.00	290	0	290	0.00	0.00
(e-vi)	Clearing Member	267068	0	267068	1.03	466507	0	466507	1.64	0.61
(e-vii)	Bodies Corporate	1335075	0	1335075	5.17	1096686	0	1096686	3.86	(1.31)
	<b>Sub-Total (B)(3)</b>	<b>9169156</b>	<b>302797</b>	<b>9471953</b>	<b>36.68</b>	<b>10616237</b>	<b>295155</b>	<b>10911392</b>	<b>38.41</b>	<b>1.73</b>
	<b>Total (B) = (B)(1)+(B)(2)+(B)(3)</b>	<b>13285630</b>	<b>306953</b>	<b>13592583</b>	<b>52.63</b>	<b>13303027</b>	<b>299256</b>	<b>13602283</b>	<b>47.88</b>	<b>(4.75)</b>
<b>(C)</b>	<b>Custodian / DR Holder</b>	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Total (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Grand Total (A)+(B)+(C)</b>	<b>25517354</b>	<b>306953</b>	<b>25824307</b>	<b>100.00</b>	<b>28110051</b>	<b>299256</b>	<b>28409307</b>	<b>100.00</b>	



**(ii) Shareholding of Promoters and Promoter Group**

Sr. No.	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% of change during the year
		No. of Shares	% of shares of the Company	% of shares pledged / encumbered to total shares	No. of Shares	% of shares of the Company	% of shares pledged / encumbered to total shares	
1	Aura Securities Private Limited	10542646	40.82	0.00	12947646	45.58	0.00	4.75
2	Sanjaybhai Shrenikbhai Lalbhai	200155	0.78	0.00	200155	0.70	0.00	(0.07)
3	Jayshreeben Sanjaybhai Lalbhai	33	0.00	0.00	33	0.00	0.00	0.00
4	Punit Sanjaybhai	371	0.00	0.00	371	0.00	0.00	0.00
5	Anamikaben Samvegbhai Lalbhai	4003	0.02	0.00	4003	0.01	0.00	0.00
6	Badlani Manini Rajiv	540	0.00	0.00	540	0.00	0.00	0.00
7	Hansaben Niranjnabhai Lalbhai	3804	0.01	0.00	3804	0.01	0.00	0.00
8	Kalpanaben Shripalabhai Morakhia	1	0.00	0.00	1	0.00	0.00	0.00
9	Samvegbhai Arvindbhai Lalbhai	4634	0.02	0.00	4634	0.02	0.00	0.00
10	Samvegbhai Arvindbhai Lalbhai	17379	0.07	0.00	17379	0.06	0.00	(0.01)
11	Saumya Samvegbhai Lalbhai	2000	0.01	0.00	2000	0.01	0.00	0.00
12	Sunil Siddharth Lalbhai	343	0.00	0.00	343	0.00	0.00	0.00
13	Swati S Lalbhai	771	0.00	0.00	771	0.00	0.00	0.00
14	Taral S Lalbhai	407	0.00	0.00	407	0.00	0.00	0.00
15	Vimlaben S Lalbhai	97	0.00	0.00	97	0.00	0.00	0.00
16	Lalbhai Realty Finance Private Limited	45500	0.18	0.18	45500	0.16	0.16	(0.02)
17	AML Employees' Welfare Trust	632731	2.45	0.00	632731	2.23	0.00	(0.22)
18	Atul Limited	412747	1.60	0.00	412747	1.45	0.00	(0.15)
19	Aeon Investments Private Limited	17924	0.07	0.00	17924	0.06	0.00	(0.01)
20	Adore Investments Private Limited	13229	0.05	0.00	13229	0.05	0.00	0.00
21	Anusandhan Investments Limited	11000	0.04	0.00	11000	0.04	0.00	0.00
22	Aagam Holdings Private Limited	187625	0.73	0.00	318125	1.12	0.00	0.39
23	Amazon Investments Private Limited	115296	0.45	0.00	115296	0.41	0.00	(0.04)
24	Amardeep Holdings Private Limited	9425	0.04	0.00	48925	0.17	0.00	0.14
25	Aayojan Resources Private Ltd	8450	0.03	0.00	8450	0.03	0.00	0.00
26	Adhinami Investments Private Limited	600	0.00	0.00	600	0.00	0.00	0.00
27	Akshita Holdings Private Limited	13	0.00	0.00	13	0.00	0.00	0.00
28	Aura Merchandise Pvt. Ltd.	0	0.00	0.00	100	0.00	0.00	0.00
29	Fast Credit Consulting Pvt. Ltd.	0	0.00	0.00	100	0.00	0.00	0.00
30	Aura Securities Pvt. Ltd.	0	0.00	0.00	100	0.00	0.00	0.00
	<b>Total</b>	<b>12231724</b>	<b>47.37</b>	<b>0.18</b>	<b>14807024</b>	<b>52.12</b>	<b>0.16</b>	<b>4.76</b>

**(iii) Change in Promoter's Shareholding (specify if there is no change)**

Sr. No.	Name of Promoter	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	<b>Aura Securities Private Limited</b>				
	At the beginning of the year	10542646	40.82%	--	--
	Allotment of Equity shares pursuant to exercise of conversion option of warrants allotted on preferential basis (22-03-2017).	2405000	8.47%	12947646	45.58%
	At the end of the year	--	--	12947646	45.58%
2	<b>Aagam Holdings Private Limited</b>				
	At the beginning of the year	187625	0.73%	--	--
	Allotment of Equity shares pursuant to exercise of conversion option of warrants allotted on preferential basis (22-03-2017).	130500	0.46%	318125	1.12%
	At the end of the year	--	--	318125	1.12%
3	<b>Amardeep Holdings Private Limited</b>				
	At the beginning of the year	9425	0.04%	--	--
	Allotment of Equity shares pursuant to exercise of conversion option of warrants allotted on preferential basis (22-03-2017).	39500	0.14%	48925	0.17%
	At the end of the year	--	--	48925	0.17%
4	<b>Fast Credit Consulting Pvt. Ltd.</b> (Now Aura Business Enterprise Private Limited)				
	At the beginning of the year	--	--	--	--
	Market Purchase (10-06-2016)	100	0.00%	100	0.00%
	At the end of the year	--	--	100	0.00%
5	<b>Aura Securities Pvt. Ltd.</b>				
	At the beginning of the year	--	--	--	--
	Market Purchase (10-06-2016)	94	0.00%	94	0.00%
	Market Purchase (17-06-2016)	6	0.00%	100	0.00%
	At the end of the year	--	--	100	0.00%
6	<b>Aura Merchandise Pvt. Ltd.</b>				
	At the beginning of the year	--	--	--	--
	Market Purchase (10-06-2016)	100	0.00%	100	0.00%
	At the end of the year	--	--	100	0.00%

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	<b>Life Insurance Corporation of India</b>	1559181	5.49	--	--
	At the end of the year	--	--	1559181	5.49
2	<b>Ketankumar Ratilal Patel</b>	500000	1.76	--	--
	Purchase (10-06-2016)	210000	0.74	710000	2.50
	Purchase (18-11-2016)	23692	0.08	733692	2.58
	Purchase (25-11-2016)	36308	0.13	770000	2.71
	Purchase (16-12-2016)	10000	0.04	780000	2.75
	Purchase (30-12-2016)	30000	0.11	810000	2.85
	Purchase (13-01-2017)	15000	0.05	825000	2.90

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	Purchase (20-01-2017)	12000	0.04	837000	2.95
	Purchase (03-02-2017)	25000	0.09	862000	3.03
	Purchase (10-02-2017)	18000	0.06	880000	3.10
	Purchase (03-03-2017)	21000	0.07	901000	3.17
	At the end of the year	--	--	901000	3.17
<b>3</b>	<b>Mauryan First</b>	--	--	--	--
	Purchase (16-09-2016)	363973	1.28	363973	1.28
	Purchase (23-09-2016)	14003	0.05	377976	1.33
	Purchase (30-09-2016)	84601	0.30	462577	1.63
	Purchase (07-10-2016)	38336	0.13	500913	1.76
	Purchase (14-10-2016)	16255	0.06	517168	1.82
	Purchase (21-10-2016)	36710	0.13	553878	1.95
	Sale (28-10-2016)	(15214)	(0.05)	538664	1.90
	Purchase (04-11-2016)	15214	0.05	553878	1.95
	At the end of the year	--	--	553878	1.95
<b>4</b>	<b>Motilal Oswal Securities Ltd - Collateral Account</b>	25891	0.09	--	--
	Purchase (10-06-2016)	15124	0.05	41015	0.14
	Purchase (17-06-2016)	2014	0.01	43029	0.15
	Purchase (24-06-2016)	1910	0.01	44939	0.16
	Purchase (30-06-2016)	9347	0.03	54286	0.19
	Sale (01-07-2016)	(3937)	(0.01)	50349	0.18
	Purchase (08-07-2016)	1503	0.01	51852	0.18
	Purchase (15-07-2016)	6678	0.02	58530	0.21
	Purchase (22-07-2016)	8507	0.03	67037	0.24
	Sale (29-07-2016)	(15898)	(0.06)	51139	0.18
	Sale (05-08-2016)	(1264)	0.00	49875	0.18
	Purchase (12-08-2016)	2417	0.01	52292	0.18
	Purchase (19-08-2016)	19756	0.07	72048	0.25
	Sale (26-08-2016)	(18753)	(0.07)	53295	0.19
	Purchase (02-09-2016)	2392	0.01	55687	0.20
	Purchase (09-09-2016)	3880	0.01	59567	0.21
	Sale (16-09-2016)	(4165)	(0.01)	55402	0.20
	Purchase (23-09-2016)	1884	0.01	57286	0.20
	Sale (30-09-2016)	(1502)	(0.01)	55784	0.20
	Purchase (07-10-2016)	1797	0.01	57581	0.20
	Sale (14-10-2016)	(1029)	0.00	56552	0.20
	Purchase (21-10-2016)	6862	0.02	63414	0.22
	Purchase (28-10-2016)	115414	0.41	178828	0.63
	Sale (04-11-2016)	(17731)	(0.06)	161097	0.57

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	Sale (11-11-2016)	(4381)	(0.02)	156716	0.55
	Purchase (18-11-2016)	2391	0.01	159107	0.56
	Sale (25-11-2016)	(1503)	(0.01)	157604	0.55
	Purchase (02-12-2016)	1122	0.00	158726	0.56
	Purchase (09-12-2016)	3225	0.01	161951	0.57
	Purchase (16-12-2016)	216	0.00	162167	0.57
	Purchase (23-12-2016)	5	0.00	162172	0.57
	Purchase (30-12-2016)	678	0.00	162850	0.57
	Purchase (06-01-2017)	454	0.00	163304	0.57
	Purchase (13-01-2017)	645	0.00	163949	0.58
	Sale (20-01-2017)	(18882)	(0.07)	145067	0.51
	Purchase (27-01-2017)	19786	0.07	164853	0.58
	Purchase (03-02-2017)	6337	0.02	171190	0.60
	Sale (10-02-2017)	(4001)	(0.01)	167189	0.59
	Purchase (17-02-2017)	12044	0.04	179233	0.63
	Purchase (24-02-2017)	1116	0.00	180349	0.63
	Purchase (03-03-2017)	381	0.00	180730	0.64
	Sale (10-03-2017)	(934)	0.00	179796	0.63
	Purchase (17-03-2017)	7731	0.03	187527	0.66
	Purchase (24-03-2017)	19116	0.07	206643	0.73
	Sale (31-03-2017)	(41503)	(0.15)	165140	0.58
	At the end of the year	--	--	165140	0.58
<b>5</b>	<b>Sabyasachi Ghosh</b>	28563	0.10	--	--
	Purchase (10-06-2016)	14837	0.05	43373	0.15
	Purchase (17-06-2016)	7300	0.03	50673	0.18
	Purchase (24-06-2016)	4000	0.01	54673	0.19
	Purchase (30-06-2016)	5820	0.02	60493	0.21
	Purchase (22-07-2016)	350	0.00	60843	0.21
	Purchase (29-07-2016)	1000	0.00	61843	0.22
	Purchase (05-08-2016)	2000	0.01	63843	0.22
	Purchase (12-08-2016)	3940	0.01	67783	0.24
	Purchase (19-08-2016)	4000	0.01	71783	0.25
	Purchase (02-09-2016)	8891	0.03	80674	0.28
	Purchase (09-09-2016)	5494	0.02	86168	0.30
	Purchase (16-09-2016)	1200	0.00	87368	0.31
	Purchase (23-09-2016)	3000	0.01	90368	0.32
	Purchase (30-09-2016)	26526	0.09	116894	0.41
	Purchase (07-10-2016)	12982	0.05	129876	0.46
	Purchase (14-10-2016)	10000	0.04	139876	0.49



Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	Purchase (11-11-2016)	2000	0.01	141876	0.50
	Purchase (25-11-2016)	1000	0.00	142876	0.50
	Purchase (27-01-2017)	1000	0.00	143876	0.51
	Purchase (03-02-2017)	2200	0.01	146076	0.51
	At the end of the year	--	--	146076	0.51
<b>6</b>	<b>Dimensional Emerging Market Value Fund</b>	383891	1.35	--	--
	Sale (17-06-2016)	(9571)	(0.03)	374320	1.32
	Sale (24-06-2016)	(9682)	(0.03)	364638	1.28
	Sale (30-06-2016)	(10293)	(0.04)	354345	1.25
	Sale (15-07-2016)	(10111)	(0.04)	344234	1.21
	Sale (22-07-2016)	(1150)	0.00	343084	1.21
	Sale (05-08-2016)	(22080)	(0.08)	321004	1.13
	Sale (12-08-2016)	(2452)	(0.01)	318552	1.12
	Sale (02-09-2016)	(11635)	(0.04)	306917	1.08
	Sale (23-09-2016)	(9774)	(0.03)	297143	1.05
	Sale (21-10-2016)	(9327)	(0.03)	287816	1.01
	Sale (04-11-2016)	(17331)	(0.06)	270485	0.95
	Sale (18-11-2016)	(6593)	(0.02)	263892	0.93
	Sale (25-11-2016)	(17509)	(0.06)	246383	0.87
	Sale (02-12-2016)	(32782)	(0.12)	213601	0.75
	Sale (16-12-2016)	(3668)	(0.01)	209933	0.74
	Sale (23-12-2016)	(2950)	(0.01)	206983	0.73
	Sale (13-01-2017)	(6274)	(0.02)	200709	0.71
	Sale (20-01-2017)	(3107)	(0.01)	197602	0.70
	Sale (27-01-2017)	(14502)	(0.05)	183100	0.64
	Sale (10-02-2017)	(26995)	(0.10)	156105	0.55
	Sale (03-03-2017)	(20563)	(0.07)	135542	0.48
	At the end of the year	--	--	135542	0.48
<b>7</b>	<b>Emerging Markets Core Equity Portfolio (The Portfolio) of DFA Investment Dimensions Group INC. (DFAIDG)</b>	167212	0.59	--	--
	Sale (10-02-2017)	(20826)	(0.07)	146386	0.52
	Sale (03-03-2017)	(12267)	(0.04)	134119	0.47
	At the end of the year	--	--	134119	0.47
<b>8</b>	<b>Bharat Jamnadas Dattani</b>	122793	0.43	--	--
	At the end of the year	--	--	122793	0.43
<b>9</b>	<b>Edelweiss Custodial Services Limited</b>	--	--	--	--
	Purchase (11-11-2016)	29	0.00	29	0.00
	Purchase (13-01-2017)	5459	0.02	5488	0.02
	Purchase (20-01-2017)	291	0.00	5779	0.02

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	Purchase (27-01-2017)	1	0.00	5780	0.02
	Sale (03-02-2017)	(75)	0.00	5705	0.02
	Sale (17-02-2017)	(150)	0.00	5555	0.02
	Purchase (24-02-2017)	2783	0.01	8338	0.03
	Purchase (03-03-2017)	686	0.00	9024	0.03
	Sale (10-03-2017)	(4819)	(0.02)	4205	0.01
	Purchase (17-03-2017)	30775	0.11	34980	0.12
	Purchase (24-03-2017)	380	0.00	35360	0.12
	Purchase (31-03-2017)	69401	0.24	104761	0.37
	At the end of the year	--	--	104761	0.37
<b>10</b>	<b>Equity Intelligence India Private Limited</b>	260000	0.92	--	--
	Sale (17-03-2017)	(110000)	(0.39)	150000	0.53
	Sale (24-03-2017)	(50000)	(0.18)	100000	0.35
	At the end of the year	--	--	100000	0.35

**Notes:**

- The above information is based on the weekly beneficiary position received from Depositories.
- The Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholders.

**(v) Shareholding of Directors & Key Managerial Personnel**

Sr. No.	For Each of the Directors & KMP	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>1.</b>	<b>Mr. Sanjay Lalbhai - Chairman</b>				
	At the beginning of the year	200155	0.78%	--	--
	Date wise increase/decrease in shareholding during the year	--	--	200155	0.70%
	At the end of the year	--	--	200155	0.70%
<b>2.</b>	<b>Mr. Kamal Singal - Managing Director &amp; CEO</b>				
	At the beginning of the year	5	0.00%	--	--
	Date wise increase/decrease in shareholding during the year	--	--	5	0.00%
	At the end of the year	--	--	5	0.00%
<b>3.</b>	<b>Mr. Pratul Shroff - Independent Director</b>				
	At the beginning of the year	286	0.00%	--	--
	Date wise increase/decrease in shareholding during the year	(170)	0.00%	116	0.00%
	At the end of the year	--	--	116	0.00%
<b>4.</b>	<b>Mr. Prakash Makwana - Company Secretary</b>				
	At the beginning of the year	10	0.00%	--	--
	Date wise increase/decrease in shareholding during the year	--	--	10	0.00%
	At the end of the year	--	--	10	0.00%

Note: Mr. Kulin S. Lalbhai - Non-Executive Director; Mr. Prem Prakash Pangotra - Independent Director; Dr. Indira J Parikh - Independent Director and Mr. Mehul Shah - Chief Financial Officer of the Company did not hold any equity shares in the Company.

**V. INDEBTEDNESS:**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	2329432	272652800	--	274982232
(ii) Interest due but not paid	48822	56604330	--	56653152
(iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>2378254</b>	<b>329257130</b>	<b>--</b>	<b>331635384</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	1271441961	995800000	--	2267241961
Reduction	671908553	936052800	--	1607961353
<b>Net Change</b>	<b>599533408</b>	<b>59747200</b>	<b>--</b>	<b>659280608</b>
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	601862840	332400000	--	934262840
(ii) Interest due but not paid	--	--	--	--
(iii) Interest accrued but not due	--	6118772	--	6118772
<b>Total (i+ii+iii)</b>	<b>601862840</b>	<b>338518772</b>	<b>--</b>	<b>940381612</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
**A. Remuneration to Managing Director, Whole time director and/or Manager**

Sr. No	Particulars of Remuneration	Name of the MD & CEO	Total Amount
1	<b>Gross salary</b>	<b>Mr. Kamal Singal</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	17937177	17937177
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961.	79469	79469
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	--	--
2	Stock option	--	--
3	Sweat Equity	--	--
4	Commission	--	--
	as % of profit		
	others (specify)		
5	Others, please specify		
	NPS,PF, Gratuity and Super Annuation	677686	677686
	<b>Total (A)</b>	<b>18694332</b>	<b>18694332</b>
	Ceiling as per the Act	10% of the net profits of the Company	

**B. Remuneration to other directors**

Particulars of Remuneration	Name of the Directors					Total Amount
	Non- Executive - Independent			Non- Executive - Non Independent		
	Mr. Pratul Shroff	Mr. Prem Prakash Pangotra	Dr. Indira J. Parikh	Mr. Sanjay Lalbhai	Mr. Kulin S. Lalbhai	
(a) Fee for attending board committee meetings	70000	130000	110000	--	--	310000
(b) Commission	500000	500000	500000	--	--	1500000
(c) Others, please specify	--	--	--	--	--	--
<b>Total</b>	<b>570000</b>	<b>630000</b>	<b>610000</b>	<b>--</b>	<b>--</b>	<b>1810000</b>
Ceiling as per the Act	1% of the Net profits of the Company					
Total Managerial Remuneration						20504332
Overall Ceiling as per the Act	11% of the Net profits of the Company					

**C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. Mehul Shah	Mr. Prakash Makwana
		Chief Financial Officer	Company Secretary
	Details of remuneration for the year/ part of the year		
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	2318976	1936305
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	37456	32400
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	--	--
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission	--	--
	- as % of profit		
	- others, specify		
5	Others, please specify		
	- NPS,PF, Gratuity and Super Annuation	171170	229282
	<b>Total</b>	<b>2527602</b>	<b>2197987</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding fees imposed	Authority (RD / NCLT / Court)	Appeal made if any (give details)
<b>COMPANY/DIRECTORS/OTHER OFFICERS IN DEFAULT</b>					
Penalty			None		
Punishment					
Compounding					



## Annexure- E to the Directors' Report

Information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sr. No.	Particulars	Status	Number of times	
			If total remuneration of the director is considered	If total remuneration of the Director excluding variable pay and commission is considered
(i)	The ratio of the remuneration of each director to median remuneration of the employees of the Company for F.Y. 2016-17.	Mr. Sanjay Lalbhai	0	0
		Mr. Kamal Singal	41.74	26.11
		Mr. Kulin S. Lalbhai	0	0
		Mr. Pratul Shroff	1.27	0.16
		Mr. Prem Prakash Pangotra	1.41	0.29
		Dr. Indira J. Parikh	1.36	0.25
(ii)	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the F.Y. 2016-17.	<b>Directors</b>		<b>%</b>
		Mr. Sanjay Lalbhai		NA
		Mr. Kulin S. Lalbhai		NA
		Mr. Pratul Shroff		4.00%
		Mr. Prem Prakash Pangotra		(3.00%)
		Dr. Indira J Parikh		5.00%
		<b>Managing Director &amp; CEO</b>		
		Mr. Kamal Singal		83.00%
		<b>Chief Financial Officer</b>		
		Mr. Mehul Shah		31.00%
		<b>Company Secretary</b>		
Mr. Prakash Makwana		19.00%		
(iii)	The percentage increase in the median remuneration of employees in the F.Y. 2016-17.	8.00%		
(iv)	The number of permanent employees on the rolls of company	139		
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year (i.e. F.Y. 2015-16) and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase for Key Managerial Personnel 67.36% and for other employees was about 9.04%.		
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company.	It is affirmed that the remuneration is as per the Remuneration Policy of the Company.		

\* Read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Director's Report for the year ended 31<sup>st</sup> March, 2017.

# CORPORATE GOVERNANCE REPORT

Your Directors present the Company's Report on Corporate Governance for the year ended on 31<sup>st</sup> March, 2017.

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

Corporate governance at Arvind SmartSpaces Limited (formerly Arvind infrastructure Limited) (here onwards will be referred as Arvind SmartSpaces Limited, the Company) is a value-based framework to manage our Company affairs in a fair and transparent manner. As a responsible corporate citizen, we use this framework to maintain accountability in all our affairs and employ democratic and open processes. We are adopting applicable guidelines and best practices to ensure timely and accurate disclosure of information regarding our financials, performance and governance of the Company.

### Our corporate governance philosophy is based on the following principles:

- Satisfy the spirit of the law and not just the letter of the law. Corporate governance standards should go beyond the law.
- Be transparent and maintain a high degree of disclosure levels.
- Make a clear distinction between personal conveniences and corporate resources.
- Communicate externally, in a truthful manner, about how the Company is to run internally.
- Have a simple and transparent corporate structure driven solely by business needs.
- The Management is the trustee of the shareholders' capital and not the owner.

The Board of Directors (**'the Board'**) is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance. The Company has optimum combination of executive and non-executive directors including Independent Directors with at least one woman director. Given below is the report on Corporate Governance at Arvind SmartSpaces Limited.

## 2. BOARD OF DIRECTORS

### 2.1 Composition of the Board

The Board has 6 Directors, comprising of Chairman, 1 Managing Director & CEO, 2 Non - Executive Non Independent Directors including Chairman and 3 Non-Executive Independent Directors including Woman Director. The Non-Executive Independent Directors are leading professionals from varied fields who take care of the stakeholder's interest and bring in independent judgment to the Board's discussions and deliberations.

The following is the Composition of the Board as at 31<sup>st</sup> March, 2017:

Sr. No.	Name of Director	Executive/Non-executive/Independent	No. of Directorships Held in Public Limited Companies (Including the Company)	*Committee(s) position (Including the Company)	
				Member	Chairman
1	Mr. Sanjay Lalbhai	Chairman and Non-Executive Director	5	2	1
2	Mr. Kamal Singal	Executive-Director	3	2	0
3	Mr. Kulin S. Lalbhai	Non-Executive Director	5	1	0
4	Mr. Pratul Shroff	Independent Director	2	1	2
5	Mr. Prem Prakash Pangotra	Independent Director	1	2	0
6	Dr. Indira J Parikh	Independent Director	9	8	0

\*Only Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**).

### 2.2 Brief Profile of Directors:

The Board of Directors comprises of highly renowned professionals drawn from diverse fields. They bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's decision making process.

The brief profile of the Company's Board of Directors is as under:

#### MR. SANJAY LALBHAJ – CHAIRMAN & NON-EXECUTIVE DIRECTOR (DIN - 00008329)

**Mr. Sanjay Lalbhai** is the Chairman & Non-Executive Director on our Board and one of the Promoters of our Company. Mr. Sanjay Lalbhai is also the Chairman and Managing Director of Arvind Limited, a 1.3 Billion Dollar Indian conglomerate. It was under his leadership that Arvind has become one of the largest manufacturers of woven textiles in India and one of the largest denim fabric manufacturers in the world. He was also responsible for acquiring India's first denim brand – Flying Machine – in 1981 and for guiding the process of building Arvind's current impressive apparel brand portfolio. He serves on the Board of Adani Ports & Special Economic Zone Limited – one of

India's largest Port companies. He also serves on the board of several premier educational and research institutes. He is the President of Ahmedabad Education Society, Ahmedabad University and CEPT University and is a member of the Council of Management of the Physical Research Laboratory. He is also the Chairman of Council of Administration of Ahmedabad Textile Industry Research Association (ATIRA).

Mr. Sanjay Lalbhai believes that addressing societal concerns and creating long lasting benefit to society is integral to the business strategy and a duty of every business leader. He provides strategic leadership to Arvind's CSR initiatives as Trustee to SHARDA Trust the CSR arm of the Lalbhai Group.

**MR. KAMAL SINGAL – MANAGING DIRECTOR & CEO (DIN - 02524196)**

**Mr. Kamal Singal** is the Managing Director & Chief Executive Officer of the Company. He was appointed as Chief Executive Officer on 28<sup>th</sup> March, 2015 and as Managing Director on 8<sup>th</sup> May, 2015 in the Company. He holds an Executive Post Graduate Diploma in Management (EPGM) from Indian Institute of Management, Indore. He has been associated with Lalbhai Group since 2001 in various capacities. Prior to joining Lalbhai group, he worked for 9 years in different capacities in DCM Textiles Limited. He was elevated to head the real estate business of the Lalbhai Group since 2008. He is responsible for giving strategic direction to the real estate business and also identifying new business opportunities and to further expand the product portfolio of the real estate business.

**MR. KULIN S. LALBHAI – NON-EXECUTIVE DIRECTOR (DIN - 05206878)**

Mr. Kulin Lalbhai is a Non-Executive Director on the Board of our Company. Currently, he is also serving as the Executive Director at Arvind Limited. He is driving new initiatives in the consumer businesses of the group. He is also spearheading Arvind's foray into e-commerce space. He also plays an active role in the overall corporate strategy for the group with particular focus on B2C businesses.

Mr. Kulin Lalbhai holds a degree in Master's in Business Administration from the Harvard Business School and has a Bachelor's degree in Electrical Engineering from Stanford University, USA. He has also worked with management consulting firm McKinsey & Co's, Mumbai office.

**MR. PRATUL SHROFF – NON-EXECUTIVE INDEPENDENT DIRECTOR (DIN - 00162576)**

**Mr. Pratul Shroff** is a Non-Executive Independent Director on the Board of our Company. He holds a Bachelor's degree in Electronics Engineering from Birla Institute of Technology and Science, Pilani and a Master's degree in Computer Engineering from Cornell, USA. He also earned a Master's degree in Business Administration from Indian Institute of Management, Ahmedabad. He is the founder and Chief Executive Officer of E-infochips Limited. He was also awarded the "Outstanding IT Entrepreneur of the Year" by Mr. N. R. Narayana Murthy – Chairman of Infosys at an Ahmedabad Management Association (AMA) event in 2004. He specializes on Information, Communication and Technology (ICT). He has a total experience of over 37 years in the field of electronic design services and product development.

**MR. PREM PRAKASH PANGOTRA - NON-EXECUTIVE INDEPENDENT DIRECTOR (DIN - 00844391)**

**Mr. Prem Prakash Pangotra** is a Non-Executive Independent Director on the Board of our Company. He is a former professor, Indian Institute of Management, Ahmedabad. He was chairperson of the Public Systems Group at IIMA. He has also served as a member of the Indian Institute of Management, Ahmedabad Board of Governors and as chairperson of the Centre for Infrastructure Policy and Regulation. Prior to joining the Indian Institute of Management, Ahmedabad, he held faculty positions at the University of Kansas at Lawrence, USA; the California Polytechnic State University at San Luis Obispo, USA; and was Director, School of Planning (CEPT) at Ahmedabad. He specialises in urban management, urban economics, environment management, and public finance and has a total experience of 34 years in this field.

**DR. INDIRA J. PARIKH - NON-EXECUTIVE INDEPENDENT DIRECTOR (DIN - 00143801)**

**Dr. Indira J. Parikh** is the President of Antardisha. Antardisha is a private entity creating a space for individuals, collectivities, organizations and institutions to have a dialogue to discover themselves. This is to review their past, to reflect on the present Here And Now, and renew themselves for the future. Dr. Parikh is the Founder President of FLAME Pune. She has been involved in creating the academic vision of holistic and Liberal Education and shaping of FLAME. She has also conceptualized the thresholds of Life, Life Space, Life Roles and Identity. Her focus is on transformation and lifelong learning, development and growth.

Dr. Parikh has done M. Ed from University of Rochester, New York USA and the Doctorate from Gujarat University. She was a faculty at IIM-Ahmedabad for over 30 years and Dean from 2002 to 2005. She has taught at INSEAD, Fontainebleau (France) and Texas A&M University. She has specialized in organization development and design, and institution building. She has been a consultant and conducted diagnostic studies for organizations and conducted leadership and institution building programs in public sector, private sector and multinational organizations. Professor Parikh is on several boards of companies as an independent director.

Dr. Parikh has been honored with several life time achievement awards both nationally and internationally. She has written numerous articles published in National & International Journals and is the co-author/ author of several books. Her lifelong journey has been in education and people transformation in organizations to give shape to a new culture.

**2.3 Agendas of the Board Meetings :**

The annual calendar of Board and Committee Meetings is agreed upon at the beginning of each year. Meetings are governed by a structured Agenda and a Board member may bring up any matter for consideration of the meeting in consultation with the Chairman. Agenda papers are generally circulated to the Board members at least 7 working days in advance. In addition, for any business exigencies the resolutions are passed by circulation and are placed at the subsequent Board or Committee Meeting for ratification/approval. Detailed presentations are made at the meetings on all major issues to enable the Board to take informed decisions.

**Invitees & Proceedings:**

Apart from the Board members, Chief Financial Officer, Business Head - Commercial & Controls and Company Secretary also attend the Board Meetings. Other senior management executives are called as and when necessary, to provide additional inputs for the items being discussed by the Board. Both, the Managing Director and CFO make presentation on the quarterly, annual operating & financial performance and also annual operating budget.

Head of Internal Audit department, representatives of the Statutory Auditors are the permanent invitees of the Audit Committee meetings to discuss the areas of internal audit as well as highlights of the financial performance of the Company.

The Company also invites prominent experts of the Real Estate Industry to make relevant presentation to the Board / Committee as and when required.

**Support and Role of Company Secretary:**

The Company Secretary is responsible for convening the Board and Committee meetings, preparation and distribution of Agenda and other documents and recording of the Minutes of the meetings. He acts as interface between the Board and the Management and provides required assistance to the Board and the Management.

**2.4 Attendance of each Director at the meeting of the Board of Directors and the Last Annual General Meeting:**

The Board has held 4 Board Meetings on 13<sup>th</sup> May, 2016, 12<sup>th</sup> August, 2016, 26<sup>th</sup> October, 2016 and 27<sup>th</sup> January, 2017 during the Financial Year 2016-17. The gap between two Board Meetings was within the maximum time gap prescribed in the Companies Act, 2013 and Listing Regulations. The attendance of each Director at these Board Meetings and last Annual General Meeting was as under:

Sr.	Name of Directors	Number of Board Meetings held during the year	Number of Board Meetings attended	Whether Present at the Last AGM held on 23 <sup>rd</sup> September, 2016
1	Mr. Sanjay Lalbhai	4	3	Yes
2	Mr. Kamal Singal	4	4	Yes
3	Mr. Kulin S. Lalbhai	4	3	Yes
4	Mr. Pratul Shroff	4	2	No
5	Mr. Prem Prakash Pangotra	4	3	Yes
6	Dr. Indira J Parikh	4	4	Yes

**2.5 Separate Meeting of Independent Directors:**

Independent Directors play an important role in the governance processes of the Board. They bring their expertise and experience on the deliberations of the Board. This enriches the decision making process at the Board with different points of view and experiences and prevents conflict of interest in the decision making process.

None of the Independent Directors serves as "Independent Directors" in more than seven listed companies.

The Independent Directors have confirmed that they meet the criteria of independence laid down under the Companies Act, 2013 and the Listing Regulations.

As stipulated by the Code of Conduct of Independent Directors under the Companies Act, 2013 and the Listing Regulations, a separate meeting of Independent Directors was held on 27<sup>th</sup> January, 2017 to review:

- the performance of the Non-Independent Directors (Executive/Non-Executive Directors).
- the performance of the Board of the Company as a whole.
- the performance of Chairman/Chairperson of the Company taking in to account the views of Executive and Non-Executive Directors on the same.
- To assess the quality, quantity and timeliness of flow of information between the Company Management and the Board.

The Chairman shared the results of evaluation at the meeting of the Board of Directors.

**2.6 Disclosure of relationships between the Directors inter-se:**

Except Mr. Sanjay Lalbhai, Chairman and Non-Executive Director and his son Mr. Kulin S. Lalbhai, Non-Executive Director, there is no relationship between the Directors inter-se.

**2.7 Number of shares and convertible instruments held by Non-Executive Directors:**

Mr. Sanjay Lalbhai, Chairman and Non-Executive Director of the Company is holding 200155 Equity Shares equivalent to 0.70% of the total paid up capital of the Company.

Mr. Pratul Shroff, Non-Executive Independent Director of the Company is holding 116 Equity Shares equivalent to 0.00% of the total paid up capital of the Company.

During the year under review, none of the Non-Executive Directors hold any convertible instruments of the Company.



## 2.8 Familiarisation programmes imparted to Independent Directors:

### Details of familiarization programme imparted to Independent Directors:

- The Company through its Managing Director & CEO, CFO and Company Secretary conducted presentation periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company.
- Such presentations provided an opportunity to the Independent Directors to interact with the Senior Management of the Company and helped them to understand the Company's strategy, business model, operations, markets, organization structure, finance, facilities and risk management and such other areas as may arise from time to time.
- The programmes/presentations also familiarised the Independent Directors with their roles, rights and responsibilities. The Company had invited E & Y representatives to make a Presentation to the Board of Directors on Roles and Responsibilities of Independent Directors under the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.
- When a new Independent Director comes on the Board of the Company, a meeting is arranged with the Chairperson, Managing Director, Chief Financial Officer to discuss the functioning of the Board and the nature of the operation of the Company's business activities.
- New Independent Directors are provided with copy of latest Annual Report, the AIL Code of Conduct, the AIL Code of Conduct for Prevention of Insider Trading and AIL Code of Corporate Disclosure Practices, Schedule of upcoming Board and Committee meetings.
- A detailed Appointment Letter incorporating the role, duties and responsibilities, remuneration and performance evaluation process, insurance cover, AIL Code of Conduct and obligations on disclosures, is issued for the acceptance of the Independent Directors.
- The Company has taken Directors' and Officers' Liability Insurance Policy.

The details of the familiarization programme imparted to independent directors is also posted on the Company's Website at [http://arvindsmartspaces.com/other\\_information.php](http://arvindsmartspaces.com/other_information.php).

### Other initiatives to update the directors on a continuing basis:

- At various Board meetings during the year, presentations are made to the Board on safety, health and environment at its sites, risk management, company policies, and changes in the regulatory environment applicable to the industry in which it operates.
- Quarterly presentations on operations made to the Board include information on business performance, operations, market share, financial parameters, working capital management, fund flows, senior management change, compliances, subsidiary information, donations, regulatory scenario etc.

## 2.9 Prevention of Insider Trading Code:

In terms of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated and adopted a Code for Prevention of Insider Trading.

The code viz. "Code of Conduct for Prohibition of Insider Trading Code" and the "Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information" allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of Company's shares by the Directors, designated employees and connected persons, while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

Chief Financial Officer is responsible for implementation of the Code.

All Directors, designated employees and connected persons have affirmed compliance with the code.

## 2.10 Committees of the Board:

The Board of Directors has constituted 5 committees of the Board viz.

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Management Committee

The Board determines the terms of reference of these Committees from time to time. Meetings of these Committees are convened by the respective Committee Chairman/Company Secretary. At each Board Meeting, minutes of these Committee Meetings are placed before the Directors for their perusal and noting.

### 3. AUDIT COMMITTEE

The Board of Directors of the Company has constituted the Audit Committee in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The Audit Committee of the Company comprises of 4 members out of which 3 members are Non-Executive-Independent Directors. Mr. Pratul Shroff, an Independent Director, acts as Chairman of the Committee. The Committee members are having requisite experience in the fields of Finance and Accounts and Management. The Chief Financial Officer and representatives of Internal Auditors are invitees to Audit Committee meetings and the Company Secretary acts as the Secretary of the Audit Committee.

The brief terms of reference and composition of committee are as follows:

#### 3.1 Brief description of the terms of reference:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions;
  - (g) Qualifications in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### **Audit Committee shall mandatorily review the following information:**

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

### 3.2 Composition of Audit Committee, number of Meetings held and participation at the Meetings during the year:

As on 31<sup>st</sup> March, 2017, the Audit Committee consist of 4 members. During the year, the Committee has held 4 Meetings on 13<sup>th</sup> May, 2016, 12<sup>th</sup> August, 2016, 26<sup>th</sup> October, 2016 and 27<sup>th</sup> January, 2017.

The details of composition of committee, number of meetings held and attendance thereof during the year were as under:

Sr. No.	Name of Committee members	Designation	Position / Status	Number of Meetings held during the year	Number of Meetings attended
1	Mr. Pratul Shroff	Independent Director	Chairman	4	2
2	Mr. Prem Prakash Pangotra	Independent Director	Member	4	3
3	Dr. Indira J Parikh	Independent Director	Member	4	4
4	Mr. Kamal Singal	Executive Director	Member	4	4

## 4. NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of the Company has constituted the Nomination and Remuneration Committee (“NRC”) in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations. The Nomination & Remuneration Committee of the company comprises of 3 Directors out of which 2 are Non-Executive-Independent Directors and 1 is Non-Executive Director. Mr. Prem Prakash Pangotra, an Independent Director, acts as Chairman of the Committee.

The brief terms of reference and composition of committee are as follows:

### 4.1 Brief description of the terms of reference:

#### Nomination of Directors / Key Managerial Personnel / Senior Management\*:

- To evaluate and recommend the composition of the Board of Directors;
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down by the Committee;
- To Consider and recommend to the Board, appointment and removal of directors, other persons in senior management and key managerial personnel (KMP);
- Determining processes for evaluating the effectiveness of individual directors and the Board as a whole and evaluating the performance of individual Directors;
- To administer and supervise Employee Stock Options Schemes (ESOS) including framing of policies related to ESOS and reviewing grant of ESOS;
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- To review HR Policies and Initiatives.

#### Remuneration of Directors / Key Managerial Personnel / Senior Management\*/ other Employees:

- Evolve the principles, criteria and basis of Remuneration Policy and recommend to the Board a policy relating to the remuneration for all the Directors, KMP, senior management and other employees of the Company and to review the same from time to time;
- The Committee shall, while formulating the policy, ensure the following:
  - 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, KMP 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.

\* Senior Management for the above purpose shall mean personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

### 4.2 Composition of Nomination and Remuneration Committee, number of Meetings held and participation at the Meetings during the year:

As on 31<sup>st</sup> March, 2017, the Nomination and Remuneration Committee consist of 3 members. During the year, the NRC has held 3 Meetings on 13<sup>th</sup> May, 2016, 12<sup>th</sup> August, 2016 and 27<sup>th</sup> January, 2017.

The details of composition of committee, number of meetings held and attendance thereof during the year were as under:

Sr. No.	Name of Committee members	Designation	Position / Status	Number of Meetings held during the year	Number of Meetings attended
1	Mr. Prem Prakash Pangotra	Independent Director	Chairman	3	2
2	Mr. Pratul Shroff	Independent Director	Member	3	2
3	Mr. Sanjay Lalbhai	Non-Executive Director	Member	3	2

#### 4.3 Nomination and Remuneration Policy:

##### 1. Purpose of this Policy:

The Company has adopted this Policy on appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management (the "Policy") as required by the provisions of Section 178 of the Companies Act, 2013 (the "Act") and the provisions SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The purpose of this Policy is to establish and govern the procedure applicable:

- To evaluate the performance of the members of the Board.
- To ensure remuneration to Directors, KMP and Senior Management to balance fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The Committee should 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 and the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

##### 2. Definitions:

**Independent Director** means a director referred to in Section 149(6) of the Act and Listing Regulations, as amended from time to time.

**Key Managerial Personnel** (the "KMP") shall mean "Key Managerial Personnel" as defined in Section 2(51) of the Act.

**Nomination and Remuneration Committee**, by whatever name called, shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and Listing Regulations.

**Remuneration** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

**Senior Management** means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Executive Directors, including all functional heads. Words and expressions used and not defined in this Policy, but defined in the Act or any rules framed under the Act or the Securities and Exchange Board of India Act, 1992 and Rules and Regulations framed thereunder or in Listing Regulations or the Accounting Standards shall have the meanings assigned to them in these regulations.

##### 3. Composition of the Committee:

The composition of the Committee is/shall be in compliance with the Act, Rules made thereunder and Listing Regulations, as amended from time to time.

##### 4. Role of the Committee:

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy;
- Lay down the evaluation criteria for performance evaluation of Independent Director and the Board;
- Recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management;
- To devise a Policy on Board diversity.

##### 5. Criteria for Determining the followings:

##### 5.1 Qualifications for appointment of Directors (including Independent Directors):

- Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service.
- Their financial or business literacy/skills.
- Their real estate industry experience.
- Appropriate other qualification/experience to meet the objectives of the Company.
- As per the applicable provisions of Companies Act 2013, Rules made thereunder and Listing Regulations.



The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

#### **5.2 Positive attributes of Directors (including Independent Directors):**

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- Actively update their knowledge and skills with the latest developments in the real estate, urban development, construction and infrastructure, market conditions and applicable legal provisions.
- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities
- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees
- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made thereunder and Listing Regulations as amended from time to time.

#### **5.3 Independence Standards:**

The following would be the independence review procedure and criteria to assist the Committee evaluate the independence of Directors for recommending to the Board for appointment. A Director is independent if the Board affirmatively determines that the Director does not have a direct or indirect material relationship with the Company, including its affiliates or any member of senior management. "Affiliate" shall mean any company or other entity that controls, is controlled by, or is under common control with the Company.

Also, the candidate shall be evaluated based on the criteria provided under the applicable laws including Companies Act, 2013 read with Rules thereon and Listing Regulations. In addition to applying these guidelines, the Board will consider all relevant facts and circumstances in making its determination relative to a director's independence.

#### **Independence Review Procedures:**

##### **1. Annual Review**

The director's independence for the independent director will be determined by the Board on an annual basis upon the declarations made by such Directors as per the provisions of the Companies Act, 2013 read with Rules thereon and the Listing Regulations.

##### **2. Individual Director Independence Determinations**

If a director nominee is considered for appointment to the Board between annual general meetings, a determination of independence, upon the recommendation of the Committee, shall be made by the Board prior to such appointment.

All determinations of independence shall be made on a case-by-case basis for each director after consideration of all the relevant facts and circumstances and the standards set forth herein. The Board reserves the right to determine that any director is not independent even if he or she satisfies the criteria set forth by the provisions of the Companies Act, 2013 read with Rules thereon and Listing Regulations.

##### **3. Notice of Change of Independent Status**

Each director has an affirmative obligation to inform the Board of any change in circumstances that may put his or her independence at issue.

#### **5.4 Criteria for appointment of KMP/Senior Management:**

- To possess the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities.
- To practice and encourage professionalism and transparent working environment.
- To build teams and carry the team members along for achieving the goals/objectives and corporate mission.
- To adhere strictly to code of conduct.

#### **5.5 Term:**

The Term of the Directors including Managing / Wholetime Director / Independent Director shall be governed as per the provisions of the Act and Rules made thereunder and Listing Regulations, as amended from time to time.

Whereas the term of the KMP (other than the Managing / Wholetime Director) and Senior Management shall be governed by the prevailing HR policies of the Company.

**5.6 Evaluation:**

The Committee shall carry out evaluation of performance of every Director.

The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process. The Committee shall lay down evaluation criteria for performance evaluation of Independent Directors.

**5.7 Removal:**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder and / or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management.

**4.4 Evaluation of the Board's Performance:**

During the year, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

**4.5 Remuneration of Directors:**

Remuneration of Executive Directors is recommended by the Nomination & Remuneration Committee and approved by the Board of Directors and the Shareholders of the Company.

The Company pays remuneration to its Managing Director & CEO by way of salary and other benefits as per the terms agreed with the Company. The remuneration is approved by the Board of Directors and is within the overall limits approved by shareholders of the Company.

The remuneration of Non-Executive Directors is determined by the Board and is also approved by the Shareholders at Annual General Meeting held on 11<sup>th</sup> May, 2015. Non-Executive Independent Directors were paid Sitting Fees of ₹ 10,000/- for every meeting of Board of Directors or Committee attended by them. Apart from this, Non-Executive Directors (other than Managing Director and Whole Time Director(s)) are entitled for commission not exceeding 1% of the net profits of the Company per annum for each year for a period of 5 (five) years commencing from 1<sup>st</sup> April, 2015.

Within the above limit and considering all elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc. Executive Directors and Non-Executive Directors have been paid commission for the year 2016-17 as under:

Sr. No.	Name of Director	Salary (₹)	Perquisites & Allowances (₹)	Sitting Fees (₹)	Retrial Benefits (₹)	Commission / Bonus (₹)
1	Mr. Kamal Singal	17937177	79469	Nil	677686	Nil
2	Mr. Sanjay Lalbhai	Nil	Nil	Nil	Nil	Nil
3	Mr. Kulin S. Lalbhai	Nil	Nil	Nil	Nil	Nil
4	Mr. Pratul Shroff	Nil	Nil	70000	Nil	500000
5	Mr. Prem Prakash Pangotra	Nil	Nil	130000	Nil	500000
6	Dr. Indira J Parikh	Nil	Nil	110000	Nil	500000

**Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:**

The details of stock options granted to the eligible employees under Arvind infrastructure Limited – Employee Stock Option Scheme 2013 (ESOP-2013) is provided in the Director's Report of the Company.

Please refer point No. 7 - Employee Stock Option Scheme in Director's Report.

- There is no pecuniary relationship nor transactions of the Non-Executive Directors i.e. Mr. Sanjay Lalbhai, Mr. Kulin S. Lalbhai, Mr. Pratul Shroff, Mr. Prem Prakash Pangotra and Dr. Indira J. Parikh vis-à-vis the Company.
- The Company has disclosed the criteria of making payment to Non-Executive Directors and the same is posted on the website of the Company at [http://arvindsmartspaces.com/other\\_information.php](http://arvindsmartspaces.com/other_information.php).

## 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board of Directors of the Company has constituted the Stakeholders' Relationship Committee ("SRC") in compliance with the provisions of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The SRC of the Company comprises of 4 Directors out of which 2 are Non-Executive-Independent Directors, 1 is Non-Executive Director and 1 is Executive Director. Mr. Sanjay Lalbhai, Non-Executive Director, acts as Chairman of the Committee.

The brief terms of reference and composition of committee are as follows:

### 5.1 Brief description of the terms of reference:

1. To specifically look into the redressal of Investors' Grievances pertaining to:
  - Transfer of shares and debentures;
  - Non-receipt of declared dividends, interests and redemption proceeds of debentures;
  - Dematerialization of Shares and debentures;
  - Replacement of lost, stolen, mutilated share and debenture certificates;
  - Non-receipt of rights, bonus, split share and debenture certificates;
  - Non-receipt of balance sheet.
2. To look into other related issues towards strengthening investors' relations.
3. To consider and approve issuance of share / debenture certificates including duplicate share/debenture certificates.
4. To look into the reasons for any defaults in the payment to the Depositors, Debenture holders, Shareholders (in case of non-payment of declared dividends) and Creditors.

### 5.2 Composition of Stakeholders' Relationship Committee, number of Meetings held and participation at the Meetings during the year:

As on 31<sup>st</sup> March, 2017, the Stakeholders' Relationship Committee consist of 4 members. During the year, the SRC has held 3 Meetings on 12<sup>th</sup> August, 2016, 26<sup>th</sup> October, 2016 and 27<sup>th</sup> January, 2017.

The details of composition of committee, number of meetings held and attendance thereof during the year were as under:

Sr. No.	Name of Committee members	Designation	Position / Status	Number of Meetings held during the year	Number of Meetings attended
1	Mr. Sanjay Lalbhai	Non-Executive Director	Chairman	3	2
2	Mr. Pratul Shroff	Independent Director	Member	3	3
3	Mr. Prem Prakash Pangotra	Independent Director	Member	3	3
4	Mr. Kamal Singal	Executive Director	Member	3	1

### 5.3 Name and designation of Compliance Officer:

Mr. Prakash Makwana, Company Secretary is the Compliance officer of the Company.

### 5.4 Details of Complaints/Queries received and redressed during 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016:

Sr. No.	Particulars of Complaints / Queries	Received	Redressed	Pending as on 31.3.2017
1	Non receipt of Share Certificates – Direct from Shareholders – Received from SEBI	1 NIL	1 NIL	NIL NIL
2	Non receipt of Dividend /Interest Warrants – Direct from Shareholders – Received from SEBI	NIL NIL	NIL NIL	NIL NIL
3	Confirmation of Demat Credit	NIL	NIL	NIL
4	Non receipt of Debentures Redemption payment	NIL	NIL	NIL
5	Non receipt of letter of offer, allotment advice, share certificates, Annual Report for Rights Issue & others	2	2	NIL
6	Others - Complaints received from SEBI (SCORES), Stock Exchanges, NSDL, ROC, Company Law Board etc.	NIL	NIL	NIL
	<b>Total</b>	3	3	NIL

## 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors of the Company has constituted the Corporate Social Responsibility Committee (“CSR”) in compliance with the provisions of Section 135 read with Schedule VII of the Companies Act, 2013. The CSR Committee of the company comprises of 4 Directors out of which 2 are Non-Executive-Independent Directors, 1 is Non-Executive Director and 1 is Executive Director.

The brief terms of reference and composition of committee are as follows:

### 6.1 Brief description of the terms of reference:

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII to the Companies Act, 2013;
- to finalise a list of CSR projects or programs or initiatives proposed to be undertaken periodically including the modalities for their execution / implementation schedules and to review the same from time to time in accordance with requirements of section 135 of the Companies Act 2013;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- monitor the Corporate Social Responsibility Policy of the company from time to time;
- review the CSR report and other disclosures on CSR matters for the approval of the Board for their inclusion in the Board report;

### 6.2 Composition of Corporate Social Responsibility Committee, number of Meetings held and participation at the Meetings during the year:

As on 31<sup>st</sup> March, 2017, the Corporate Social Responsibility Committee consist of 4 members. During the year, the CSR has held 2 Meetings on 13<sup>th</sup> May, 2016 and 26<sup>th</sup> October, 2016.

The details of composition of committee, number of meetings held and attendance thereof during the year were as under:

Sr. No.	Name of Committee members	Designation	Position / Status	Number of Meetings held during the year	Number of Meetings attended
1	Mr. Sanjay Lalbhai	Non-Executive Director	Chairman	2	2
2	Mr. Prem Prakash Pangotra	Independent Director	Member	2	1
3	Dr. Indira J Parikh	Independent Director	Member	2	2
4	Mr. Kamal Singal	Executive Director	Member	2	2

## 7. MANAGEMENT COMMITTEE OF BOARD OF DIRECTORS

The Board of Directors of the Company has constituted the Management Committee of the Board of Directors, comprises of 3 Directors out of which 2 are Non-Executive and 1 is Executive Director.

The role and composition of committee are as follows:

### 7.1 Role of Management Committee:

The Management committee's primary role is to look after the day-to-day business activities of the Company within Board approved direction/ framework. The committee meets frequently, as and when need arises, to transact matters within the preview of its terms of reference.

### 7.2 Composition of Management Committee, number of Meetings held and participation at the Meetings during the year:

As on 31<sup>st</sup> March, 2017, the Management Committee of Board of Directors consist of 3 Directors. During the year, 14 Management Committee Meetings were held on various dates.

The details of composition of committee, number of meetings held and attendance thereof during the year were as under:

Sr. No.	Name of Committee members	Designation	Position / Status	Number of Meetings held during the year	Number of Meetings attended
1	Mr. Sanjay Lalbhai	Non-Executive Director	Chairman	14	13
2	Mr. Kulin S Lalbhai	Non-Executive Director	Member	14	14
3	Mr. Kamal Singal	Executive Director	Member	14	8

## 8. INFORMATION OF GENERAL BODY MEETINGS

### 8.1 Location and time, where last three Annual General Meetings (AGM) held:

Date	Time	Venue
23 <sup>rd</sup> September, 2016	10:00 am	J.B. Auditorium, Ahmedabad Management Association, Opp. Apang Manav Mandal, IIM Road, Dr. S. V. Marg, Ahmedabad - 380015
11 <sup>th</sup> May, 2015	11:00 am	Arvind Premises, Naroda Road, Ahmedabad-380025.
8 <sup>th</sup> August, 2014	10: 00 am	Arvind Premises, Naroda Road, Ahmedabad-380025.



### 8.2 Special Resolutions passed in last three Annual General Meetings:

Date	Details of Special Resolution
23 <sup>rd</sup> September, 2016	<ol style="list-style-type: none"> <li>Change in the name of the Company from Arvind Infrastructure Limited to Arvind SmartSpaces Limited.</li> <li>Approval of Increase in remuneration of Mr. Kamal Singal (DIN: 02524196), Managing Director &amp; CEO of the Company.</li> <li>Approval of the “Arvind Infrastructure Limited Employee Stock Option Plan, 2016” (AIL ESOP 2016) and grant of options to the eligible employees of the Company under the AIL ESOP 2016.</li> <li>Approval of the “Arvind Infrastructure Limited Employee Stock Option Plan, 2016” (AIL ESOP 2016) and grant of options to the eligible employees of the Company’s Subsidiaries under the AIL ESOP 2016.</li> <li>Approval for grant of options equal to or exceeding one per cent to Mr. Kamal Singal, Managing Director &amp; CEO under the “Arvind Infrastructure Limited Employee Stock Option Plan, 2016” (AIL ESOP 2016).</li> </ol>
11 <sup>th</sup> May, 2015	<ol style="list-style-type: none"> <li>Appointment of Mr. Kamal Singal as Managing Director &amp; CEO of the Company.</li> <li>Approve Remuneration of Directors other than Managing Director for a period of Five Years from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2020.</li> </ol>

### 8.3 Extraordinary General Meetings (EGM):

During last 3 years, the following Extra Ordinary General Meetings were held.

Date	Time	Venue
21 <sup>st</sup> April, 2016	10:00 am	Thakorebhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad - 380006
15 <sup>th</sup> September, 2014	11:00 am	Arvind Premises, Naroda Road, Ahmedabad-380025.
23 <sup>rd</sup> July, 2014	11:00 am	Arvind Premises, Naroda Road, Ahmedabad-380025.

### 8.4 Resolutions passed in last three Extra Ordinary General Meetings:

Date	Details of Special Resolution
21 <sup>st</sup> April, 2016	<ol style="list-style-type: none"> <li>Issue of 57,50,000 warrants (“Warrants”) to Promoter and Promoter Group entities on preferential basis at Rs. 88.00 (Rupees Eighty Eight only) per Warrant for an aggregate consideration of upto Rs. 50,60,00,000 (Rupees Fifty Crores Sixty Lakhs only) and entitling the Warrant holder(s) to convert the Warrants into equivalent numbers of Equity Shares in one or more tranches within eighteen months from the date of allotment of Warrants in accordance with provisions of Chapter VII of the SEBI ICDR Regulations and Section 62 and 42 of the Companies Act, 2013 or subject to other applicable laws and regulations as may be prevailing at the time of allotment of Warrants / conversion of Warrants into Equity Shares.</li> <li>Increase in Authorised Share Capital of the Company from Rs. 27,00,00,000/- (Rupees Twenty Seven Crores only) divided into 2,70,00,000 (Two Crore Seventy Lacs) equity shares of Rs. 10/- each (Rupees Ten only) to Rs. 35,00,00,000/- (Rupees Thirty Five Crores only) divided into 3,50,00,000 (Three Crores Fifty Lacs) equity shares of Rs.10/- each (Rupees Ten only) and consequently the change in existing Clause V of the Memorandum of Association of the company.</li> </ol>
15 <sup>th</sup> September, 2014	<ol style="list-style-type: none"> <li>To give authority to Board of Directors to mortgage and/or charge all movable and immovable properties of the Company.</li> <li>To give borrowing powers to the Board of Directors in excess of the aggregate of paid up capital and free reserves of the Company.</li> </ol>
23 <sup>rd</sup> July, 2014	<ol style="list-style-type: none"> <li>Sub-division of 1 (one) Equity Shares of Rs. 10/- (Rupees Ten) each into 10 (Ten) Equity Shares of Re. 1/- (Rupee one) each.</li> <li>Alteration of Clause V of the Memorandum of Association.</li> <li>Increase in Authorised Share Capital of the Company from Rs. 15,00,00,000 to Rs. 27,00,00,000 by further creation of 12,00,00,000 Equity Shares of Re. 1/- each ranking pari passu with the existing Equity Shares.</li> <li>Alteration of Clause V of the Memorandum of Association.</li> </ol>

### 8.5 Details of Resolution Passed through Postal Ballot, the person who conducted the Postal Ballot Exercise and details of the voting pattern:

No resolution has been passed through the exercise of Postal Ballot during the previous year.

## 9. MEANS OF COMMUNICATIONS

- The Quarterly Results are published in Financial Express - All India Editions and Financial Express Gujarati Edition of Ahmedabad and are also posted on Company’s Website at [www.arvindsmartspaces.com](http://www.arvindsmartspaces.com).
- Information released to the press at the time of declaration of results is also sent to all Stock Exchanges where the shares of the Company are listed for the benefit of investors. Moreover, the Company’s web-site hosts a special page giving information which investors usually seek.
- Presentations are posted on the Company’s web site at [www.arvindsmartspaces.com](http://www.arvindsmartspaces.com).

**10. GENERAL SHAREHOLDER INFORMATION****10.1 Annual General Meeting:**

Date	14 <sup>th</sup> September, 2017
Time	10:00 a.m.
Venue	J B Auditorium, Ahmedabad Management Association, Opp. Apang Manag Mandal, IIM Road, Dr. V S Marg, Ahmedabad 380 015.

**10.2 Financial Calendar:**

The Financial Year of the Company is for a period of 12 months from 1st April to 31<sup>st</sup> March.

First quarter results	In the middle of August
Second quarter results	Last week of October.
Third quarter results	Last week of January.
Fourth quarter results / Year end results	In the Middle of May.

**10.3 Book Closure:** Monday, the 4<sup>th</sup> day of September, 2017 to Wednesday, the 6<sup>th</sup> day of September, 2017 (Both Days inclusive).

**10.4 Dividend payment Date :** Not Applicable.

**10.5 Listing on Stock Exchanges:** Equity Shares of the Company are listed on the following Stock Exchanges:

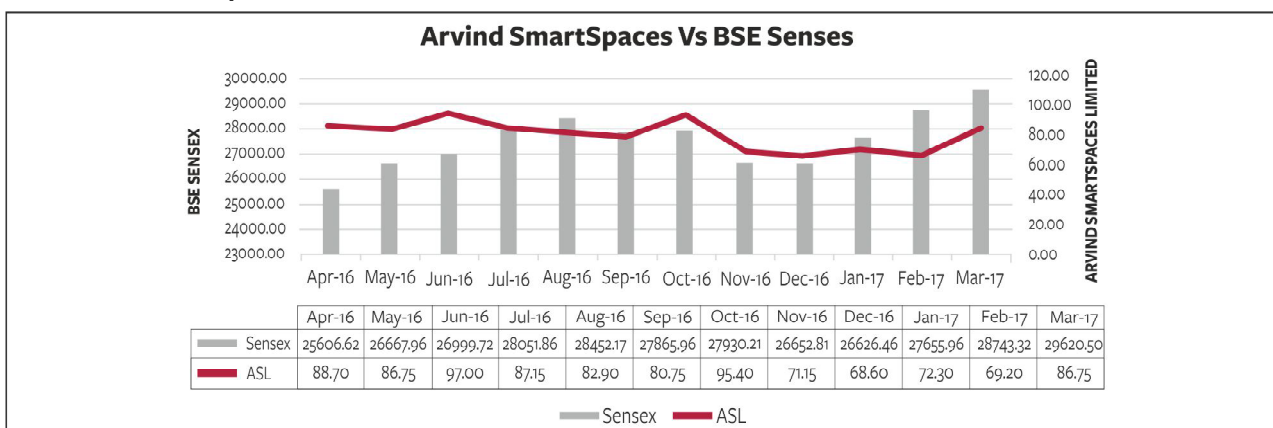
Sr. No.	Name of the Stock Exchange	Code	Address
1	BSE Ltd.	539301	Phiroze Jeejeebhoy Tower, Dalal Street Mumbai - 400 001
2	National Stock Exchange of India Ltd.	ARVSMART	Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G. Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051

The Company has paid Annual Listing Fees for the Financial Year 2017-2018 to each stock Exchanges.

**10.6 Market Price data:**

The Market Price and volume of the Company's share traded on BSE Limited and National Stock Exchange of India Limited during the financial year 2016-17 were as under:

Month	Share Price BSE		Volumes No. of Shares	BSE Sensex		Share Price NSE		Volumes No. of Shares	Nifty Fifty	
	High (₹)	Low (₹)		High	Low	High (₹)	Low (₹)		High	Low
Apr-16	96.40	83.25	334069	26100.54	24523.20	97.20	82.50	838542	7992.00	7516.85
May-16	107.70	82.25	2431385	26837.20	25057.93	107.60	82.00	5592629	8213.60	7678.35
Jun-16	102.45	79.20	847034	27105.41	25911.33	102.80	79.20	2500021	8308.15	7927.05
Jul-16	98.70	87.00	361143	28240.20	27034.14	98.50	86.35	1011840	8674.70	8287.55
Aug-16	91.25	81.00	508624	28532.25	27627.97	91.00	79.25	1356041	8819.20	8518.15
Sep-16	88.00	78.10	572335	29077.28	27716.78	88.25	78.20	1648484	8968.70	8555.20
Oct-16	104.40	79.55	2107095	28477.65	27488.30	104.40	79.10	5736424	8806.95	8506.15
Nov-16	96.00	62.00	500058	28029.80	25717.93	95.85	60.05	1264350	8669.60	7916.40
Dec-16	73.40	65.00	178058	26803.76	25753.74	73.00	64.15	609867	8274.95	7893.80
Jan-17	76.25	68.50	256736	27980.39	26447.06	78.00	68.00	598251	8672.70	8133.80
Feb-17	74.90	67.50	208484	29065.31	27590.10	74.60	67.20	729817	8982.15	8537.50
Mar-17	88.90	68.65	616580	29824.62	28716.21	88.70	69.00	1883566	9218.40	8860.10

**10.7 Performance in comparison to broad-based indices viz. BSE Sensex:**

#### 10.8 Registrars and Transfer Agents:

Link Intime India Private Limited  
506-508, Amarnath Business Centre-1 (abc-1), Beside Gala Business Centre,  
Near St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad 380006.  
Tel No : +91 79 26465179 / 86 / 87  
E-mail id : ahmedabad@linkintime.co.in  
Website : [www.linkintime.co.in](http://www.linkintime.co.in)

#### 10.9 Share transfer system:

##### (I) Delegation of Share Transfer Formalities:

Since the Company's shares are compulsorily traded in the demat segment on stock exchanges, bulk of the transfers take place in the electronic form. However, shares in the physical form are processed by the Registrar and Share Transfer Agents. For expediting physical transfers, the Board has delegated share transfer formalities to certain officers of the Registrar and Share Transfer Agents who attend to them at least 3 times in a month. Physical transfers are effected within the statutory period of one month. The Board has designated the Company Secretary as the Compliance Officer.

##### (II) Share Transfer Details for the period from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017:

Transactions	Physical
Number of Transfers	171
Average Number of Transfers per month	14
Number of Shares Transferred	1376
Average Number of Shares Transferred per month	115
No. of Pending Share Transfers	NIL

##### (III) Investors' Grievances:

The Registrar and Transfer Agent under the supervision of the Secretarial Department of the Company look after investors' grievances. Link Intime India Private Limited (from 16<sup>th</sup> June, 2016) / Sharepro Services (I) Pvt. Ltd. (upto 15<sup>th</sup> June, 2016) is / was responsible for redressal of Investors' Grievances. The Company Secretary of the Company has been appointed as the Compliance Officer for this purpose. At each Meeting of the Stakeholders' Relationship Committee, all matters pertaining to investors including their grievances and redressal are reported.

#### 10.10 Shareholding pattern dated 31<sup>st</sup> March, 2017.

Category Code	Category of Shareholder(s)	Total Number	% of shares
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>		
	<b>Promoters</b>		
1	Aura Securities Private Limited	12947646	45.58%
2	Sanjaybhai Shrenikbhai Lalbhai	200155	0.70%
3	Punit Sanjaybhai	371	0.00%
4	Jayshreeben Sanjaybhai Lalbhai	33	0.00%
	<b>Total Promoter holding</b>	<b>13148205</b>	<b>46.28%</b>
	<b>Promoter Group</b>		
5	Samvegbhai Arvindbhai	4634	0.02%
6	Samvegbhai Arvindbhai Lalbhai	17379	0.06%
7	Anamikaben Samvegbhai Lalbhai	4003	0.01%
8	Hansaben Niranjambhai Lalbhai	3804	0.01%
9	Saumya Samvegbhai Lalbhai	2000	0.01%
10	Swati S Lalbhai	771	0.00%
11	Badlani Manini Rajiv	540	0.00%
12	Taral S Lalbhai	407	0.00%
13	Sunil Siddharth Lalbhai	343	0.00%
14	Vimlaben S Lalbhai	97	0.00%
15	Kalpanaben Shripalbhair Morakhia	1	0.00%
16	Lalbhai Realty Finance Private Limited	45500	0.16%
17	AML Employees' Welfare Trust	632731	2.23%

Category Code	Category of Shareholder(s)	Total Number	% of shares
18	Atul Limited	412747	1.45%
19	Aeon Investments Private Limited	17924	0.06%
20	Adore Investments Private Limited	13229	0.05%
21	Anusandhan Investments Limited	11000	0.04%
22	Aagam Holdings Private Limited	318125	1.12%
23	Amazon Investments Private Limited	115296	0.41%
24	Amardeep Holdings Private Limited	48925	0.17%
25	Aayojan Resources Private Ltd	8450	0.03%
26	Adhinami Investments Private Limited	600	0.00%
27	Akshita Holdings Private Limited	13	0.00%
28	Aura Merchandise Pvt. Ltd.	100	0.00%
29	Fast Credit Consulting Pvt. Ltd.	100	0.00%
30	Aura Securities Pvt. Ltd	100	0.00%
	<b>Total Promoter Group holding</b>	<b>1658819</b>	<b>5.84%</b>
	<b>Total Promoter and Promoter Group holding</b>	<b>14807024</b>	<b>52.12%</b>
<b>(B)</b>	<b>Public Shareholding</b>		<b>0.00%</b>
<b>(B)(1)</b>	<b>Institutions</b>		
(a)	Mutual Funds	601576	2.12%
(b)	Venture Capital Funds	0	0.00%
(c)	Alternate Investment Funds	0	0.00%
(d)	Foreign Venture Capital Investors	0	0.00%
(e)	Foreign Portfolio Investors	496707	1.75%
(f)	Financial Institutions / Banks	1592558	5.61%
(g)	Insurance Companies	0	0.00%
(h)	Provident Funds/Pension Funds	0	0.00%
(i)	Any Other (Specify)	0	0.00%
	<b>Sub Total (B)(1)</b>	<b>2690841</b>	<b>9.48%</b>
<b>(B)(2)</b>	Central Government/ State Government(s)/President of India	50	0.00%
	<b>Sub Total (B)(2)</b>	<b>50</b>	<b>0.00%</b>
<b>(B)(3)</b>	<b>Non – Institutions</b>		
(a)	Individuals		
	i) Individual Shareholders holding nominal share capital up to Rs.2 Lakhs.	6247144	21.99%
	ii) Individual Shareholders holding nominal share capital in excess of Rs.2 Lakhs.	1942515	6.84%
(b)	NBFCs registered with RBI	0	0.00%
(c)	Employee Trust	0	0.00%
(d)	Overseas Depositories (holding DRs) (balancing Figure)	0	0.00%
(e)	Any Other (Specify)		
	Trust	5682	0.02%
	Hindu Undivided Family	599505	2.11%
	Non-Resident Indian (NRI)	553063	1.95%
	Overseas Corporate Bodies	290	0.00%
	Clearing member	466507	1.64%
	Body Corporate	1096686	3.86%
	<b>Sub Total (B)(3)</b>	<b>10911392</b>	<b>38.41%</b>
	<b>TOTAL Public Shareholding(B) = B(1)+(B)(2) + (B)(3)</b>	<b>13602283</b>	<b>47.88%</b>
	<b>TOTAL (A)+(B)</b>	<b>28409307</b>	<b>100.00%</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	<b>0</b>	<b>0</b>
	<b>Grand Total (A)+(B)+(C)</b>	<b>28409307</b>	<b>100.00%</b>



**10.11 Distribution of shareholding as on 31<sup>st</sup> March, 2017:**

No. of Shares	PHYSICAL MODE		ELECTRONIC MODE		TOTAL		TOTAL	
	No. of Holders	No. of Shares	No. of Holders	No. of Shares	No. of Holders	%	No. of Shares	%
1-500	38518	280410	93781	2890691	132299	98.38	3171101	11.16
501-1000	4	2905	1027	806352	1031	0.77	809257	2.85
1001-2000	4	5941	510	759001	514	0.38	764942	2.69
2001-3000	0	0	208	530485	208	0.15	530485	1.87
3001-4000	0	0	70	248952	70	0.05	248952	0.88
4001-5000	0	0	69	326640	69	0.05	326640	1.15
5001-10000	1	10000	140	1024048	141	0.01	1034048	3.64
10001-20000	0	0	74	1071253	74	0.00	1071253	3.77
Above 20000	0	0	67	20452629	67	0.00	20452629	71.99
<b>TOTAL</b>	<b>38527</b>	<b>299256</b>	<b>95946</b>	<b>28110051</b>	<b>134473</b>	<b>100.00</b>	<b>28409307</b>	<b>100.00</b>

**10.12 Dematerialisation of shares and liquidity:**

**Demat ISIN:** Equity Shares fully paid: INE034S01021

The Company's shares are available for dematerialisation on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shares of the Company are compulsorily to be delivered in the demat form on Stock Exchanges by all investors. As on 31<sup>st</sup> March, 2017, 2,81,10,051 shares representing 98.95% of the issued capital have been dematerialised by investors and bulk of transfers take place in the demat form.

**10.13 Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any Convertible Instruments, conversion date and likely impact on equity:**

**Demat ISIN:** Convertible Warrants: INE034S13018.

The Company has allotted 57,50,000 warrants ("Warrants") at Rs. 88/- (Rupees Eighty Eight only) per Warrant for an aggregate consideration of upto Rs. 50,60,00,000 (Rupees Fifty Crores Sixty Lakhs only) and entitling the Warrant holder(s), being promoter and promoter group entities, to convert the Warrants into equivalent numbers of Equity Shares in one or more tranches within eighteen months from the date of allotment of Warrants (i.e. 2<sup>nd</sup> May, 2016) in accordance with provisions of Chapter VII of the SEBI ICDR Regulations or subject to other applicable laws and regulations as may be prevailing at the time of allotment of Warrants / conversion of Warrants into Equity Shares.

Further the Company has allotted 25,75,000 equity shares to the warrant holders, being promoter and promoter group entities, pursuant to exercise of conversion of warrant option by them under Tranche-I. Consequent to allotment of above equity shares, the paid up equity share capital of the Company has increased to Rs. 28,40,93,070/- (Rupees Twenty Eight Crores Forty Lakhs Ninety Three Thousand Seventy only) comprising of 2,84,09,307 equity share of Rs. 10/- each and shareholding of Promoter and Promoter Group has increased to 52.12% of expanded capital of the Company.

During the financial year 2016-17, the Company has not issued Global Depository Receipts or American Depository Receipts.

**10.14 Commodity price risk or foreign exchange risk and hedging activities:**

The Company is not exposed to commodity price risk since it generally executes projects through its contractors.

**10.15 Plant / Site locations:**

The Company is engaged in Real Estate business activities, it does not have any manufacturing plant. The Company has various projects spread across in and around Ahmedabad and Bengaluru.

**10.16 Address for correspondence:**

Shareholders may correspond with the Company at the Registered Office of the Company or at the office of Registrars and Transfer Agents of the Company:

<p><b>Arvind SmartSpaces Limited</b>                  Secretarial Department                  24 Government Servant's Society, Near Municipal Market,                  Off C.G.Road, Navrangpura, Ahmedabad- 380009                  Phone No: 079-30137000                  Fax No. : 079-30137021                  E-mail : <a href="mailto:investor@arvindinfra.com">investor@arvindinfra.com</a>                  Website : <a href="http://www.arvindsmartspaces.com">www.arvindsmartspaces.com</a></p>	<p><b>Link Intime India Private Limited</b>                  506-508, Amarnath Business Centre-1 (abc-1),                  Beside Gala Business Centre, Near St. Xavier's College Corner,                  Off C G Road, Ellisbridge, Ahmedabad 380006.                  Tel No : +91 79 26465179 /86 / 87                  Fax No. : +91 79 26465179                  E-mail : <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a>                  Website : <a href="http://www.linkintime.co.in">www.linkintime.co.in</a></p>
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**11. OTHER DISCLOSURE**

- 11.1** There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management, their subsidiaries or relatives etc. that may have potential conflicts with the interest of the Company at large. Suitable disclosure as required by the Accounting Standard (As 18) has been made in the Annual Report. The Related Party Transaction Policy as approved by the Board is posted on the Company's Website at <http://arvindsmartspaces.com/policies.php>.
- 11.2** Transactions with related parties are disclosed in detail in "Notes forming part of the Accounts" annexed to the financial statements for the year. There were no related party transactions having potential conflict with the interest of the Company at large.
- 11.3** There are no pecuniary relationships or transactions of Non-executive Directors vis-à-vis the Company which has potential conflict with the interests of the company at large.
- 11.4** No Strictures or penalties have been imposed on the company by the Stock Exchanges or by the Security Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.
- 11.5** During the year ended 31<sup>st</sup> March, 2017, the Company has one Material Unlisted Subsidiary Company as defined in Regulation 16 of the SEBI Listing Regulations. The Company has formed the policy for determining material subsidiary as required by under Regulation 16 of the SEBI Listing Regulations and the same is posted on the Company's website at <http://arvindsmartspacesa.com/policies.php>.

**11.6 Vigil Mechanism:**

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Whistleblower Policy (WB Policy) that provides a secured avenue to directors, employees, business associates and all other stakeholders of the company for raising their concerns against the unethical practices, if any. The WB Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

Pursuant thereto, a dedicated helpline "Arvind Ethics Helpline" has been set up which is managed by an independent professional organization.

The Ethics Helpline can be contacted to report any suspected or confirmed incident of fraud/misconduct on:

**Website for complaints:** [www.in.kpmg.com/ethicshelpline/Arvind](http://www.in.kpmg.com/ethicshelpline/Arvind)

**Toll Free No.:** 1800 200 8301

**Dedicated Email ID:** [arvind@ethicshelpline.in](mailto:arvind@ethicshelpline.in)

Whistle blower Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee.

No personnel have been denied access to the Chairman of the Audit Committee, for making complaint on any integrity issue.

**11.7 Code of Conduct for Directors & Senior Management Personnel:**

In terms of Regulation 17 of the Listing Regulations and Section 149 of the Companies Act, 2013, the Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The said Code of Conduct has been posted on the website of the Company. The Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. The Managing Director & CEO of the Company has given a declaration to the Company that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code.

**11.8 CEO/CFO Certification:**

The Managing Director & CEO and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations, certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affair. The said certificate is annexed and forms a part of the Annual Report.

- 11.9** The Independent Directors have confirmed that they meet the criteria of "Independent Director" as stipulated under the Companies Act, 2013 and Listing Regulations.
- 11.10** The minimum information to be placed before the Board of Directors as specified in Part A of Schedule II of Listing Regulations is complied with to the extent applicable.
- 11.11** During the year ended on 31<sup>st</sup> March, 2017, the Company has one material subsidiary company as defined in Regulation 16 of Listing Regulations, and hence provision of corporate governance requirement with respect to subsidiary of the company as specified in Regulation 24 of the Listing Regulations is not applicable to the Company.

**11.12 Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

During the year, the Company has fully complied with the mandatory requirements as stipulated under Listing Regulations.

The status of compliance with discretionary recommendations and adoption of the non-mandatory requirements as specified in regulation 27(1) of the SEBI Listing Regulations is provided below:

- a. The Board:** The Chairman of the Company is Non-Executive & Non-Independent Director.
- b. Shareholder Rights:** Half-yearly and other Quarterly financial statements are published in newspapers, uploaded on company's website [www.arvindsmartspace.com](http://www.arvindsmartspace.com) and same are not being sent to the shareholders.
- c. Modified Opinion(s) in Audit Report:** The Company already has a regime of un-qualified financial statement. Auditors have raised no qualification on the financial statements.
- d. Separate posts of Chairperson and Chief Executive Officer:** Mr. Sanjay Lalbhai is the Non-Executive & Non-Independent Director and Chairman, Mr. Kamal Singal is Managing Director & CEO of the Company.
- e. Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee.

The above Report was placed before the Board at its meeting held on 12<sup>th</sup> May, 2017 and the same was approved.

For and on behalf of the Board

Place: Ahmedabad  
Date: 12<sup>th</sup> May, 2017

**Sanjay Lalbhai**  
Chairman

## CEO/CFO Certification

(Regulation 17(8) and Part B of Schedule II of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 (LODR).

To,  
The Board of Directors  
Arvind SmartSpaces Limited

Dear Sirs,

### **Ref.: Compliance Certificate by Managing Director & Chief Executive Officer (CEO) & Chief Financial Officer (CFO)**

We the undersigned, in our respective capacities as Managing Director & Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of Arvind SmartSpaces Limited ("the Company") to the best of our knowledge and belief certify that:

- A. We have reviewed financial statements and the cash flow statement for the financial year ended 31<sup>st</sup> March, 2017 and that to the best of our knowledge and belief:
  - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- D. We have indicated, to the auditors and the Audit committee;
  - (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Ahmedabad  
12<sup>th</sup> May, 2017

**Kamal Singal**  
Managing Director & CEO

**Mehul Shah**  
Chief Financial Officer

## Compliance of conditions of Corporate Governance

### To the Members of Arvind SmartSpaces Limited (formerly Arvind Infrastructure Limited)

I have examined the compliance of conditions of Corporate Governance by ARVIND SMARTSPACES LIMITED for the year ended on 31st March, 2017, as stipulated in Part C of Schedule V of the SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015 ("Listing Regulations").

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

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**CS Ankita Patel**  
**Practicing Company Secretary**

ACS/FCS No. F8536  
C P No. 16497

Ahmedabad  
12th May, 2017

### DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL:

This is to confirm that the Company has adopted a Code of Conduct for Directors and Senior Management Personnel, which is posted on the Company's website at [www.arvindsmartspaces.com](http://www.arvindsmartspaces.com)

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March 2017.

**Kamal Singal**  
**Managing Director & CEO**

Ahmedabad  
12<sup>th</sup> May, 2017



# MANAGEMENT DISCUSSION & ANALYSIS

## Economic Scenario

The year 2016 has been filled with many ups and down but with economic growth of around 7.5% makes India the fastest growing G20 economy, as per OECD India Economic survey. The acceleration of structural reforms, the move towards a rule-based policy framework and low commodity prices have provided a strong growth impetus. Government of India's recent deregulation measures and efforts to improve ease-of-doing-business have boosted foreign investment.

The Goods and Services Tax (GST) implemented from July 2017, should help make India more of a single market and thus spur productivity, investment, competitiveness, job creation and incomes. The abolition of the Foreign Investment Promotion Board, which reviewed foreign investment programmes, should promote FDI inflows. The central government's initiative to rank individual states on the ease of doing business is opening a new era of structural reforms.

The Indian economy remains as one of the brightest spots in slowing global world. The macro-economic conditions of India have been the best in recent times. Against extremely poor global growth, expansion in Indian economy was noteworthy. Bypassing the risk of demonetization, Indian economy grew at 7.1% at in FY17 according to CSO and is expected to continue to grow at more than 7.5% in FY18 before moving past the 8% trajectory in FY19.

Consumer price inflation hovered below 4% at the end of 2016 and in early 2017, reflecting partly demonetization, but also the success of the flexible inflation targeting framework. Ongoing structural reforms, including efforts to reduce the fragmentation of agricultural markets and land plots, and to develop the irrigation network and despite the price rise in gain after remaining weak for last couple of years, inflation is likely to remain below 5% in FY18.

India has made appreciable progress on several fronts. It achieved its Millennium Development Goals of halving poverty, infant and child mortality, and maternal mortality rates. Moreover, significant progress has been made in enhancing financial inclusion, leveraging technology to bring more of the population into the financial system.

For the past few decades of breakneck growth in emerging markets, India has been overshadowed by its northern neighbor. Now, just as China's growth is slowing, India is picking up the pace and offering a glimpse of its true potential. With Global growth rate been raised marginally to 3.5% in 2017 owing to "long-awaited cyclical recovery in investment, manufacturing and trade", India's medium term growth prospects looks favorable, with growth expected to rise due to implementation of critical structural reforms, favorable terms of trade and lower external vulnerabilities.

## Real Estate Sector

The year 2017 is expected to be a year of fructification – with the results of all the policy initiative taken in 2016 beginning to take some shape. Most of the steps, including Real Estate Regulatory Act (RERA) and Goods and Service Tax (GST) to Real Estate Investment Trusts (REITs) are aimed at improving transparency and enhancing the overall sentiments towards Real Estate.

Real estate has been a key driver and a pivotal cog of economic growth for India, as it contributes the third highest share to the Indian economy

and is also the third largest employer in India with forward and backward linkages to over 250 sectors and ancillary industries. According to Morgan Stanley research, India's young work force, which is nearing home-buying age and stands to benefit from the country's economic expansion, is expected to significantly drive the real estate market over the next 10 years.

Further studies suggest that the confluence of factors, including a projected sharp increase in the country's per capita income, further urbanization and a firmer federal hand on regulations, could push annual property market sales, which were \$105 billion in 2015 to \$462 billion by 2025 and India's property market sales are expected to grow at 14% compounded annual rate from 2016-20 and 18% from 2020-25 according to Morgan Stanley's analysis.

The total market size of Indian real estate is estimated to have doubled since 2008 and reached about INR7 lakh crore. A report by KPMG suggests that India has the largest housing market in the world and the potential for growth is significant as India would need to develop over 170 million houses until 2030 to meet the needs of the rapidly urbanizing population.

The subsequent stride in re-engineering momentum back into the sector was the governments push towards 'Affordable Housing'. Affordable housing in India has finally got the much-coveted infrastructure status. One crore houses are to be built in rural India by 2019, and this vital segment will now see cheaper sources of finance - including external commercial borrowings (ECBs).

India is now way more attractive to both global and Indian investors. Increased consolidation and transparency - and the launch of REITs (Real Estate Investment Trusts) this year - will further whet their appetites for getting a piece of the Indian real estate pie. Re-financing of housing loans by National Housing Banks (NHBs) can give a further boost to the sector.

While buyer's sentiment stayed cautious over 2016, mid-segment projects with realistic pricing enjoyed fair success in both the primary and the secondary market. Despite the adverse impact of recent demonetization, this trend should persist in the next year. In addition, Indian interest rates are at an all-time low. Hence the sentiment in the residential market should pick up steadily over 2017.

## Residential Segment

The past 3-4 years have been an extremely stressful period for the Indian real estate with markets being subdued in terms of launches and sales across major metros. However, the year 2017 is expected to be the year of inflection with new regulations coming into place. These regulations and reforms should herald the industry into its next wave of growth. Right from buying of land, funding of projects to delivery of the final product to the buyer, the entire process is going to witness a drastic change.

Organized Indian real estate demand is estimated at roughly 880 million square feet. It is forecast to reach approximately 1.35 billion square feet by 2020, a 9% annual growth rate. Residential real estate is responsible for 85% of the demand. This growth is supported by robust underlying market drivers such as favourable macroeconomic conditions, increasing affordability and urbanization, improved access to credit and the gradual shift from unorganised real estate construction to organised development.

The urban housing shortage is 19 million units, of which, 95.6 per cent is in the Lower Income Group (LIG) and Economically Weaker Section (EWS). During the 2016, the number of new residential project launches was lower than units sold. In the year 2016, Residential sales across top-eight cities fell to a seven-year low of about 245,000 units, owing to subdued demand over the past three to four years. Similarly, new residential unit launches, too, fell to pre-2008 crisis levels with only 176,000 unit launches during the year 2016.

The first half of year 2017 is proving to be an eventful period. The first two months of 2017 saw consumers and the industry grapple with the aftermath of demonetization. While activity encouragingly picked up in March and April and with May earmarked the dawn of the single largest change in history of Indian real estate Industry through the implementation of RERA, 2016.

With this backdrop, residential launches in top eight cities declined by 41% to over 62000 units in first half of 2017 as compared to over 100,000 units in first half of 2016. Interestingly, improved buyer confidence resulted in uptrend in Sales with over 120,000 units sold in first half of 2017 which was 11% better than second half of 2016, as per the study conducted by Knight Frank India. Unsold inventory levels are hovering around 596,000 units in H1 2017, 10% lower than 660,000 units in H1 2016 and are continuously trending lower compared to its peak of H2 2014.

The penetration of urbanization is low in India with nearly one-third of its population residing in urban areas, far below than comparison with its global peers such as China (55%). On an annual basis, about 10-11 Mn people move to urban regions in India. As a result the urban population is anticipated to grow approximately 36 percent to over 580 Mn by 2030. This is expected to lead to substantial demand for housing, and hence the Indian housing market holds significant potential.

Currently, the residential property market is dominated by end-users - speculative investors are making a beeline out of real estate as an investment category. Residential demand is expected to pick up only towards the end of 2017 - but the recovery will be sustainable and based on much sounder market fundamentals than transient sentiment. However, realistic pricing will be the key to an early revival as right now both buyers and sellers are hanging on in the hope of achieving optimum prices.

**Ahmedabad**

Ahmedabad, the commercial capital of Gujarat, is the largest city in the state. The city has been undergoing significant transition since the 2001 earthquake caused large-scale devastation. Nine years later, Forbes deemed Ahmedabad one of the fastest growing cities in the world, behind Chengdu and Chongqing, both in China. At the core of this development is a focus on infrastructure and manufacturing. The rapid pace of development sweeping Ahmedabad has now almost reached Gandhinagar. The two cities, along with Sanand, are set to form the largest urban agglomeration in Gujarat in the near future.

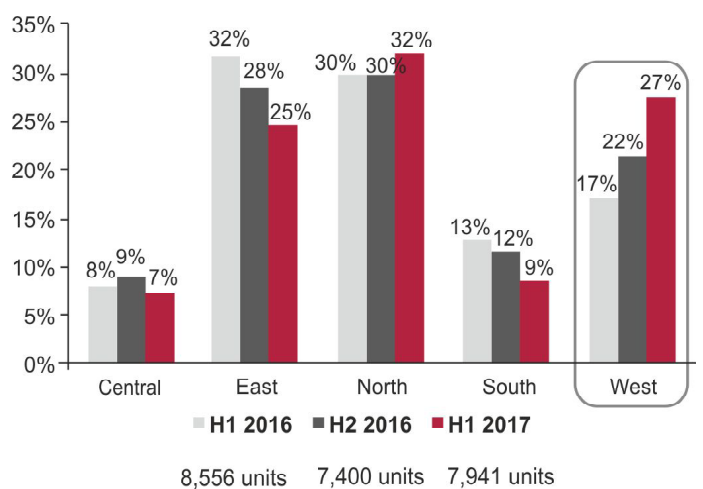
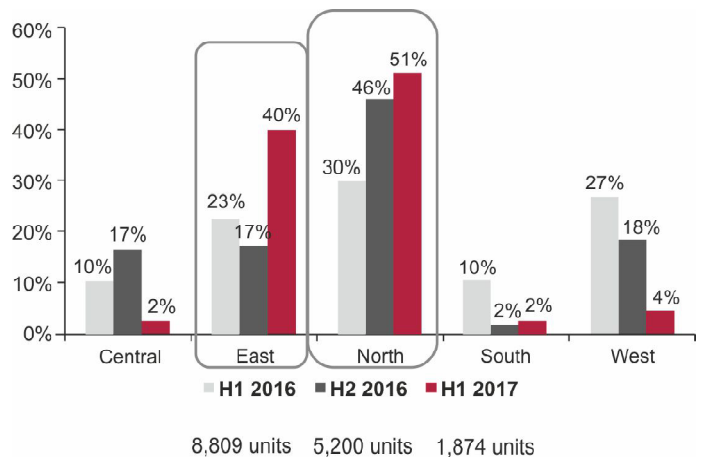
Work on the Ahmedabad-Dholera Special Investment Region node of the DMIC has commenced, and this has fueled real estate development on the Ahmedabad-Dholera stretch, southwest of Ahmedabad city. The proposed DMIC will tower above all the other infrastructure projects in the country. With Gujarat taking the lead in its implementation, cities on the DMIC in the state will reap immense benefits. Ahmedabad is the largest city in Gujarat and within the influence zone of DMIC. This locational benefit will augur well for the state's commercial capital.

Ahmedabad is one of the most progressive districts in Gujarat and is ahead of the state on most demographic parameters. The city's social infrastructure is vibrant, which adds to its quality of life. Ahmedabad is one of the oldest centers of learning in India. Some institutes that are functional even in the present day were established during the pre-independence era. The city is also home to some of the best medical establishments in the country.

River Sabarmati dissects Ahmedabad in to East and West zones with the two zones having entirely different character of real estate development. The east comprises of areas such as Ramol, Vastral, Naroda, Vatva, Nikol and along the Naroda Dehgam road. The eastern part of city caters largely to the affordable segment where capital values hover around Rs 2000 - 2800 per sq ft.

The western part of the city however, catered to a very different class of gentry along Ashram Road and CG road. Moving further west, on the SG highway which now has come up as new CBD for Ahmedabad includes micro market areas such as Prahladnagar, Vastrapur, Thaltej. The capital values hover around Rs 4000 - Rs 6000 per sq ft.

With prices in west and central Ahmedabad breaching the homebuyers affordability level, North of city has come up as the most preferred destination such as Airport Road, Ananad Nagar, Vaishnodevi Circle. These micro market would define the new era of growth in Ahmedabad real estate market courtesy their locations sandwiched between Ahmedabad and Gandhinagar.



Like other top cities of India, Ahmedabad real estate market has managed to stay afloat despite strong head winds. Residential launches in Ahmedabad hit a new low in first half of 2017 with only 1800 new units launched owing to lack of clarity especially on RERA. Despite the low, new launches Ahmedabad witnessed majority of its launch in Affordable segment with around 57% of total new launches in this category. However, Sales in first of 2017 has been encouraging with around 7940 units being sold in H1 2017 as compared to 7500 in H2 2016 as per the study conducted by Knight Frank India.

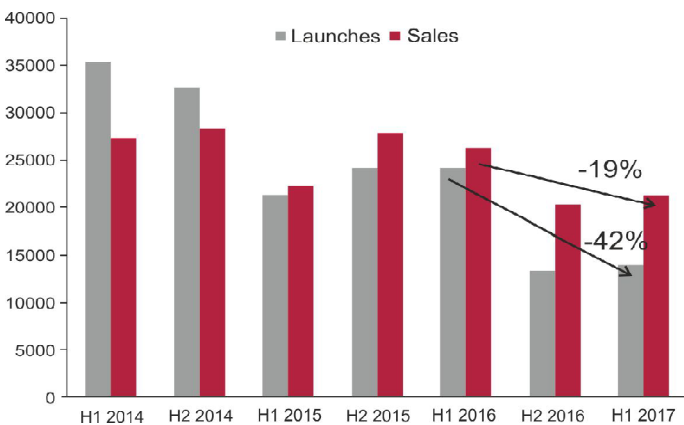
The sales activity has continued to remain robust in west Ahmedabad with its share increasing from 22% in H2 2016 to 27% in H1 2017. However, North Ahmedabad still remains the most preferred destination for home buyers with more than 30% of sales pie being affiliated to north mostly on the back drop of new affordable launches in this area.

What sets H1 2017 apart from the previous six months is the fact that housing units launched in the sub Rs 2.5 Mn almost doubled. Also, in H1 2017 the lion's share of new launches happened in the sub Rs 2.5 Mn price bracket.

**Bengaluru**

Bengaluru has been the fastest-growing city of India since the past few decades on the backdrop of Information Technology been the major growth driver. Migration of people for Information Technology also paved way for aggressive real estate development in the city. Being the IT hub of India, Bangalore has a multi-cultural population with good social infrastructure, excellent educational institutes and constantly upgrading physical infrastructure. Currently, the most promising residential micro-markets are Outer Ring Road (ORR), Whitefield, Sarjapur, Mysore road, North Bangalore including Hebbal, Kanakpura road and Bannerghatta Road.

It was on June 17, 2017 that a long awaited milestone was achieved in Bengaluru's timeline. The city witnessed the completion of the 42.3 Km long first phase of the Bangalore Metro. Moving past the demonetization, things have started looking up slightly for Bengaluru real estate this year with Launches and Sales registering marginal improvements. As per the study by Knight Frank, H1 2017 witnessed 5% increase in Launches and 4% increase in sales over the figures of H2 2016. Number of launches in H1 2017 hit 14000 mark as compared to over 24000 units marked in same period in the year 2016. Notably, most of the new launches in H1 2017 are in peripheral locations of the city with promise of infrastructure development in the near future. Bengaluru's sales is yet to reach its true potential but improved slightly with predominantly bigger sale pie taken by Southern regions.



The capital of Karnataka has witnessed phenomenal migration in the last several decades to become the hub of Indian IT industry with a 40 per cent share. Due to good market drivers – IT/ITes sector- which ensures strong macro-economic dynamics, most home buyers find Bengaluru a perfect place to settle and retire. It is not a surprise then that the real estate demand in the city arises majorly from the migrant population looking for housing units priced below Rs 60 lakhs.

Residential sales in Bengaluru has seen stable 9-10 per cent growth over the last two years in spite of subdued markets. At the same time, prices have not only been largely stable, but also few regions have witnessed considerable rise in prices due to the presence of limited number of players, catering to a market with higher demand.

**SWOT Analysis**

**Opportunities**

- To set industry benchmarks in:
  - Design & Architecture
  - Customer Relationship Management
- Low industry standards
- New geographies – B+ tier cities such as Pune, Jaipur etc.
- Overall regulatory framework expected to bring more transparency
- Expected pickup in economy – GDP expected growth 7-8%, interest rates coming down
- REITS and other relaxations will help bring foreign equity

**Strengths**

- Brand Image
- Strong Management team
- Satisfied Customers
- Long term value creating projects
- Robust internal systems
- Strong Government / Local networking
- Credibility in the industry
  - Deal Flows
  - Customer Confidence
- Product Innovation – Golf, Disney, Smaaash
- Technology leverage – Touchscreens, ERP, customer portal

**Threats and Weakness**

**Threats**

- Time to Market
- Slowdown in real estate market
- Unsold stocks in the market

**Weaknesses**

- Limited geographies
- Limited product segments

The company is primarily in residential segment of Ahmedabad and Bengaluru region. ASL has total of 12 projects in its name through own land, Joint Ventures and Joint Development model, of which 6 have been successfully completed.

During the FY 2016-17, the performance of ASL has been improved marginally due to various positive factors. The total sale in terms of value is Rs. 92 Crores during the current financial year against Rs. 74 Crores during the previous financial year, an increase of 24% over the previous year.



During the FY16-17, one new project named Skylands was launched and one more project is in pipeline to launch. The description of all projects of the Company till date is provided in the tables below:

Sr. No.	Residential Projects	Est. Area (sqft) (sqft)	Area Booked Till Date (sqft)	Inventory as on Date Date (Rs. Lac)	Booking Value till till Date (Rs. Lac)	Revenue Recognized (%)	Project Completion	Avg. Price (Rs./sqft)
1	Alcove	1,032,660	976,734	55,926	2,288	2,288	100	234
2	Megatrade	80,914	67,502	13,412	2,756	2,756	100	4,083
3	Parishkaar	915,809	915,809	-	25,423	25,423	100	2,776
4	Tradesquare							
5	Sporcia	492,062	386,779	105,283	17,035	13,368	78	4,404
6	Uplands (Phase I)	31,92,901	18,97,704	12,95,197	25,388	9,073	38	1,338
7	Citadel	101,859	96,176	5,683	5,178	5,037	100	5,384
8	Expansia	140,276	1,22,669	17,607	6,308	6,071	100	5,143
9	Megaestate (Phase I)	63,119	9,960	53,159	339	-	-	3,404
10	Beyond Five	6,674,310	261,225	6,413,085	2,011	-	-	770
11	Megapark	923,391	87,069	836,321	575	-	-	661
12	Skylands	491,111	121,863	369,248	5,599	-	-	4,595
	<b>Total</b>				<b>92,900</b>	<b>64,016</b>		

### Financial Performance

**Equity Share Capital:** The equity share capital of the Company as on 31<sup>st</sup> March, 2017, stood at Rs. 28.41 Crore. There is change in the share capital of the Company as compared with the previous financial year (Rs.25.82 Crore) due to allotment of equity shares to the promoters on preferential basis.

**Debt Equity:** The debt equity ratio of the Company as on 31<sup>st</sup> March, 2017, is at 0.48:1.

**Revenue:** The total revenue of the Company has increased from Rs. 159.84 Crore in the FY 2016-17 against Rs. 114.74 Crore in FY 2015-16, an increase by 39%.

**EBITDA:** EBITDA margin during the financial year 2016-17 stood at 29% as compared to 32% for the previous financial year.

**Finance Costs:** Interest & Financial Charges for the financial year 2016-17 is Rs. 11.58 Crore as compared to Rs. 8.43 Crore in the previous year, an increase by 37%, which is predominantly on account of company has availed Line of Credit facility from HDFC Limited and Unsecured loan from KMIL.

**Net Profit:** Net profit available for appropriation for the year 2016-17 stood at Rs. 20.97 Crore as compared to Rs. 17.21 Crore in the previous year, an increase of 22%.

**Dividend:** The Company has not proposed a dividend on its equity share as it want to reinvest the net profit on its upcoming projects.

**Earnings Per Share (EPS):** The Company's Basic Earnings Per Share (EPS) during the current year is Rs. 7.91 as compared to Rs. 6.66 in the previous year and Diluted EPS is Rs. 7.74 as compared to Rs. 6.66 in the previous year.

[EPS of previous year has been recalculated]

### Risk Management

ASL is committed to high standard of business conduct with effective risk management policies to achieve sustainable business growth, safe-guard interest of stakeholders and to ensure compliance with applicable legal

requirements. In line with this objective, your company has laid out a well-established Risk Management Policy in order to identify the risks, prioritize risk according to their impact and likeliness on the project.

Following are some of the major risk that the Company faces in its business activities along with their respective mitigating measures:

#### Economic risks

Indian economy has weathered many challenges successfully in recent times and is currently placed on a cyclical upturn, on the back of strong policies and a whiff of new optimism. Though, presently there are signs of improvement on inflation front yet any significant upward revision in crude oil prices may result in increased inflation which may result in increase in interest rates. This can have a direct impact on the performance of the real estate sector and the Company.

ASL is conscious of these risks and is taking measures to mitigate them. For instance, the Company's focus on both residential and township developments has been a significant source of comfort during periods of poor economic performance. Besides, the Company's prudent financial management has also kept it relatively insulated from the economic downturn.

#### Operational risks

Key operational risks faced by the Company include longer gestation period for procurement of land, time taken for approvals, delay in completion and delivering projects according to the schedule leading to additional cost of construction, lower customer satisfaction etc.

The Company addresses these issues within a well-structured framework which identifies the desired controls and assigns ownership to monitor and mitigate these risks. The Company has also invested in Enterprise Resource Planning (ERP) for developing in-house systems to ensure strict monitoring of project activities and raising flags for exceptions, if any. The Company's Corporate Governance policies ensure transparency in operations, timely disclosures and adherence to regulatory compliances, leading to enhanced stakeholder value.



## Outlook (FY 17-18)

We have been witnessing series of radical and transformational reforms - Demonetisation, Real Estate Regulator Bill (RERA), FDI relaxations, GST, Benami Transactions (Prohibition) Amendment Act, Change in Accounting standards IFRS - all coming in a row and in quick succession. Obviously, the year 2017 will see the Indian real estate sector to be still more transparent, credible and attractive with only organised players on the ground. With home ownership always being a priority ambition and investment objective for all Indians, these reforms will have very positive implications for the home buyers as well as residential real estate sector.

The transitional slowdown in demand which we witness as an after math of series of reforms has nothing to do with the huge pent-up demand for housing in India. This lull phase is only temporary and will vanish soon. In 2017, the primary sales market especially across larger cities will go up as real estate prices have already bottomed out and stabilized in these cities with no scope or very minimum chance of further coming down. Fence sitters who had deferred their decision expecting further fall in prices have already understood the reality and have started coming back at least in the case of credible and established long term players of good brand value.

With surplus liquidity and lower cost of funds for the banks, lending rates by commercial banks will come down which is good for the sector. Banks may further relax their margin requirement stipulations for the home loans. Home buyers will find it easy go in for Housing loans. Consequently, demand for housing will go up.

Also, the market will be moving in correction mode with developers delaying new launches and clearing the unsold inventory. The prices for the projects will be stable to compensate for over-supply.

Overall, accelerated by the present measures by the Government Indian Real estate sector will surely witness a healthy growth with growing demand in the year 2017 with organized, reputed, credible players on the ground.

ASL is well poised to exploit the current market conditions with its strategic product mix and pricing strategy. It has about \_\_\_ million sq ft of project area in pipeline across segments and geographies. It plans to keep its exposure to residential segment in current geographies i.e. Ahmedabad and Bengaluru where it has sufficient experience as well as prospect to grow in current scenario.

On the project execution front, we plan to rigorously pursue to keep schedule under the timelines and enforce its commitment towards quality and customer satisfaction.

## Human Resources

The Company's business is managed by a team of competent and passionate people, capable of enhancing your Company's standing in the competitive market. The Company's employees have a defining role in significantly accelerating its growth and transformation, thereby enhancing its position as one of the leading Real Estate Company. The Company has a structured recruitment process. The focus is on recruiting people who have the right mindset for working at ASL, supported by structured training programs and internal growth opportunities. The Company's focus is on unlocking the people potential and further developing their functional, operational and behavioral competencies.

## Industry Relations/Initiatives

The Company has taken various initiatives during the FY 16-17 to promote itself as a reputed brand in the real estate industry. ASL participated into various industry specific events/awards to present its key projects to its prospective buyers/customers and fellow developers.

Some of the prominent initiatives, during the year, are listed below:

### Awards and Recognitions

During the year, Company was facilitated with different prestigious awards for its projects, continuous growth and contribution to the sector. Such awards are always encouraging looking into the amount of effort put in by the company. The following awards were received in FY 16-17:

#### (A) The Golden Globe Tigers Award 2016

- Integrated Township of the year, for project Arvind Uplands.
- Real Estate Most Enterprising CEO of the Year to Mr. Kamal Singal, MD & CEO

#### (B) Realty Plus Conclave & Excellence Awards (Gujarat) – 2016

- Residential property of the year for project Arvind Citadel.

#### (C) DNA Real Estate & Infrastructure Round Table & Awards

- Integrated Township of the Year – India, for project Arvind Uplands.

#### (D) Realty Plus Excellence Awards (South) - 2016 at Bengaluru

- Residential Property of the year, for project Arvind Expansia

#### (E) Asiaone Magazine

- Arvind SmartSpace Ltd., Asia's Greatest Brands 2016 for its performance in FY 15-16.

## CRM and Customer related

### A. Launch of Upgraded version of Customer Portal: Arvind CARE

With the objective of providing a one-stop solution for customer needs and working towards our objective of providing transparency in all the transactions, we have launched the new portal – Arvind CARE. It has “Do It Yourself” features like updating your personal details, details of Relationship Manager, writing to us for any queries or clarifications, view your unit's financial details, project overview, construction, updates, details of promotional activities like referral schemes and many more. All kinds of change requests are received from this portal now. The portal has helped in faster resolution of customer queries and complaints because of monitoring mechanism in place in the portal. A personalised service with an assigned and dedicated Relation Ship Manager to each of the customer is being provided. The initiative has been well appreciated by many customers.

### B. Customer Survey

We have started conducting Customer Survey to understand our customers better, know their needs, measure satisfaction with our products and services. To get inputs from them to improve our services and products. The first C-Sat survey for Sporca customers was conducted in Jan'15 which was focussed on understanding the

customer's demographics and property purchase behaviour and preferences. The second C-Sat Survey was conducted in Mar'16 with more than 90% customer responses indicating complete satisfaction on various parameters related to services in Sporca. The feedback received has been discussed and action taken wherever found necessary.

#### **C. Welcome Kit**

To start a relationship with the new customers, we have now initiated a Welcome Kit for all the new bookings. It gives a new customer personalized feeling with an introductory note, welcome letter and access to Customer Portal, chocolates, Ganesha Statue. It gives them the contact details of Customer Relationship Team along with the cards for refer their friends and give their feedback and suggestions.

#### **D. Newsletter: Spotlight**

Spotlight has been started with the purpose of giving our customers news and updates of our company. It showcases our awards and achievement and also give construction updates for all our projects.

#### **In house ERP**

The company has also focused on upgrading the IT infrastructure – both in terms of hardware and software. The company is in the process of developing in-house customized ERP systems which will cater to the ever-changing business needs to facilitate informed decisions.

The company has developed and implemented Activity Management System (AMS) across departments to ensure better monitoring and closure of action points.

Further, a construction Budget module has been put in place in order to provide online tracking of all procurement and contracts so as to have efficient monitoring and budget tracking.

#### **Legal Compliance Tool**

In order to ensure transparency and full compliance of the applicable laws, Company has developed a comprehensive tool which covers entire gamut of compliances applicable to company business. The same has been implemented during the year.

This tool will enable the company to track and ensure compliance to the regulations in the prescribed time frame. At the same time, it also provides opportunity to develop an efficient plan for go-to market strategy for its projects.

#### **Internal Control & its Adequacy**

The Company has adequate internal control systems to commensurate with the size and nature of its business. The system is supported by documented policies, guidelines and procedures to monitor business and operational performance which are aimed at ensuring business integrity and promoting operational efficiency.

Company has an Internal Audit function which conducts periodical audits to ensure adequacy of internal control systems, adherence to management policies and compliance with applicable laws and regulations. The internal auditors present to the management the findings of their audit, recommend better practices and report on the status of implementation of their recommendations.

#### **Cautionary Statement**

This report contains forward-looking statements, identified by words like 'plans', 'expected', 'will', 'anticipates', 'projects', 'estimates' and so on. Statements in this report on Management Discussions and Analysis describing the Company's objectives, estimates and expectations or projections about the future, but not limited to the Company's strategy for growth, product development, market position, expenditures and financial results, are forward looking statements based on certain assumptions and expectations of future events and reflect the Company's current analysis of existing trends, information and plans. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ substantially or materially from those expressed or implied. The Company's actual results, performance or achievements could thus differ from those projected in any forward-looking statements. The Company assumes no responsibility nor is under any obligation to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events. The Company disclaims any obligation to update these forward-looking statements, except as may be required by law. All forward-looking statements are qualified in their entirety by this cautionary statement.

# INDEPENDENT AUDITOR'S REPORT

## To the Members of Arvind SmartSpaces Limited (formerly known as Arvind Infrastructure Limited)

### Report on the Financial Statements

We have audited the accompanying standalone financial statements of Arvind SmartSpaces Limited (formerly known as Arvind Infrastructure Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view 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 Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone 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 principles generally accepted in India of the state of affairs of the Company as at March 31, 2017, its profit, and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
  - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

## INDEPENDENT AUDITOR'S REPORT

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in Note 42 to these standalone financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For **SRBC & CO LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

per **Arpit K. Patel**  
Partner  
Membership Number: 34032

Place of Signature: Ahmedabad  
Date: May 12, 2017

### **Annexure 1 referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report on even date on the standalone financial statements of Arvind SmartSpaces Limited (Formerly known as Arvind Infrastructure Limited) for the year ended March 31, 2017**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to real estate development, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, value added tax, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (₹ lacs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax	460.02	PY 2012-13 to 2013-14	CIT (Appeals)
KVAT Act 2003	KVAT	71.42	2012-13 to 2014-15	Add. Commissioner of Commercial Taxes
Gujarat Value Added Tax Act, 2003	VAT	3.09	2012-13	Asst. Commissioner of Commercial Taxes

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or banks. The Company did not have any outstanding loans or borrowing dues in respect of government or debenture holders during the year.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of private placement of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For **SRBC & CO LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

**per Arpit K. Patel**  
Partner  
Membership Number: 34032

Place of Signature: Ahmedabad  
Date: May 12, 2017

## **Annexure 2 to the Independent Auditor's Report of even date on the standalone financial statements of Arvind SmartSpaces Limited (Formerly known as Arvind Infrastructure Limited)**

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

We have audited the internal financial controls over financial reporting of Arvind SmartSpaces Limited (formerly known as Arvind Infrastructure Limited) ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditor's Responsibility**

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

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Arpit K. Patel**

Partner

Membership Number: 34032

Place of Signature: Ahmedabad

Date: May 12, 2017

# BALANCE SHEET as at 31<sup>st</sup> March, 2017

[₹ in lacs]

	Notes	31st March, 2017	31st March, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Fund</b>			
Share capital	3	2,840.93	2,582.43
Reserves and surplus	4	15,914.83	11,775.42
Money Received against Share Warrants		698.50	-
		<b>19,454.26</b>	<b>14,357.85</b>
<b>Non-Current liabilities</b>			
Long term borrowings	5	4,531.56	4,296.98
Deferred tax liabilities (Net)	6	38.52	28.84
Trade payables	10	251.47	143.74
Other long term liabilities	7	7.87	7.87
Long term provisions	8	69.93	43.56
		<b>4,899.35</b>	<b>4,520.99</b>
<b>Current liabilities</b>			
Short term borrowings	9	874.00	642.23
Trade payables	10	-	-
Due to Micro, Small and Medium Enterprise		-	-
Due to Others		1,195.54	1,372.76
Other current liabilities	11	4,523.90	4,433.15
Short term provisions	12	8.02	264.10
		<b>6,601.46</b>	<b>6,712.24</b>
<b>Total</b>		<b>30,955.07</b>	<b>25,591.08</b>
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Property Plant and Equipment	13	803.99	768.55
Intangible assets	14	4.25	5.37
Intangible assets under progress		1.72	1.72
		<b>809.96</b>	<b>775.64</b>
Non current investment	15	7,682.06	5,206.42
Long term loans and advances	16	371.54	114.33
Other non current assets	17	131.53	793.55
<b>Current Assets</b>			
Current Investments	15	1,723.51	930.21
Inventories	18	11,847.13	5,929.99
Trade receivables	19	2,795.69	3,397.65
Cash and bank balances	20	196.26	266.82
Short term loans and advances	21	3,830.73	5,154.18
Other current assets	22	1,566.66	3,022.29
		<b>21,959.98</b>	<b>18,701.14</b>
<b>Total</b>		<b>30,955.07</b>	<b>25,591.08</b>
Summary of Significant Accounting Policies	2.1	-	-

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For **S R B C & CO LLP**  
ICAI Firm Registration No. 324982E/E300003  
Chartered Accountants

**per Arpit K. Patel**  
Partner  
Membership No. 34032

Place : Ahmedabad  
Date : 12<sup>th</sup> May, 2017

**For and on behalf of Board of Directors of  
Arvind SmartSpaces Limited**

**Sanjay Lalbhai** Director  
**Kamal Singal** MD & CEO  
**Mehul Shah** Chief Financial Officer  
**Prakash Makwana** Company Secretary

Place : Ahmedabad  
Date : 12<sup>th</sup> May, 2017

# STATEMENT OF PROFIT AND LOSS for the year ended 31<sup>st</sup> March, 2017

[₹ in lacs]

	Notes	2016-2017	2015-2016
<b>REVENUE</b>			
Revenue from operations	23	9,001.89	11,084.42
Other income	24	482.41	353.52
<b>Total Revenue</b>		<b>9,484.30</b>	<b>11,437.94</b>
<b>EXPENSES</b>			
Land Development Costs / Development Rights		4,834.21	-
Cost of Construction material and components consumed	25	512.33	554.03
Construction and Labour Cost		4,102.30	3,346.64
(Increase) / Decrease in inventories	26	(5,831.88)	1,850.28
Employee benefits expenses	27	1,080.75	1,186.82
Finance cost	28	1,158.03	839.29
Depreciation and amortization	13/14	82.17	77.50
Other expenses	29	1,446.66	870.63
<b>Total Expenses</b>		<b>7,384.57</b>	<b>8,725.19</b>
<b>Profit before Tax</b>		<b>2,099.73</b>	<b>2,712.75</b>
<b>Tax Expenses</b>			
Current Tax		-	952.10
Adjustment of tax pertaining to earlier years		(37.73)	-
Deferred Tax		9.68	30.03
		<b>(28.05)</b>	<b>982.13</b>
<b>Profit after tax</b>		<b>2,127.78</b>	<b>1,730.62</b>
Earnings per equity share:			
Nominal Value of share ₹ 10/- (31st March, 2016 ₹ 10/-)			
Basic	34	8.03	6.70
Diluted	34	7.85	6.70
Summary of Significant Accounting Policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
For **S R B C & CO LLP**  
ICAI Firm Registration No. 324982E/E300003  
Chartered Accountants

per **Arpit K. Patel**  
Partner  
Membership No. 34032

Place : Ahmedabad  
Date : 12<sup>th</sup> May, 2017

For and on behalf of Board of Directors of  
**Arvind SmartSpaces Limited**

**Sanjay Lalbhai** Director  
**Kamal Singal** MD & CEO  
**Mehul Shah** Chief Financial Officer  
**Prakash Makwana** Company Secretary

Place : Ahmedabad  
Date : 12<sup>th</sup> May, 2017



## CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March, 2017

[₹ in lacs]

	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
<b>A. Cash flow from operating activities</b>		
Profit for the year before taxation and exceptional items	2,099.73	2,712.75
Adjustments for :		
(Profit) from Limited Liability Partnerships	(2,215.44)	(73.89)
Depreciation and Amortization	82.17	77.50
Loss on sale of Fixed Assets	2.21	1.99
Finance Cost	1,119.17	758.68
Interest Income	(481.68)	(351.62)
<b>Operating profit before working capital changes</b>	<b>606.16</b>	<b>3,125.41</b>
Adjustments for:		
Increase/(Decrease) in trade payables	(69.49)	622.21
Increase in provisions	31.98	11.06
Increase/(Decrease) in current liabilities	341.91	(185.30)
Decrease in loans and advance	1,253.63	492.67
(Increase)/Decrease in current assets	2,556.62	(2,970.89)
(Increase)/Decrease in inventory	(5,917.14)	2,009.87
(Increase)/Decrease in trade receivables	601.94	(3,234.54)
<b>Cash generated from operations</b>	<b>(594.39)</b>	<b>(129.51)</b>
Direct taxes paid	(411.33)	(766.18)
<b>Net cash used in operating activities</b>	<b>[A] (1,005.72)</b>	<b>(895.69)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of investments	(4,380.50)	(2,081.30)
Withdrawal of investments	3,327.00	1,314.63
Purchase of fixed assets	(118.70)	(84.89)
Sale of fixed Assets	-	21.20
Interest received	42.71	129.71
<b>Net cash used in investing activities</b>	<b>[B] (1,129.49)</b>	<b>(700.65)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from long term borrowings	12,914.42	6,248.74
Repayment of long term borrowings	(12,858.52)	(3,540.44)
Proceeds from short term borrowings	14,058.96	3,028.13
Repayment of short term borrowings	(13,827.20)	(2,862.43)
Interest paid	(1,191.64)	(1,192.19)
Money received against share warrants	698.50	-
Proceeds from issue of share capital through warrants (including securities premium)	2,270.13	-
<b>Net cash flow from financial activities</b>	<b>[C] 2,064.65</b>	<b>1,681.81</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>[A+B+C] (70.56)</b>	<b>85.47</b>
Cash and cash equivalents opening	266.82	181.35
Cash and cash equivalents closing	196.26	266.82
<b>Components of Cash and cash Equivalents (Refer note - 20)</b>		
Balances with Banks	195.54	266.17
Cash in hand	0.72	0.65
	<b>196.26</b>	<b>266.82</b>

# CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March, 2017

## Summary of Significant Accounting Policies

2.1

### Explanatory Notes to Cash Flow Statement

- 1 The Cash Flow Statement is prepared by using indirect method in accordance with the format prescribed by Accounting Standard 3 as prescribed by Companies Accounting Standard Rules, 2006
- 2 Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation.

As per our report of even date

For **S R B C & COLLP**

ICAI Firm Registration No. 324982E/E300003

Chartered Accountants

**per Arpit K. Patel**

Partner

Membership No. 34032

Place : Ahmedabad

Date : 12<sup>th</sup> May, 2017

**For and on behalf of Board of Directors of  
Arvind SmartSpaces Limited**

**Sanjay Lalbhai**

Director

**Kamal Singal**

MD & CEO

**Mehul Shah**

Chief Financial Officer

**Prakash Makwana**

Company Secretary

Place : Ahmedabad

Date : 12<sup>th</sup> May, 2017

## Notes forming part of accounts

### 1. Corporate Information

Arvind SmartSpaces Limited (Formerly known as Arvind Infrastructure Limited) was incorporated on 26<sup>th</sup> December, 2008 and is listed on Bombay Stock Exchange of India and National stock exchanges in India. During the year company has changed its name from Arvind Infrastructure Limited to Arvind SmartSpaces Limited w.e.f. 16<sup>th</sup> November, 2016. The company is engaged in the development of real estate comprising of Residential, commercial and industrial projects.

### 2. Basis of preparation

The financial statements of the company have been prepared in accordance with the 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 section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. 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) Property, Plant and Equipment

Property, plant and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Such cost includes the cost of replacing part of the plant and equipment. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the statement of profit and loss.

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

#### (c) Depreciation on Property, Plant and Equipment

Depreciation on Tangible Fixed Assets is provided on straight line method over the useful lives of assets specified in Part C of Schedule II to the Companies Act 2013

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### (d) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis, commencing from the date the assets is available to the company for its use. The management estimates useful life for intangible asset comprising of computer software as follows:

Computer Software : Over a period of three years

#### (e) Impairment of Fixed Assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

#### (f) Borrowing Costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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.

## Notes forming part of accounts

### (g) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

### (h) Inventories

Direct expenditure relating to real estate activity is inventorised. Indirect expenditure (including borrowing costs) during the period of project is inventorised to the extent the expenditure is directly attributable to cost of bringing the asset to its working condition for its intended use. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not directly related to real estate activity is charged to the statement of Profit and loss.

Work in Progress (including land inventory) represents cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognised. Real estate work-in-progress is valued at lower of cost and net realisable value.

Finished goods – Unsold flats & plots: Valued at lower of cost and net realisable value.

Construction materials are valued at lower of cost and net realisable value. Cost is determined based on a First in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### (i) Land

Advances paid by the Company to the seller/ intermediary toward outright purchase of land is recognized as land advance under loans and advances during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Company, whereupon it is transferred to land stock under inventories.

Amounts paid by the Company to the land owners towards right for development of land in exchange of constructed area are recognized as land advance under loans and advances and on the launch of the project, the non-refundable amount is transferred as land cost to work-in-progress.

### (j) Revenue Recognition

(i) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The Company collects taxes such as value added tax, service tax, etc. on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from the aforesaid revenue/ income.

The following specific recognition criteria must also be met before revenue is recognized:

Recognition of revenue from real estate development Revenue from real estate development is recognized upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements. Where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards, revenue in such cases is recognized by applying the percentage of completion method only if the following thresholds have been met:

- i. All critical approvals necessary for the commencement of the project have been obtained;
- ii. The expenditure incurred on construction and development costs (excluding land cost) is not less than 25 % of the total estimated construction and development costs;
- iii. At least 25 % of the saleable project area is secured by contracts/agreements with buyers; and
- iv. At least 10 % of the contracts/agreements value are realized at the reporting date in respect of such contracts / agreements.

When the outcome of a real estate project can be estimated reliably and the conditions above are satisfied, revenue and costs associated with the real estate development are recognized as revenue and expenses by reference to the stage of completion of the project activity at the reporting date arrived at with reference to the entire project cost incurred (including land costs).

### (ii) Recognition of Revenue from sale of TDR (Transferable Development Rights)

Revenue from sale of TDR is recognised upon transfer of all significant risks and rewards of ownership are transfer to buyer and as per the terms of the contracts entered into with the buyer.

### (iii) Interest income

Income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.



- (iv) Share in profits from Limited Liability Partnership investments

The Company's share in profits from a Limited Liability Partnership where the Company is a partner is recognized when the same is audited to the company's current account on the basis of such firm's audited accounts as per terms of the Limited Liability Partnership deed.

**(k) Retirement & other employee benefits**

Retirement benefits in the form of state governed Employee Provident Fund, Employee State Insurance and Employee Pension Fund Schemes are defined contribution schemes (collectively the 'Schemes'). The Company has no obligation, other than the contribution payable to the Schemes. The Company recognizes contribution payable to the Schemes as expenditure, when an employee renders the related service. The contribution paid in excess of amount due is recognised as an asset and the contribution due in excess of amount paid is recognised as a liability.

Gratuity is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method, made at the end of each financial year. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method, made at the end of each financial year. Actuarial gains/losses are immediately taken to the statement of profit and loss. The Company presents the accumulated leave liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

**(l) Income Taxes**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

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. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

**(m) Employee Stock Compensation Cost**

Employees (including senior executives) of the company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total intrinsic value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

**(n) 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 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.

**(o) Provisions, Contingent Liabilities and Contingent Assets**

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.

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. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does

not recognize a contingent liability but discloses its existence in the financial statements.

**(p) 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.

**(q) Construction Contracts**

Retentions are amounts of progress billings which are not paid until the satisfaction of conditions specified in the contract for the payment of such amounts or until defects have been rectified. Progress billings are amounts billed for work performed on a contract whether or not they have been paid by the customer. Advances are amounts received by the contractor before the related work is performed.

**(r) Segment reporting**

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

## Notes forming part of accounts

### 3 Share capital

[₹ in lacs]

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>(a) Authorised</b> 3,50,00,000 (P.Y.2,70,00,000) Equity Shares of ₹ 10/- each (P.Y.₹ 10/-)	<b>3,500.00</b>	2,700.00
<b>(b) Issued, Subscribed and fully Paid-up</b> 2,84,09,307 (P.Y. 2,58,24,307) Equity Shares of ₹ 10/- each (P.Y. ₹ 10/-)	<b>2,840.93</b>	2,582.43

### (c) Reconciliation of number of shares

Particulars	2016-2017		2015-2016	
	No. of Shares	₹ in lacs	No. of Shares	₹ in lacs
<b>As at beginning of the year</b>	<b>2,58,24,307</b>	<b>2,582.43</b>	10,05,000	1,005.10
<b>Less :</b>				
Share stand Cancelled pursuant to scheme of arrangement	-	-	10,05,000	1,005.10
<b>Add :</b>				
Exercise of Share Option under ESOS / ESOP	<b>10,000</b>	<b>0.10</b>	-	-
Shares issued pursuant to Preferential share warrants	<b>25,75,000</b>	<b>257.50</b>	-	-
Shares issued pursuant to scheme of arrangement			2,58,24,307	2,582.43
<b>As at end of the year</b>	<b>2,84,09,307</b>	<b>2,840.93</b>	2,58,24,307	2,582.43

### (d) Rights, Preferences and Restrictions

- The company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rs. The dividend recommend by Board of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting.
- In the event of liquidation of the company the holders of the equity shares will be entitled to receive any of the 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 shareholders.
- During the year, company has allotted 25,75,000 equity shares of ₹ 10/- each at a premium of ₹ 78/- each pursuant to conversation of the warrants issued and allotted earlier on preferential basis to the promoter and promoter group entities.

### (e) Shareholders holding more than 5% shares

Particulars	Number of Equity Shares		Percentage (%)	
	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Aura Securities Private Limited	<b>1,29,47,646</b>	1,05,42,646	<b>45.58%</b>	40.82%
Life Insurance Corporation of India	<b>15,59,181</b>	15,59,296	<b>5.49%</b>	6.04%

### 4 Reserves and surplus

[₹ in lacs]

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>Security Premium</b>		
Balance as per previous financial statements	<b>7,414.95</b>	9,000.00
Add : Addition during the year	<b>2,011.62</b>	-
Less : Deduction during the year	-	1,585.05
	<b>9,426.57</b>	7,414.95
<b>Surplus in Statement of Profit &amp; Loss</b>		
Balance as per previous financial statements	<b>4,360.48</b>	2,629.86
Add : Profit for the year	<b>2,127.78</b>	1,730.61
<b>Net Surplus in the statement of profit and loss</b>	<b>6,488.26</b>	4,360.47
	<b>15,914.83</b>	11,775.42

## Notes forming part of accounts

### 5 Long term borrowings

[₹ in lacs]

Particulars	Non current portion		Current maturities	
	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
<b>Line of Credit Facility from NBFC (Secured)</b>	<b>2,000.00</b>	2,000.00	<b>3,912.45</b>	4,103.55
Vehicle Loans (Secured)	81.56	46.98	24.61	12.20
Term Loans (Unsecured)	2,450.00	2,250.00	-	-
	<b>4,531.56</b>	4,296.98	<b>3,937.06</b>	4,115.75
<b>The Above amount includes</b>				
Secured borrowings	2,081.56	2,046.98	3,937.07	4,115.75
Unsecured borrowings	2,450.00	2,250.00	-	-
Amount disclosed under the head "other current liabilities" (Refer Note : 11)	-	-	(3,937.07)	(4,115.75)
	<b>4,531.56</b>	4,296.98	-	-

#### Nature of Security

- The Line of Credit Facility amounting to ₹ 5,912.45 lacs (P.Y. ₹ 6,103.55 lacs) from HDFC Limited is secured by First Mortgage of Project Land named "Arvind Sporcia" bearing Revenue Survey Nos. 89/6, 90/1 and 90/2 all situated at Rachenahalli village, Krishnarajapuram Hobli, Bangalore East with the development with thereon- present and future and further secured by Unsold units of "Arvind Citadel" Project being developed on Plot no. 162, TPS 20, City Survey no. 555, Behind Super Mall, off C G Road, Navrangpura, Ahmedabad along with undivided share in Land, further secured by Unsold Unit of "Arvind Expansia" Project being developed on survey No. 55, Mahadevapura village, Krishnarajapuram Hobli, Whitefield Road, Bangalore along with undivided share in land and further secured by first mortgage of project land named "Arvind Skylands" bearing Revenue survey Nos. 40, 45/2B, & 45/2C, Jakkur Main Road, Shivanahalli, GKVK layout, Yelahanka Hobli, Bangalore alongwith construction thereon and together all rights appurtenant thereto.
- The Vehicle loans amounting to ₹ 106.17 lacs (P.Y. ₹ 59.18 lacs) are secured by Vehicles.

#### Terms of Repayment of Loans

##### Secured Loan

##### Line of Credit Facility

The Company will ensure at least 30% of sales receivable towards the principal repayment from the date of first disbursement; this percentage will be reviewed subsequently every quarter and will be mutually modified with company as per progress of work. Rate of interest 10.95% as at year end.

However, the maximum principal of the loan will not exceed ₹ 2,000 lacs at the end of 39<sup>th</sup> month and will be repaid by 48<sup>th</sup> month.

##### Vehicle Loan

HDFC Bank Limited

Loan is repayable in monthly instalments on varied dates commencing from June, 2014 to March, 2022.

##### Term Loan

Tata Capital Financial Services Limited

Company has repaid the loan amounting ₹ 2,250 lacs (P.Y. Nil) during year.

Kotak Mahindra Investments Limited

During the year company has availed loan of ₹ 2,450 lacs (P.Y. Nil) at the rate of 9.00% which is repayable at the end of September, 2021 pledged against equity shares held by Aura Securities Private Limited.

### 6 Deferred tax liabilities (Net)

[₹ in lacs]

#### Deferred Tax Liabilities

Difference of book depreciation and tax depreciation

48.56

As at  
31<sup>st</sup> March, 2016

54.30

#### Deferred Tax Assets

Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis

10.04

25.46

#### Net Deferred Tax Liabilities

38.52

28.84

### 7 Other long term liabilities

Security Deposits

As at  
31<sup>st</sup> March, 2017

7.87

As at  
31<sup>st</sup> March, 2016

7.87

7.87

7.87



## Notes forming part of accounts

### 8 Long term provisions

[₹ in lacs]

#### For Employee Benefits (Refer note : 31)

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Gratuity	46.16	31.85
Leave Encashment	31.79	14.12
	<b>77.95</b>	<b>45.97</b>

#### Less : Amount disclosed under the head

##### Short Term Provision

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Gratuity	3.94	1.60
Leave Encashment	4.08	0.81
	<b>8.02</b>	<b>2.41</b>
	<b>69.93</b>	<b>43.56</b>

### 9 Short term borrowings

[₹ in lacs]

Intercorporate Deposits repayable on demand (Unsecured)\*

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
	874.00	642.23
	<b>874.00</b>	<b>642.23</b>

\*The intercorporate deposits are at interest rate of 10% repayable on demand.

### 10 Trade Payables

[₹ in lacs]

Particulars	Non current portion		Current portion	
	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
For Goods and services	-	-	1,083.46	1,257.79
For Land	-	-	46.82	46.82
Retention Money	251.47	143.74	65.27	68.16
	<b>251.47</b>	<b>143.74</b>	<b>1,195.55</b>	<b>1,372.77</b>

(Refer note no. 41 for due to Micro, Small and Medium Enterprise)

### 11 Other current liabilities

[₹ in lacs]

Current Maturity of Long term debts (Refer Note no. 5)

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Advances from Customers	3,937.07	4,115.75
Interest Accrued but not due	411.06	102.38
	<b>61.19</b>	<b>133.66</b>

#### Other Payables

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Statutory dues	113.42	80.01
Others	1.16	1.35
	<b>114.58</b>	<b>81.36</b>
	<b>4,523.90</b>	<b>4,433.15</b>

### 12 Short term provisions

[₹ in lacs]

#### Employee Benefits (Refer Note No. 31)

	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Gratuity	3.94	1.60
Leave Encashment	4.08	0.82
	<b>8.02</b>	<b>2.42</b>

For Taxation (Net of advance tax of earlier years)

	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
	-	261.68
	<b>8.02</b>	<b>264.10</b>

# Notes forming part of accounts

## 13 Property Plant and Equipment

[₹ in lacs]

Particulars	Buildings	Equipments	Furniture & Fixture	Office Equipments	Computer	Vehicle	Total
<b>Cost-At 1 April 2015</b>	-	62.93	36.38	7.69	40.87	107.59	255.46
Additions	-	9.78	7.47	9.54	6.89	48.74	82.42
Addition pursuant to Demerger	861.01	34.63	69.35	-	-	-	964.99
Disposals	-	8.05	0.06	4.04	0.15	25.57	37.87
<b>At 31 March 2016</b>	<b>861.01</b>	<b>99.29</b>	<b>113.14</b>	<b>13.19</b>	<b>47.61</b>	<b>130.76</b>	<b>1,265.00</b>
Additions	-	22.08	10.97	4.80	14.56	64.42	116.83
Disposals	-	1.70	1.87	0.96	0.90	-	5.43
<b>At 31 March 2017</b>	<b>861.01</b>	<b>119.67</b>	<b>122.24</b>	<b>17.03</b>	<b>61.27</b>	<b>195.18</b>	<b>1,376.40</b>
<b>Depreciation -At 1 April 2015</b>	-	9.63	4.39	2.67	14.16	27.03	57.88
Charge for the year	17.50	5.74	14.65	9.60	12.18	14.68	74.35
Addition pursuant to Demerger	339.49	18.81	20.61	-	-	-	378.91
Disposals	-	3.59	0.01	3.54	0.04	7.51	14.69
<b>At 31 March 2016</b>	<b>356.99</b>	<b>30.59</b>	<b>39.64</b>	<b>8.73</b>	<b>26.30</b>	<b>34.20</b>	<b>496.45</b>
Charge for the year	17.50	11.46	15.52	1.58	13.44	19.67	79.17
Disposals	-	0.50	1.11	0.86	0.74	-	3.21
<b>At 31 March 2017</b>	<b>374.49</b>	<b>41.55</b>	<b>54.05</b>	<b>9.45</b>	<b>39.00</b>	<b>53.87</b>	<b>572.41</b>
<b>Net Block</b>							
<b>At 31 March 2016</b>	<b>504.02</b>	<b>68.70</b>	<b>73.50</b>	<b>4.46</b>	<b>21.31</b>	<b>96.56</b>	<b>768.55</b>
<b>At 31 March 2017</b>	<b>486.52</b>	<b>78.12</b>	<b>68.19</b>	<b>7.58</b>	<b>22.27</b>	<b>141.31</b>	<b>803.99</b>

## 14 Intangible assets

₹ in lacs

Particulars	Softwares	Total
<b>Cost-At 1 April 2015</b>	50.92	50.92
Additions	2.48	2.48
Disposals	-	-
<b>At 31 March 2016</b>	<b>53.40</b>	<b>53.40</b>
Additions	1.88	1.88
Disposals	-	-
<b>At 31 March 2017</b>	<b>55.28</b>	<b>55.28</b>
<b>Depreciation -At 1 April 2015</b>	44.88	44.88
Charge for the year	3.15	3.15
Disposals	-	-
<b>At 31 March 2016</b>	<b>48.03</b>	<b>48.03</b>
Charge for the year	3.00	3.00
Disposals	-	-
<b>At 31 March 2017</b>	<b>51.03</b>	<b>51.03</b>
<b>Net Block</b>		
<b>At 31 March 2016</b>	<b>5.37</b>	<b>5.37</b>
<b>At 31 March 2017</b>	<b>4.25</b>	<b>4.25</b>

## Notes forming part of accounts

### 15 Non current investments

[₹ in lacs]

Particulars	Non current portion		Current portion	
	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
<b>Unquoted, Trade (valued at cost)</b>				
<b>In Equity Instruments</b>				
<b>Wholly Owned Subsidiary</b>				
Arvind Hebbal Homes Pvt. Ltd. 10,000 (P.Y. 10,000) shares of ₹ 10/- each fully paid up	1.00	1.00	-	-
<b>In Capital of Limited Liability partnership (Subsidiary)</b>				
Ahmedabad East Infrastructure LLP	5,434.42	3,607.16	368.39	500.00
Ahmedabad Industrial Infrastructure (One) LLP	170.95	75.95	50.00	-
Arvind Alcove LLP	0.99	19.99	20.50	-
Arvind Altura LLP	1.11	1.11	1,000.00	-
Arvind Beyond Five Club LLP	246.73	114.73	50.00	-
Arvind Five Homes LLP	1,824.30	1,149.30	-	-
Arvind Infracon LLP	0.80	0.80	-	-
Changodar Industrial Infrastructure (One) LLP	1.26	1.26	-	-
<b>In Capital of Limited Liability partnership (Joint Venture)</b>				
Arvind Bsafal Homes LLP	0.50	235.12	234.62	430.21
	<b>7,682.06</b>	5,206.42	<b>1,723.51</b>	930.21
<b>Aggregate value of unquoted investments</b>	<b>7,682.06</b>	5,206.42	<b>1,723.51</b>	930.21

### 16 Long term loans and advances

[₹ in lacs]

(Unsecured and Considered Good)

Advance Income Tax (net of provision)  
Security Deposit

As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
187.38	-
184.16	114.33
<b>371.54</b>	<b>114.33</b>

### 17 Other non current assets

[₹ in lacs]

Interest accrued but not due from Limited Liability Partnership

As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
131.53	793.55
<b>131.53</b>	<b>793.55</b>

### 18 Inventories (At lower of cost or net realisable value)

[₹ in lacs]

Construction Work-in-Progress  
Unsold Developed plots of land and units  
Construction Materials

As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
9,468.16	4,038.21
2,191.36	1,789.43
187.61	102.35
<b>11,847.13</b>	<b>5,929.99</b>

### 19 Trade receivable

[₹ in lacs]

(Unsecured, considered good)

Debt outstanding for the period exceeding six months  
Others Receivables

As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
583.75	17.47
2,211.94	3,380.18
<b>2,795.69</b>	<b>3,397.65</b>

## Notes forming part of accounts

### 20 Cash and bank balance

Balances with banks  
Cash in hand  
Cheques On Hand

	As at 31 <sup>st</sup> March, 2017	[₹ in lacs] As at 31 <sup>st</sup> March, 2016
	163.28	266.17
	0.72	0.65
	32.26	-
	<b>196.26</b>	<b>266.82</b>

### 21 Short term loans and advances (Unsecured and Considered Good)

Advance For Land\*  
Advances Recoverable in cash or kind

#### Other Loans & Advances

Balance with Government Authorities  
Loans to others  
Prepaid Expenses

	As at 31 <sup>st</sup> March, 2017	[₹ in lacs] As at 31 <sup>st</sup> March, 2016
	3,085.50	4,145.46
	161.09	520.44
	392.31	362.99
	100.00	100.00
	91.83	25.29
	<b>3,830.73</b>	<b>5,154.18</b>

\* Advance for land though unsecured, are considered good as the advances have been given based on arrangement/ memorandum of understanding executed by the company and the company/seller/intermediary is in the course of obtaining clear and marketable title, free from all encumbrances, including for certain properties under litigation

### 22 Other current assets

(Unsecured and Considered good)

Interest Accrued  
Unbilled Revenue  
Receivables from Limited Liability Partnership for common sharing expenses

	As at 31 <sup>st</sup> March, 2017	[₹ in lacs] As at 31 <sup>st</sup> March, 2016
	1,152.38	51.40
	-	2,762.78
	414.28	208.11
	<b>1,566.66</b>	<b>3,022.29</b>

### 23 Revenue from operations

#### Sale of Products

Commercial and Residential Units  
Transferrable Development Rights

#### Other operating revenue

Share of Profit from investments in LLP  
Plot Cancellation and Transfer Fees  
Project Consultancy Income  
Miscellaneous

	For the year 2016-2017	[₹ in lacs] For the year 2015-2016
	5,485.68	11,005.92
	1,156.81	-
	2,215.44	73.89
	17.27	3.88
	117.50	-
	9.19	0.73
	<b>9,001.89</b>	<b>11,084.42</b>

### 24 Other income

Interest Income  
Interest from Limited Liability Partnerships  
Other Non-Operating Income

	For the year 2016-2017	[₹ in lacs] For the year 2015-2016
	12.07	123.66
	469.61	227.96
	0.73	1.90
	<b>482.41</b>	<b>353.52</b>



## Notes forming part of accounts

### 25 Cost of Construction material and components consumed

Inventory at the beginning of the year  
Add : Purchases  
Less : Inventory at the end of the year

#### Cost of Construction material and components consumed

#### Details of raw materials, components and stores consumed

Cement

Iron and Steel

Chemical and Paint

Aggregates

Others

#### Details of Inventory at the end of the year

Cement

Chemical and Paint

Iron and Steel

Aggregates

Others

[₹ in lacs]

For the year

2015-2016

215.24

441.14

(102.35)

**554.03**

**231.99**

**89.20**

-

**24.50**

**208.34**

**554.03**

For the year

2016-2017

**102.35**

**597.59**

**(187.61)**

**512.33**

**63.67**

**83.49**

**103.37**

**52.25**

**209.55**

**512.33**

**17.03**

**3.31**

33.66

1.34

132.27

**187.61**

**27.55**

**0.43**

35.04

0.30

39.03

**102.35**

### 26 Changes in inventories

#### Closing Stock

Unsold Developed plots of land and units  
Construction Work-in-Progress

#### Opening Stock

Unsold Developed plots of land and units  
Construction Work-in-Progress

Less : Expenses Recovered

#### Decrease / (Increase) in Inventories

[₹ in lacs]

For the year

2015-2016

1,789.43

4,026.92

5,816.35

125.16

7,588.16

7,713.32

46.69

7,666.63

1,850.28

For the year

2016-2017

**2,191.36**

**9,456.87**

**11,648.23**

**1,789.43**

**4,026.92**

**5,816.35**

-

**5,816.35**

**(5,831.88)**

### 27 Employees benefits expenses

Salary, Allowances & Bonus

Contribution to Provident & other funds

Gratuity (Refer Note : 31)

Staff Welfare expenses

[₹ in lacs]

For the year

2015-2016

1,099.11

60.79

9.61

17.31

1,186.82

For the year

2016-2017

**980.97**

**59.32**

**15.97**

**24.49**

**1,080.75**

## Notes forming part of accounts

### 28 Finance cost\*

#### Interest on

Inter Corporate Deposits	
Term Loan from NBFC	
Line of Credit Facility from NBFC	
Vehicle Loans from Banks	

Other Borrowing Costs

\*Gross of interest amounting to ₹ 669.82 lacs (P.Y. ₹ 607.75 lacs) inventorised to qualifying work-in-progress.

	[₹ in lacs]
	For the year
	2015-2016
	<b>For the year</b>
	<b>2016-2017</b>
	244.35
	462.43
	241.44
	253.15
	624.89
	38.44
	8.49
	4.66
	<b>1,119.17</b>
	758.68
	<b>38.86</b>
	80.61
	<b>1,158.03</b>
	839.29

### 29 Other expenses

Repairs and Maintenance	
Buildings	
Others	
Rates and Taxes	
Travelling Expenses	
Power and Fuel	
Advertisement	
Brokerage and Commission Charges	
Legal and Professional Charges	
Secretarial Expenses (Earlier year ₹ 12,19,559)	
Information Technology Expenses	
Auditors' Remuneration (*)	
Insurance Charges	
CSR Expenses (Refer Note : 39)	
Bad debt	
Loss on Sale of Fixed Assets	
Rent	
Miscellaneous Expenses (Earlier year ₹ 7,72,556)	

#### \*Payment to Auditors

Statutory Audit Fees	
Limited Review Fees	
Reimbursement of Cess	

#### Construction Contracts

1. Amount of contract revenue recognised as revenue for the year
2. Amounts in respect of contracts in progress at the reporting date :
  - a. Aggregate amount of costs incurred and recognised profits
  - b. Amount of advances received (gross)
  - c. Gross amount due from customers

	[₹ in lacs]
	For the year
	2015-2016
	<b>For the year</b>
	<b>2016-2017</b>
	0.33
	11.96
	13.25
	5.71
	130.12
	14.82
	46.21
	51.94
	16.70
	15.94
	171.76
	61.04
	42.02
	127.18
	662.44
	233.15
	86.88
	85.12
	9.00
	11.32
	8.81
	5.00
	9.41
	6.32
	37.00
	21.00
	-
	2.13
	2.21
	1.99
	68.67
	96.74
	141.85
	119.28
	<b>1,446.66</b>
	870.63
	5.00
	5.00
	3.50
	-
	0.31
	-
	<b>8.81</b>
	5.00

[₹ in lacs]

	[₹ in lacs]
	2016-2017
	2015-2016
	<b>5,485.68</b>
	11,005.92
	<b>27,130.31</b>
	21,644.64
	<b>411.06</b>
	102.38
	<b>2,757.75</b>
	3,397.65

## Notes forming part of accounts

### 30 (a) Contingent Liabilities

[₹ in lacs]

	As at March 31, 2017	As at March 31, 2016
Contingent Liabilities		
- Income Tax (See note below)	460.02	90.84
- Karnataka VAT	71.42	71.42
- VAT	3.10	3.10

The Company has not recognized and acknowledged the claims as liability in the books of account amounting to ₹ 460.02 lacs (P.Y. 90.84 lacs) which have been made against the company by Department of Income Tax since such claims have been disputed and pending before the appropriate authorities for final adjudication and accordingly sub-judice. The final outcome of such lawsuits filed against the Company is not presently ascertained and accordingly no provision in respect thereof has been made in the books of account of the company.

### (b) Other Commitments

As at March 31, 2017 the Entity has given ₹ 3,085.50 lacs (March 31, 2016: ₹ 4,145.46 lacs) as advances for purchase of land. Under the agreements executed with the land owners, the Entity is required to make further payments based on the agreed terms.

### 31 Employee Benefits

#### (a) Defined contribution to Provident fund and Employee state insurance

The company makes contribution towards employees' provident fund and employees' state insurance plan scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognized 56.66 lacs (P.Y. ₹ 43.08 lacs) as expense towards contributions to these plans.

#### (b) Defined Contribution Benefit Plans (Gratuity and Leave Encashment)

The following table sets out the status of the gratuity scheme non funded plan as at 31<sup>st</sup> March, 2017.

[₹ in lacs]

Particulars	Gratuity	
	2016-17	2015-16
<b>Statement of Profit &amp; Loss</b>		
<b>Net employee benefit expense recognized in the employee cost</b>		
Current service cost	11.16	7.97
Interest cost	2.54	1.80
Net Actuarial (Gain) / Loss	2.27	(0.16)
Employee's Contribution	-	-
<b>Net benefit expense</b>	<b>15.97</b>	<b>9.61</b>
<b>Balance Sheet</b>		
<b>Benefit assets / Liability</b>		
Present value of obligation as at the year end	46.16	31.85
Fair value of plan assets as at the year end	-	-
<b>Plan asset / (liability)</b>	<b>46.16</b>	<b>31.85</b>
<b>Changes in the present value of obligation</b>		
Present value of obligation (Opening)	31.85	22.25
Interest cost	2.54	1.80
Current service cost	11.16	7.97
Benefits paid	(1.66)	-
Actuarial (Gain) / Loss-Due to change in Financial Assumptions	2.26	0.40
Actuarial (Gain) / Loss-Due to change in Experience	0.01	(0.57)
Present value of obligation (Closing)	46.16	31.85

## Notes forming part of accounts

Particulars	Gratuity	
	2016-17	2015-16
<b>Changes in the fair value of plan assets</b>	-	-
<b>Percentage of each category of plan assets to total fair value of plan assets at the year end</b>	-	-
<b>Reconciliation of the present value of defined benefit obligation and the fair value of assets</b>	-	-
<b>Principal actuarial assumption (Rate of Discounting)</b>		
Rate of discounting	7.57%	7.96%
Expected return on plan assets	-	-
Rate of increase in salaries	4.00%	4.00%
Attrition Rate (Employees opting for early retirement)	2.00%	2.00%
<b>Mortality Rate During Employment</b>	Indian Assured Lives Mortality (2006-08)	

### Leave Encashment

Salaries, Wages and Bonus include ₹ 21.72 lacs (Previous Year ₹ 4.34 lacs) towards provision made as per actuarial valuation in respect of accumulated leave encashment/compensated absences.

### 32 Employee Stock Option Scheme

The Company has instituted Employee Stock Option Scheme 2013 ("ESOP 2013"), pursuant to the approval of the shareholders of the Company at their Extra Ordinary General Meeting held on March 8, 2013. Under ESOP 2013, the Company has granted options convertible into equal number of Equity Shares. The following table sets forth the particulars of the options granted during the current financial year under ESOP 2013 –

1	Options granted	10,32,972			
2	Date of Grant	Grant I – 3 July, 2013 Grant II – 23 May, 2014	No. of Options – 9,68,411 No. of Options – 64,561		
3	Exercise price (₹)	Grant I – 41.25 Grant II – 45.14			
4	Options Vested	7,90,870			
5	Vesting Schedule	Over a period of 3 years			
6	Vesting Requirements	On continued employment with the company and certain performance parameters.			
7	Exercise Period	A maximum period of 5 years from the date of grant.			
8	Method of Settlement (Cash / Equity)	Equity			
9	A summary of the activity of options				
			<b>31st March, 2017</b>	<b>31st March, 2016</b>	
			<b>Grant</b>	<b>Grant</b>	
			<b>Wtd. Avg. Ex Price (₹ in lacs)</b>	<b>Wtd. Avg. Ex Price (₹ in lacs)</b>	
	Outstanding at the beginning of the period	10,32,972	41.50	10,32,972	41.50
	Granted during the period	-	-	-	-
	Forfeited during the period	-	-	-	-
	Exercised during the period	10,000	41.50	-	-
	Expired during the period	-	-	-	-
	Outstanding at the end of the period	10,22,972	41.50	10,32,972	41.50
	Exercisable at the end of the period	7,80,870	41.50	5,48,767	41.50
	Method of Valuation	Intrinsic Value			
10	For stock options outstanding at the end of the period, the range of exercise prices and the weighted average remaining contractual life (comprising the vesting period and the exercise period)	Exercise price range ₹ 41.00 Weighted average remaining contractual life - 2.96 years (P.Y. 2.96 years) Weighted average share price at the exercise date was ₹ 70.78/- per share. (31 <sup>st</sup> March, 2016: Not Applicable since no options exercised.)			



## Notes forming part of accounts

The company measures the cost of ESOP using the intrinsic value method. Had the company used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the amounts indicated below:

[₹ in lacs]

Particulars	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
Profit after tax as reported	2,127.78	1,730.61
Add: ESOP cost using the intrinsic value method		
Less: ESOP cost using the fair value method	9.74	24.00
<b>Proforma profit after tax</b>	<b>2,118.04</b>	<b>1,706.61</b>
<b>Earnings Per Share</b>		
<b>Basic</b>		
- As reported	8.03	6.70
- Proforma	7.99	6.61
<b>Diluted</b>		
- As reported	7.85	6.70
- Proforma	7.82	6.49

### 33 Preferential Issue

The Company has allotted 57.50 lacs warrants (“Warrants”) at ₹ 88/- (Rupees Eighty Eight only) per Warrant for an aggregate consideration of upto 50.60 lacs (Rupees Fifty Crores Sixty Lakhs only) and entitling the Warrant holder(s), being promoter and promoter group entities, to convert the Warrants into equivalent numbers of Equity Shares in the ratio of one equity share for one share warrant held, in one or more tranches within eighteen months from the date of allotment of Warrants (i.e. 2<sup>nd</sup> May, 2016) in accordance with provisions of Chapter VII of the SEBI ICDR Regulations or subject to other applicable laws and regulations as may be prevailing at the time of allotment of Warrants / conversion of Warrants into Equity Shares (“Preferential Issue”)

Further the Company has allotted 25.75 lacs equity shares on 22<sup>nd</sup> March, 2017 to the warrant holders, being promoter and promoter group entities, pursuant to exercise of conversion of warrant option by them under Preferential Issue Tranche-I.

Money received from balance 31.75 lacs warrants of 698.50 lacs being 25% of exercise price is shown as Money received against share warrants as on balance sheet date.

Funds raised by way of preferential issue have been used for augmentation of the long term resources and to meet working capital requirements.

### 34 Earnings per Share

[₹ in lacs]

Particulars	2016-17	2015-16
i) Profit as per Statement of Profit & Loss (₹)	2,127.78	1,730.62
ii) Weighted average No. of shares for EPS computation		
a) For Basic EPS (Nos)	265.10	258.24
b) For Diluted EPS (Nos) *	270.91	258.24
Earnings per Share (Basic) (In ₹)	8.03	6.70
Earnings per Share (Diluted) (In ₹)	7.85	6.70
Nominal Value per share in ₹	10.00	10.00

\* Potential equity shares arising out of shares options (ESOS) (Nos) and share warrants.

### 35 Segment Reporting

The Company operates within a solitary business segment i.e. Developing of commercial and residential units, the disclosure requirements of Accounting Standard – 17 “Segment Reporting” notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting standard) Amendment Rules, 2016.

## Notes forming part of accounts

### 36 Related Party Disclosures

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

#### I. Names of related parties and related party relationship

(i)	<b>Related parties where control exists</b>	
	<b>Entity name</b>	<b>Relationship</b>
	Arvind Hebbel Homes Private Limited	Subsidiary Company
	Arvind Bsafal Homes LLP	Joint Venture
	Ahmedabad East Infrastructure LLP	Subsidiary Entity (Partner in LLP)
	Ahmedabad Industrial Infra (One) LLP	Subsidiary Entity (Partner in LLP)
	Arvind Alcove LLP	Subsidiary Entity (Partner in LLP)
	Arvind Altura LLP	Subsidiary Entity (Partner in LLP)
	Arvind Five Homes LLP	Subsidiary Entity (Partner in LLP)
	Arvind Infracon LLP	Subsidiary Entity (Partner in LLP)
	Changodar Industrial Infrastructure (One) LLP	Subsidiary Entity (Partner in LLP)
	Arvind Beyond Five Club LLP	Subsidiary Entity (Partner in LLP)
(ii)	<b>Related parties under AS18 with whom transactions have taken place during the year:</b>	
	Mr. Kamal Singal	Key Management Personnel
	Aura Securities Private limited	Entity exercising significant influence in reporting Entity
	Arvind Lifestyle brands Ltd	Enterprise having significant influence by Key Managerial Person
	Arvind and Smartvalue Homes LLP	Enterprise having significant influence by Key Managerial Person
	Arvind Limited	Enterprise having significant influence by Key Managerial Person
(iii)	<b>Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year :</b>	
	Mr. Sanjay Lalbhai	Chairman & Non-Executive Director
	Mr. Kamal Singal	Managing Director & CEO
	Mr. Kulin Lalbhai	Non-Executive Director
	Mr. Mehul Shah (Chief Financial Officer)	Key Management Personnel
	Mr. Prakash Makwana (Company Secretary)	Key Management Personnel
	Mr. Prem Prakash Pangotra	Non-Executive Director
	Mr. Pratul Shroff	Non-Executive Director
	Ms. Indira Parikh	Non-Executive Director
	Mrs. Divya M Shah	Relative of Key Management personnel

#### II. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

[₹ in lacs]

Sr. No.	Particulars	Relationship	2016-2017	2015-2016
<b>1</b>	<b>Remuneration</b>			
	Mr. Kamal Singal	Managing Director & CEO	216.94	102.28
	Mr. Mehul Shah	Key Management Personnel	25.28	19.25
	Mr. Prakash Makwana	Key Management Personnel	21.98	18.41
<b>2</b>	<b>Director's Sitting Fees &amp; Commission</b>			
	Mr. Prem Prakash Pangotra	Non-Executive Director	6.30	6.50
	Mr. Pratul Shroff	Non-Executive Director	5.70	5.50
	Ms. Indira Parikh	Non-Executive Director	6.10	5.80
<b>3</b>	<b>Revenue from operations</b>			
	Mr. Kamal Singal	Managing Director & CEO	2.63	25.71
	Mr. Mehul Shah	Key Management Personnel	3.13	27.10

## Notes forming part of accounts

- II. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year: (Continued)

[₹ in lacs]

Sr. No.	Particulars	Relationship	2016-2017	2015-2016
4	<b>Reimbursement of Employee Benefit Expense</b>			
	Ahmedabad Industrial Infrastructure (One) LLP	Subsidiary Entity (Partner in LLP)	18.42	-
	Arvind Five Homes LLP	Subsidiary Entity (Partner in LLP)	65.07	-
	Ahmedabad East Infrastructure LLP	Subsidiary Entity (Partner in LLP)	276.75	-
5	<b>Reimbursement of construction and labour cost</b>			
	Arvind Limited	Enterprise having significant influence by Key Managerial Person	32.15	17.26
	Ahmedabad Industrial Infrastructure (One) LLP	Subsidiary Entity (Partner in LLP)	9.81	-
6	<b>Interest from Limited Liability Partnerships</b>			
	Ahmedabad East Infrastructure LLP	Subsidiary Entity (Partner in LLP)	38.07	191.55
	Arvind Five Homes LLP	Subsidiary Entity (Partner in LLP)	131.53	-
	Arvind Bsafal Homes LLP	Joint Venture	-	36.41
7	<b>Interest Expense</b>			
	Arvind Limited	Enterprise having significant influence by Key Managerial Person	6.02	-
	Aura Securities Private limited	Company under common control of Key Managerial Person	114.05	-
8	<b>Short term borrowings repaid</b>			
	Arvind Limited	Enterprise having significant influence by Key Managerial Person	90.93	1,033.43
	Aura Securities Private limited	Company under common control of Key Managerial Person	6,500.00	-
9	<b>Short term borrowings Taken</b>			
	Arvind Limited	Enterprise having significant influence by Key Managerial Person	-	297.7
	Aura Securities Private limited	Company under common control of Key Managerial Person	6,500.00	-
10	<b>Investments made during the year</b>			
	Ahmedabad East Infrastructure LLP	Subsidiary Entity (Partner in LLP)	1,710.50	1,117.00
	Arvind Bsafal Homes LLP	Joint Venture	-	160.18
	Ahmedabad Industrial Infrastructure (One) LLP	Subsidiary Entity (Partner in LLP)	155.50	69.00
	Arvind Alcove LLP	Subsidiary Entity (Partner in LLP)	1.50	7.00
	Arvind Altura LLP	Subsidiary Entity (Partner in LLP)	1,000.00	-
	Arvind Five Homes LLP	Subsidiary Entity (Partner in LLP)	912.00	594.87
Arvind Beyond Five Club LLP	Subsidiary Entity (Partner in LLP)	601.00	133.25	
11	<b>Investments withdrawn during the year</b>			
	Ahmedabad East Infrastructure LLP	Subsidiary Entity (Partner in LLP)	2,160.50	715.00
	Arvind Bsafal Homes LLP	Joint Venture	500	388.76
	Arvind Five Homes LLP	Subsidiary Entity (Partner in LLP)	237.00	182.50
	Ahmedabad Industrial infrastructure (One) LLP	Subsidiary Entity (Partner in LLP)	10.50	-
	Arvind Beyond Five Club LLP	Subsidiary Entity (Partner in LLP)	419.00	24.37
	Arvind Infracon LLP	Subsidiary Entity (Partner in LLP)	-	1.00
Changodar Industrial Infrastructure (One) LLP	Subsidiary Entity (Partner in LLP)	-	1.50	
	Arvind Altura LLP	Subsidiary Entity (Partner in LLP)	-	1.50

## Notes forming part of accounts

- II. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year: (Continued)

[₹ in lacs]

Sr. No.	Particulars	Relationship	2016-2017	2015-2016
12	<b>Share of Profit from investments in LLP</b>			
	Ahmedabad East Infrastructure LLP	Subsidiary Entity (Partner in LLP)	2,145.65	(39.20)
	Arvind Bsafal Homes LLP	Joint Venture	69.79	113.09
13	<b>Preferential allotment of equity shares</b>			
	Aura Securities Pvt. Ltd.	Company under common control of Key Managerial Person	240.50	-
14	<b>Money Received against Share Warrants</b>			
	Aura Securities Pvt. Ltd.	Company under common control of Key Managerial Person	2,768.70	-
15	<b>Advance from customers received</b>			
	Mr. Kamal Singal	Managing Director & CEO	68.43	-
	Mr. Mehul Shah	Key Management Personnel	31.05	-
	Mrs. Divya Mehul Shah	Spouse of Key Management Personnel	8.84	-

### III. Outstanding Balances as at March, 31, 2017

[₹ in lacs]

Sr. No.	Particulars	Relationship	2016-2017	2015-2016
1	<b>Receivables for common sharing expenses</b>			
	Ahmedabad Industrial Infrastructure (One) LLP	Subsidiary Entity (Partner in LLP)	21.18	6.75
	Arvind Five Homes LLP	Subsidiary Entity (Partner in LLP)	74.83	70.8
	Ahmedabad East Infrastructure LLP	Subsidiary Entity (Partner in LLP)	318.27	130.56
2	<b>Receivables for Interest accrued but not due</b>			
	Arvind Five Homes LLP	Subsidiary Entity (Partner in LLP)	131.53	-
	Ahmedabad East Infrastructure LLP	Subsidiary Entity (Partner in LLP)	1,131.61	793.55
3	<b>Trade Receivable</b>			
	Mr. Mehul Shah	Key Management Personnel	51.63	49.49
	Mr. Kamal Singal	Managing Director & CEO	-	34.39
4	<b>Trade payables</b>			
	Arvind Hebbal Homes Pvt Ltd	Subsidiary Entity	46.82	46.82
	Arvind Limited	Enterprise having significant influence by Key Managerial Person	11.29	10.96
	Arvind Lifestyle Brands Limited	Enterprise having significant influence by Key Managerial Person	5.63	5.63
	Arvind and Smartvalue Homes LLP	Enterprise having significant influence by Key Managerial Person	54.00	54.00
	Mr. Prem Prakash Pangotra	Non-Executive Director	4.50	5.00
	Mr. Pratul Shroff	Non-Executive Director	4.50	5.00
	Ms. Indira Parikh	Non-Executive Director	4.50	5.00



## Notes forming part of accounts

III. Outstanding Balances as at March, 31, 2017 (Continued)

[₹ in lacs]

Sr. No.	Particulars	Relationship	2016-2017	2015-2016
<b>5</b>	<b>Capital Contributions (Initial and Additional)</b>			
	Ahmedabad East Infrastructure LLP	Subsidiary Entity (Partner in LLP)	5,802.81	4,107.16
	Arvind Bsafal Homes LLP	Joint Venture	235.12	665.34
	Ahmedabad Industrial Infrastructure (One) LLP	Subsidiary Entity (Partner in LLP)	220.94	75.94
	Arvind Alcove LLP	Subsidiary Entity (Partner in LLP)	21.49	19.99
	Arvind Altura LLP	Subsidiary Entity (Partner in LLP)	1,001.11	1.11
	Arvind Five Homes LLP	Subsidiary Entity (Partner in LLP)	1,824.31	1,149.30
	Arvind Infracon LLP	Subsidiary Entity (Partner in LLP)	0.80	0.80
	Changodar Industrial Infrastructure (One) LLP	Subsidiary Entity (Partner in LLP)	1.26	1.26
	Arvind Beyond Five Club LLP	Subsidiary Entity (Partner in LLP)	296.73	114.73
<b>6</b>	<b>Investment in subsidiary company</b>			
	Arvind Hebbel Homes Private Limited	Subsidiary Entity	1.00	1.00
<b>7</b>	<b>Money Received against Share Warrants</b>			
	Aura Securities Pvt. Ltd.	Company under common control of Key Managerial Person	652.30	-
<b>8</b>	<b>Advance from customers</b>			
	Mr. Kamal Singal	Managing Director & CEO	68.43	-
	Mrs. Divya Mehul Shah	Spouse of Key Management Personnel	8.84	4.62

### 37. Disclosures in respect of Joint Venture

#### (a) List of Joint Ventures

Sr No.	Name of Joint Venture	Nature of Business	Description of Interest	Proportion of Ownership interest	Country of Incorporation	Country of Residence
1	Arvind B Safal Homes LLP	Development of Residential & Commercial Expense	Jointly Controlled Entity	41%	India	India

#### (b) Financial Interest in Jointly Controlled Entity

[₹ in lacs]

Particulars	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
Current assets	252.53	473.72
Non-current assets	14.86	17.42
Current liabilities	103.29	159.02
<b>Equity</b>	<b>164.10</b>	<b>332.12</b>
Revenue	124.87	482.51
Project Development Expense	5.24	9.40
Changes in Inventory	-	265.22
Depreciation and Amortization Expense	2.23	2.53
Employee benefit expense	-	2.93
Other expense (Including Finance Cost)	10.68	36.21
<b>Profit before tax</b>	<b>106.72</b>	<b>166.23</b>
Income-tax expense	36.94	53.14
<b>Profit after tax</b>	<b>69.79</b>	<b>113.09</b>

There are no commitments and contingent liabilities of the jointly controlled entity as on 31<sup>st</sup> March, 2017 & 31<sup>st</sup> March, 2016.

## Notes forming part of accounts

38. The Company is primarily engaged in the business of real estate, hence information as required under paragraphs 5(8) of general instructions for preparation of the statement of profit and loss as per Schedule III to the Companies Act, 2013 is stated to the extent applicable.

Expenditure in Foreign Currency (on accrual basis):

[₹ in lacs]

Particulars	2016-2017	2015-2016
Travelling Expenses	2.39	0.82
<b>Total :</b>	<b>2.39</b>	<b>0.82</b>

### 39. Details of CSR expenditure

[₹ in lacs]

Particulars		31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
<b>Gross amount required to be spent by the group during the year</b>		37.00	21.00
<b>Amount spent during the year ending on 31<sup>st</sup> March, 2017:</b>	<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	37.00	-	37.00
<b>Amount spent during the year ending on 31<sup>st</sup> March, 2016:</b>	<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>
i) Construction/acquisition of any asset	-	-	-
ii) On purposes other than (i) above	21.00	-	21.00

### 40. Imported and indigenous of construction materials consumed

Particulars	% of Total Consumption	Value [₹ in lacs]	% of Total Consumption	Value [₹ in lacs]
	2016-17		2015-16	
Imported	-	-	-	-
Indigenous	100%	512.33	100%	554.04

### 41. Due to Micro Small & Medium Enterprise

Based on information available with company, there are no suppliers who are registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" (Act) till 31<sup>st</sup> March, 2017. Accordingly no disclosures are required to be made under said Act.

### 42. SBNs Disclosures

[₹ in lacs]

Particulars	SBNs	Other Denomination Notes	Total
<b>Closing Balance as at November 8, 2016</b>	<b>6.20</b>	<b>1.67</b>	<b>7.88</b>
Transactions between November 9 to December 30, 2016			
Add : Withdrawal from Bank accounts	-	4.76	4.76
Less : Paid for permitted transactions	-	(2.33)	(2.33)
Less : Deposited in Bank accounts	(6.20)	-	(6.20)
<b>Closing Balance as at December 30, 2016</b>	<b>-</b>	<b>4.10</b>	<b>4.10</b>

43. The previous year financial statement was audited by another firm of Chartered Accountants other than S R B C & Co. LLP. Previous year figures have been regrouped / reclassified, where necessary to confirm to this year's classification.

As per our report of even date  
For **S R B C & CO LLP**  
ICAI Firm Registration No. 324982E/E300003  
Chartered Accountants

**per Arpit K. Patel**  
Partner  
Membership No. 34032

Place : Ahmedabad  
Date : 12<sup>th</sup> May, 2017

**For and on behalf of Board of Directors of  
Arvind SmartSpaces Limited**

**Sanjay Lalbhai** Director  
**Kamal Singal** MD & CEO  
**Mehul Shah** Chief Financial Officer  
**Prakash Makwana** Company Secretary

Place : Ahmedabad  
Date : 12<sup>th</sup> May, 2017

# INDEPENDENT AUDITOR'S REPORT

**To the Members of Arvind SmartSpaces Limited (formerly known as Arvind Infrastructure Limited)**

## **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Arvind SmartSpaces Limited (formerly known as Arvind Infrastructure Limited) (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entity, comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

## **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled entity in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The respective Board of Directors of the companies included in the Group and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its jointly controlled entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and jointly controlled entity, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and jointly controlled entity as at March 31, 2017, their consolidated profit, and their consolidated cash flows for the year ended on that date.

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

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and jointly controlled entity as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

## INDEPENDENT AUDITOR'S REPORT

- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary company incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary company incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and jointly controlled entity – Refer Note 28 to the consolidated financial statements;
  - ii. The Group and jointly controlled entity did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2017.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended March 31, 2017.
  - iv. The Holding Company, subsidiaries and jointly controlled entities incorporated in India, have provided requisite disclosures in Note 33 to these consolidated financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Group including its jointly controlled entity and as produced to us by the Management of the Holding Company.

### Other Matter

We did not audit the financial statements and other financial information, in respect of 4 subsidiaries, and 1 jointly controlled entity, whose financial statements include total assets of ₹ 1,290.58 lacs and net assets of ₹ 1,186.60 lacs as at March 31, 2017, and total revenues of ₹ 124.87 lacs and net cash inflows of ₹ 995.98 lacs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on the report(s) of such other auditors.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management

For **S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

**per Arpit K. Patel**  
Partner  
Membership Number: 34032

Place of Signature: Ahmedabad  
Date: May 12, 2017

**Annexure to the Independent Auditor's Report of even date on the consolidated financial statements of Arvind SmartSpaces Limited (formerly known as Arvind Infrastructure Limited)****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of Arvind SmartSpaces Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Arvind SmartSpaces Limited (hereinafter referred to as the "Holding Company") and its subsidiary company which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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



### Opinion

In our opinion, the Holding Company and its subsidiary company which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S R B C & CO LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

**per Arpit K. Patel**  
Partner  
Membership Number: 34032

Place of Signature: Ahmedabad  
Date: May 12, 2017

# CONSOLIDATED BALANCE SHEET as at 31<sup>st</sup> March, 2017

[₹ in lacs]

	Notes	31st March, 2017	31st March, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Fund</b>			
Share capital	3	2,840.93	2,582.43
Reserves and surplus	4	15,874.66	11,766.16
Money Received against Share Warrants	32	698.50	
		<b>19,414.09</b>	<b>14,348.59</b>
<b>Minority Interest</b>			
		<b>1,654.74</b>	813.87
<b>Non-Current liabilities</b>			
Long term borrowings	5	4,531.56	4,296.98
Deferred tax liabilities (net)	6	36.67	31.25
Trade payables	10	359.04	163.71
Other long term liabilities	7	7.87	7.87
Long term provisions	8	69.93	43.56
		<b>5,005.07</b>	<b>4,543.37</b>
<b>Current liabilities</b>			
Short term borrowings	9	919.55	745.14
Trade payables	10		
Due to Micro, Small and Medium Enterprise		-	-
Due to Others		8,649.59	6,991.87
Other current liabilities	11	5,210.32	7,878.13
Short term provisions	12	378.78	264.67
		<b>15,158.24</b>	<b>15,879.81</b>
		<b>41,232.14</b>	<b>35,585.64</b>
	<b>Total</b>		
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Property Plant and Equipment	13	1,009.95	951.95
Intangible assets	14	4.25	5.37
Intangible assets under progress		1.72	1.72
Capital Work in Progress		1,056.89	718.36
		<b>2,072.81</b>	<b>1,677.40</b>
Long term loans and advances	15	4,654.48	4,824.37
<b>Current Assets</b>			
Inventories	16	24,676.08	16,486.74
Trade receivables	17	4,249.22	3,847.89
Cash and bank balances	18	1,340.95	371.60
Short term loans and advances	19	4,217.83	5,563.46
Other current assets	20	20.77	2,814.18
		<b>34,504.85</b>	<b>29,083.87</b>
	<b>Total</b>	<b>41,232.14</b>	<b>35,585.64</b>
Summary of Significant Accounting Policies	2.1	-	-

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date  
For **S R B C & CO LLP**  
ICAI Firm Registration No. 324982E/E300003  
Chartered Accountants

**per Arpit K. Patel**  
Partner  
Membership No. 34032

Place : Ahmedabad  
Date : 12<sup>th</sup> May, 2017

**For and on behalf of Board of Directors of  
Arvind SmartSpaces Limited**

**Sanjay Lalbhai** Director  
**Kamal Singal** MD & CEO  
**Mehul Shah** Chief Financial Officer  
**Prakash Makwana** Company Secretary

Place : Ahmedabad  
Date : 12<sup>th</sup> May, 2017

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31<sup>st</sup> March, 2017

[₹ in lacs]

	Notes	2016-2017	2015-2016
<b>REVENUE</b>			
Revenue from operations	21	15,983.93	11,473.98
Other income	22	15.07	167.47
<b>Total Revenue</b>		<b>15,999.00</b>	<b>11,641.45</b>
<b>EXPENSES</b>			
Land Development Costs		6,685.62	3,499.53
Cost of Raw material and components consumed	23	1,134.65	640.93
Construction and Labour Cost		6,928.04	3,954.99
(Increase) in inventories	24	(8,112.10)	(2,706.71)
Employee benefits expenses	25	1,447.27	1,189.74
Finance cost	26	1,158.03	843.38
Depreciation and Amortization	13/14	105.57	92.32
Other expenses	27	1,972.99	1,405.83
Partner's Remuneration		1,307.07	-
<b>Total Expenses</b>		<b>12,627.14</b>	<b>8,920.01</b>
<b>Profit before Tax</b>		<b>3,371.86</b>	<b>2,721.44</b>
<b>Tax Expenses</b>			
Current Tax		1,170.34	1,009.40
Adjustment of tax pertaining to earlier years		(37.73)	(4.42)
Deferred Tax		5.42	33.30
		<b>1,138.03</b>	<b>1,038.28</b>
<b>Profit after tax and before Minority Interest</b>		<b>2,233.83</b>	<b>1,683.16</b>
Less: Share of (Loss) / Profit transferred to Minority Interest		136.96	(37.66)
<b>Profit After Minority Interest</b>		<b>2,096.87</b>	<b>1,720.82</b>
Earnings per equity share:			
Nominal Value of share ₹ 10/- (31 <sup>st</sup> March, 2016 ₹ 10/- each)			
Basic	39	7.91	6.66
Diluted	39	7.74	6.66
Summary of Significant Accounting Policies	2.1		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date  
For **S R B C & CO LLP**  
ICAI Firm Registration No. 324982E/E300003  
Chartered Accountants

**per Arpit K. Patel**  
Partner  
Membership No. 34032

Place : Ahmedabad  
Date : 12<sup>th</sup> May, 2017

**For and on behalf of Board of Directors of  
Arvind SmartSpaces Limited**

**Sanjay Lalbhai** Director  
**Kamal Singal** MD & CEO  
**Mehul Shah** Chief Financial Officer  
**Prakash Makwana** Company Secretary

Place : Ahmedabad  
Date : 12<sup>th</sup> May, 2017

## CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March, 2017

[₹ in lacs]

	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
<b>A. Cash flow from operating activities</b>		
<b>Profit for the year before taxation and exceptional items</b>	<b>3,371.86</b>	2,721.44
Adjustments for :		
Depreciation and Amortization	<b>105.57</b>	92.32
Loss on sale of Fixed Assets	<b>2.88</b>	1.99
Finance Cost	<b>1,119.17</b>	762.77
Interest Income	<b>(12.46)</b>	(146.22)
<b>Operating profit before working capital changes</b>	<b>4,587.02</b>	3,432.30
Adjustments for:		
Increase in trade payables	<b>1,853.04</b>	3,460.08
Increase in provisions	<b>31.98</b>	11.06
Increase/(Decrease) in current liabilities	<b>(2,416.65)</b>	1,111.47
Decrease in loans and advance	<b>1,515.50</b>	553.44
(Increase)/Decrease in current assets	<b>2,762.78</b>	(2,762.78)
Increase in inventories	<b>(8,189.34)</b>	(3,321.69)
Increase in trade receivables	<b>(401.32)</b>	(3,144.67)
<b>Cash generated from operations</b>	<b>(256.99)</b>	(660.79)
Direct taxes Paid	<b>(1,024.10)</b>	(804.20)
<b>Net cash used in operating activities</b>	<b>[A] (1,281.09)</b>	(1,464.99)
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	<b>(503.96)</b>	(208.63)
Sale of Fixed Assest	<b>0.09</b>	21.20
Interest received	<b>43.08</b>	115.38
<b>Net cash used in investing activities</b>	<b>[B] (460.79)</b>	(72.05)
<b>C. Cash flow from financing activities</b>		
Proceeds from long term borrowings	<b>12,914.42</b>	6,248.74
Repayment of long term borrowings	<b>(12,858.52)</b>	(3,540.44)
Proceeds from short term borrowings	<b>14,558.96</b>	3,028.13
Repayment of short term borrowings	<b>(14,384.56)</b>	(3,317.52)
Capital contribution in LLP by Minority partners	<b>1,797.43</b>	906.09
Withdrawal from LLP by Minority partners	<b>(1,093.49)</b>	-
Interest paid	<b>(1,191.64)</b>	(1,219.68)
Money Received against share warrants	<b>698.50</b>	-
Proceeds from issue of share capital through warrants (including securities premium)	<b>2,270.13</b>	-
<b>Net cash flow from financial activities</b>	<b>[C] 2,711.23</b>	2,105.32
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>[A+B+C] 969.35</b>	568.28
Cash and cash equivalents opening	<b>371.60</b>	(196.68)
Cash and cash equivalents closing	<b>1,340.95</b>	371.60
<b>Components of Cash and cash Equivalents (Refer Note -18)</b>		
Balances with Banks	<b>1,334.64</b>	369.24
Cash in hand	<b>3.89</b>	2.27
Fixed deposits with maturity in three months	<b>2.42</b>	0.09
	<b>1,340.95</b>	371.60

# CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March, 2017

## Summary of Significant Accounting Policies

2.1

### Explanatory Notes to Cash Flow Statement

- 1 The Cash Flow Statement is prepared by using indirect method in accordance with the format prescribed by Accounting Standard 3 as prescribed by Companies Accounting Standard Rules, 2006.
- 2 Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation.

As per our report of even date

For **S R B C & CO LLP**

ICAI Firm Registration No. 324982E/E300003

Chartered Accountants

**per Arpit K. Patel**

Partner

Membership No. 34032

Place : Ahmedabad

Date : 12<sup>th</sup> May, 2017

**For and on behalf of Board of Directors of  
Arvind SmartSpaces Limited**

**Sanjay Lalbhai**

Director

**Kamal Singal**

MD & CEO

**Mehul Shah**

Chief Financial Officer

**Prakash Makwana**

Company Secretary

Place : Ahmedabad

Date : 12<sup>th</sup> May, 2017



# Notes forming part of accounts

## 1. Corporate Information

Arvind SmartSpaces Limited (Formerly known as Arvind Infrastructure Limited) was incorporated on 26<sup>th</sup> December, 2008 and is listed on Bombay Stock Exchange of India and National stock exchanges in India. During the year company has changed its name from Arvind Infrastructure Limited to Arvind SmartSpaces Limited w.e.f. 16<sup>th</sup> November, 2016. The company is engaged in the development of real estate comprising of Residential, commercial and industrial projects.

## 2. Basis of preparation

The financial statements of the company have been prepared in accordance with the 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 section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. 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) Principles of Consolidation

The Consolidated financial statements related to Arvind SmartSpaces Group which comprises the financial statements of Arvind SmartSpaces Limited ("the Company") and its subsidiaries and joint venture entity (hereinafter collectively referred to as "the Group") have been accounted for in accordance with Accounting Standard (AS) 21 - 'Consolidated Financial Statements' and AS 27 - 'Financial Reporting of Interests in Joint Ventures' as notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. Consolidated financial statements have been prepared on the following basis:

- (i) Subsidiaries are fully consolidated from the date of incorporation, being the date on which the Company obtains control, and continues to be consolidated until the date that such control ceases (including through voting rights). Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions. The unrealized profits resulting from intra-group transactions that are included in the carrying amount of assets are eliminated in full.
- (ii) Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the statement of profit and loss and

consolidated balance sheet separately from parent shareholders' equity. Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company. Net Losses attributable to the minorities have been adjusted to extent of their capital contribution. The excess and any further losses attributable to minority have been adjusted against the majority interest as the minority has no binding obligation to make good the losses. If the subsidiary subsequently makes profits, all such profits will be allocated to the majority interest until the minority's share of losses previously absorbed by the majority have been recovered.

- (iii) Financial statements of the subsidiaries and joint venture entity are prepared for the same reporting year as the parent company, using consistent accounting policies. As far as possible, the consolidated financial statements have been prepared using uniform accounting policies, consistent with the Company's standalone financial statements for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements. Any deviation in accounting policies is disclosed separately.
- (iv) The financial statement of joint venture entity is consolidated using the proportionate consolidation method and accordingly, the Group's share of the assets, liabilities, income and expenses of jointly controlled operations / entities / assets, as the case may be, is consolidated as per AS - 27 - 'Financial Reporting of Interests in Joint Ventures'

The excess of cost, if any, to the Group of its investments in the subsidiaries / joint venture entity over the Group's portion of equity of the subsidiary / joint venture, as at the date of its investment or the date immediately preceding the date of investment, is recognised in the consolidated financial statements as goodwill, which is tested for impairment, if any, at balance sheet date.

The excess, if any, of the Group's portion of equity of the subsidiaries / joint venture entity over the cost to the Group of its investment in the subsidiaries / joint venture entity as at the date of its investment or the date immediately preceding the date of investment is treated as capital reserve.

Depending upon the terms of agreement between the Partners, the LLP can be a Subsidiary under AS- 21 or Joint Venture entity under AS-27 and the financial statements are consolidated accordingly.

- (v) The subsidiary and Joint Ventures considered in Consolidated Financial Statements are:

## Notes forming part of accounts

Name of the Company	Country	Ownership Interest	
		2017	2016
Arvind Hebbel Homes Private Limited	India	100%	100%
Arvind East Infrastructure LLP	India	51%	51%
Ahmedabad Industrial Infrastructure (One) LLP	India	100%	100%
Arvind Alcove LLP	India	100%	100%
Arvind Altura LLP	India	100%	100%
Arvind Beyond Five Club LLP	India	100%	100%
Arvind Five Homes LLP	India	100%	100%
Arvind Infracon LLP	India	100%	100%
Changodar Industrial Infrastructure (One) LLP	India	100%	100%
Arvind Bsafal Homes LLP (Joint Venture)	India	41%	41%

### (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) Property, Plant and Equipment

Property, plant and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Such cost includes the cost of replacing part of the plant and equipment. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the statement of profit and loss.

The company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

### (d) Depreciation on Property, Plant and Equipment

Depreciation on Tangible Fixed Assets is provided on straight line method over the useful lives of assets specified in Part C of Schedule II to the Companies Act 2013

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### (e) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis, commencing from the date the assets is available to the company for its use. The management estimates useful life for intangible asset comprising of computer software as follows:

Computer Software : Over a period of three years

### (f) Impairment of Fixed Assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### (g) Borrowing Costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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.

### (h) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

### (i) Inventories

Direct expenditure relating to real estate activity is inventorised. Indirect expenditure (including borrowing costs) during the period

of project is inventorised to the extent the expenditure is directly attributable to cost of bringing the asset to its working condition for its intended use. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not directly related to real estate activity is charged to the statement of Profit and loss.

Work in Progress (including land inventory) represents cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognised. Real estate work-in-progress is valued at lower of cost and net realisable value.

Finished goods – Unsold flats & plots: Valued at lower of cost and net realisable value.

Construction materials are valued at lower of cost and net realisable value. Cost is determined based on a First in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

#### (j) Land

Advances paid by the Company to the seller/ intermediary toward outright purchase of land is recognized as land advance under loans and advances during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Company, whereupon it is transferred to land stock under inventories.

Amounts paid by the Company to the land owners towards right for development of land in exchange of constructed area are recognized as land advance under loans and advances and on the launch of the project, the non-refundable amount is transferred as land cost to work-in-progress.

#### (k) Revenue Recognition

(i) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The Company collects taxes such as value added tax, service tax, etc. on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from the aforesaid revenue/ income.

The following specific recognition criteria must also be met before revenue is recognized:

Recognition of revenue from real estate development Revenue from real estate development is recognized upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements. Where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards, revenue in such cases is recognized by applying the percentage of completion method only if the following thresholds have been met:

i. All critical approvals necessary for the commencement of the project have been obtained;

- ii. The expenditure incurred on construction and development costs (excluding land cost) is not less than 25% of the total estimated construction and development costs;
- iii. At least 25 % of the saleable project area is secured by contracts/agreements with buyers; and
- iv. At least 10 % of the contracts/agreements value are realized at the reporting date in respect of such contracts / agreements.

When the outcome of a real estate project can be estimated reliably and the conditions above are satisfied, revenue and costs associated with the real estate development are recognized as revenue and expenses by reference to the stage of completion of the project activity at the reporting date arrived at with reference to the entire project costs incurred (including land costs).

(ii) Recognition of Revenue from sale of TDR (Transferable Development Rights)

Revenue from sale of TDR is recognised upon transfer of all significant risks and rewards of ownership are transfer to buyer and as per the terms of the contracts entered into with the buyer.

(iii) Interest income

Income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.

(iv) Share in profits from Limited Liability Partnership investments

The Company's share in profits from a Limited Liability Partnership where the Company is a partner is recognized when the same is audited to the company's current account on the basis of such firm's audited accounts as per terms of the Limited Liability Partnership deed.

#### (l) Retirement & other employee benefits

Retirement benefits in the form of state governed Employee Provident Fund, Employee State Insurance and Employee Pension Fund Schemes are defined contribution schemes (collectively the 'Schemes'). The Company has no obligation, other than the contribution payable to the Schemes. The Company recognizes contribution payable to the Schemes as expenditure, when an employee renders the related service. The contribution paid in excess of amount due is recognised as an asset and the contribution due in excess of amount paid is recognised as a liability.

Gratuity is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method, made at the end of each financial year. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for



measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method, made at the end of each financial year. Actuarial gains/losses are immediately taken to the statement of profit and loss. The Company presents the accumulated leave liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

#### **(m) Income Taxes**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

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. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

#### **(n) Employee Stock Compensation Cost**

Employees (including senior executives) of the company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total intrinsic value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

#### **(o) 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 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.

#### **(p) Provisions, Contingent Liabilities and Contingent Assets**

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.

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. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

#### **(q) 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.

#### **(r) Construction Contracts**

Retentions are amounts of progress billings which are not paid until the satisfaction of conditions specified in the contract for the payment of such amounts or until defects have been rectified. Progress billings are amounts billed for work performed on a contract whether or not they have been paid by the customer. Advances are amounts received by the contractor before the related work is performed.

#### **(s) Segment reporting**

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

## Consolidated Notes forming part of accounts

### 3 Share capital

[₹ in lacs]

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>(a) Authorised</b> 3,50,00,000 (P.Y. 2,70,00,000) Equity Shares of ₹ 10/- each (P.Y. ₹ 10/-)	<b>3,500.00</b>	2,700.00
<b>(b) Issued, Subscribed and fully Paid-up</b> 2,84,09,307 (P.Y. 2,58,24,307) Equity Shares of ₹ 10/- each (P.Y. ₹ 10/-)	<b>2,840.93</b>	2,582.43

### (c) Reconciliation of number of shares

Particulars	2016-2017		2015-2016	
	No. of Shares	₹ in lacs	No. of Shares	₹ in lacs
<b>As at beginning of the year</b>	<b>2,58,24,307</b>	<b>2,582.43</b>	10,05,000	1,050.00
<b>Less :</b>				
Share stand Cancelled pursuant to scheme of arrangement	-	-	10,05,000	1,050.00
<b>Add :</b>				
Exercise of Share Option under ESOS / ESOP	<b>10,000</b>	<b>0.10</b>	-	-
Shares issued pursuant to Preferential share warrants	<b>25,75,000</b>	<b>257.50</b>	-	-
Shares issued pursuant to scheme of arrangement	-	-	2,58,24,307	2,582.43
<b>As at end of the year</b>	<b>2,84,09,307</b>	<b>2,840.93</b>	2,58,24,307	2,582.43

### (d) Rights, Preferences and Restrictions

- The company has only one class of shares referred to as equity shares having a par value of ₹ 10/- each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend recommend by Board of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting.
- In the event of liquidation of the company the holders of the equity shares will be entitled to receive any of the 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 shareholders.
- During the year, company has allotted 25,75,000 equity shares of ₹ 10/- each at a premium of ₹ 78/- each pursuant to conversation of the warrants issued and allotted earlier on preferential basis to the promoter and promoter group entities.

### (e) Shareholders holding more than 5% shares

Particulars	Number of Equity Shares		Percentage (%)	
	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Aura Securities Private Limited	<b>1,29,47,646</b>	1,05,42,646	<b>45.58%</b>	40.82%
Life Insurance Corporation of India	<b>15,59,181</b>	15,59,296	<b>5.49%</b>	6.04%

### 4 Reserves and surplus

[₹ in lacs]

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>Capital Reserve (arising on Consolidation)</b>	<b>38.36</b>	38.36
<b>Security Premium</b>		
Balance as per previous financial statements	<b>7,414.95</b>	9,000.00
Add : Addition during the year	<b>2,011.63</b>	-
Less : Deduction during the year	-	1,585.05
	<b>9,426.58</b>	7,414.95
<b>Surplus in Consolidated Statement of Profit &amp; Loss</b>		
Balance as per previous financial statements	<b>4,312.85</b>	2,537.47
Add : Profit for the year	<b>2,096.87</b>	1,720.82
Add : Adjustment on consolidation	-	54.56
Balance available for appropriation	<b>6,409.72</b>	4,312.85
<b>Net Surplus</b>	<b>15,874.66</b>	11,766.16



# Consolidated Notes forming part of accounts

## 5 Long term borrowings

[₹ in lacs]

Particulars	Non current portion		Current maturities	
	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
<b>Line of Credit Facility from NBFC (Secured)</b>	<b>2,000.00</b>	2,000.00	<b>3,912.45</b>	4,103.55
Vehicle Loans (Secured)	81.56	46.98	24.61	12.20
Term Loans (Unsecured)	2,450.00	2,250.00	-	-
	<b>4,531.56</b>	4,296.98	<b>3,937.06</b>	4,115.75
<b>The Above amount includes</b>				
Secured borrowings	2,081.56	2,046.98	3,937.06	4,115.75
Unsecured borrowings	2,450.00	2,250.00	-	-
Amount disclosed under the head "other current liabilities" (Refer Note : 11)	-	-	(3,937.06)	(4,115.75)
	<b>4,531.56</b>	4,296.98	-	-

### Nature of Security

- The Line of Credit Facility amounting to ₹ 5,912.45 lacs (P.Y. ₹ 6,103.55 lacs) from HDFC Limited is secured by First Mortgage of Project Land named "Arvind Sporcia" bearing Revenue Survey Nos. 89/6, 90/1 and 90/2 all situated at Rachenahalli village, Krishnarajapuram Hobli, Bangalore East with the development with thereon- present and future and further secured by Unsold units of "Arvind Citadel" Project being developed on Plot no. 162, TPS 20, City Survey no. 555, Behind Super Mall, off C G Road, Navrangpura, Ahmedabad along with undivided share in Land, further secured by Unsold Unit of "Arvind Expansia" Project being developed on survey No. 55, Mahadevapura village, Krishnarajapuram Hobli, Whitefield Road, Bangalore along with undivided share in land and further secured by first mortgage pf project land named "Arvind Skylands" bearing Revenue survey Nos. 40, 45/2B, & 45/2C, Jakkur Main Road, Shivanahalli, GKVK layout, Yelahanka Hobli, Bangalore alongwith construction thereon and together all rights appurtenant thereto.
- The Vehicle loans amounting to ₹ 106.18 lacs (P.Y. ₹ 59.18 lacs) are secured by Vehicles.

### Terms of Repayment of Loans

#### Secured Loan

**Line of Credit Facility** The Company will ensure at least 30% of sales receivable towards the principal repayment from the date of first disbursement; this percentage will be reviewed subsequently every quarter and will be mutually modified with company as per progress of work. Rate of interest 10.95% as at year end.  
However, the maximum principal of the loan will not exceed ₹ 2,000 lacs at the end of 39<sup>th</sup> month and will be repaid by 48<sup>th</sup> month.

#### Vehicle Loan

HDFC Bank Limited Loan is repayable in monthly instalments on varied dates commencing from June, 2014 to March, 2022.

#### Term Loan

Tata Capital Financial Services Limited Company has repaid the loan amounting ₹ 2,250 lacs (P.Y. Nil) during year.

Kotak Mahindra Investments Limited During the year company has availed loan of ₹ 2,450 lacs (P.Y. Nil) at the rate of 9.00% which is repayable at the end of September, 2021 pledged against equity shares held by Aura Securities Private Limited.

## 6 Deferred tax liabilities (Net)

[₹ in lacs]

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>Deferred Tax Liabilities</b>		
Difference of book depreciation and tax depreciation	46.71	56.71
<b>Deferred Tax Assets</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	10.04	25.46
<b>Net Deferred Tax Liabilities</b>	<b>36.67</b>	31.25

## 7 Other long term liabilities

[₹ in lacs]

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Security Deposits	7.87	7.87
	<b>7.87</b>	7.87

## Consolidated Notes forming part of accounts

### 8 Long term provisions

[₹ in lacs]

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>For Employee Benefits</b> (Refer note : 29)		
Gratuity	46.16	31.85
Leave Encashment	31.79	14.12
	<b>77.95</b>	45.97
<b>Less : Amount disclosed under the head Short Term Provision</b>		
Gratuity	3.94	1.60
Leave Encashment	4.08	0.81
	<b>8.02</b>	2.41
	<b>69.93</b>	43.56

### 9 Short term borrowings

[₹ in lacs]

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Intercorporate Deposits repayable on demand (Unsecured)*	919.55	745.14
	<b>919.55</b>	745.14

\*The intercorporate deposits are at interest rate of 10% repayable on demand.

### 10 Trade Payables

[₹ in lacs]

Particulars	Non current portion		Current portion	
	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
For Goods and services	-	-	5,097.20	4,367.03
For Land	-	-	3,453.80	2,552.18
Retention Money	359.04	163.71	98.59	72.66
	<b>359.04</b>	163.71	<b>8,649.59</b>	6,991.87

(Refer note no. 38 for due to Micro, Small and Medium Enterprise)

### 11 Other current liabilities

[₹ in lacs]

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Current Maturity of Long term debts (Refer Note no. 5)	3,937.07	4,115.75
Advances from Customers	908.89	3,381.46
Advance against capital contributions	149.96	140.50
Interest Accrued but not due	61.19	133.66
<b>Other Payables</b>		
Statutory dues	152.05	105.31
Others	1.17	1.45
	<b>153.22</b>	106.76
	<b>5,210.32</b>	7,878.13

### 12 Short term provisions

[₹ in lacs]

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>Employee Benefits (Refer Note No. 29)</b>		
Gratuity	3.94	1.60
Leave Encashment	4.08	0.82
	<b>8.02</b>	2.42
For Taxation (Net of advance tax of earlier years)	370.76	262.25
	<b>378.78</b>	264.67

# Consolidated Notes forming part of accounts

## 13 Property Plant and Equipment

[₹ in lacs]

Particulars	Buildings	Equipments	Furniture & Fixture	Office Equipments	Computer	Vehicle	Total
<b>Cost-At 1 April 2015</b>	-	116.22	53.78	10.50	42.96	119.67	343.13
Additions	-	106.23	10.80	10.60	7.43	71.08	206.14
Addition pursuant to Demerger	861.01	34.63	69.35	-	-	-	964.99
Disposals	-	8.05	0.07	4.04	0.15	25.57	37.88
<b>At 31 March 2016</b>	<b>861.01</b>	<b>249.03</b>	<b>133.86</b>	<b>17.06</b>	<b>50.24</b>	<b>165.18</b>	<b>1,476.38</b>
Additions	-	38.23	17.23	6.80	17.01	84.28	163.55
Disposals	-	2.50	1.95	0.96	0.90	-	6.31
<b>At 31 March 2017</b>	<b>861.01</b>	<b>284.76</b>	<b>149.14</b>	<b>22.90</b>	<b>66.35</b>	<b>249.46</b>	<b>1,633.62</b>
<b>Depreciation -At 1 April 2015</b>	-	17.42	5.97	3.17	15.06	29.43	71.05
Charge for the year	17.50	14.70	16.56	10.26	12.83	17.32	89.17
Addition pursuant to Demerger	339.49	18.81	20.61	-	-	-	378.91
Disposals	-	3.59	0.01	3.54	0.05	7.51	14.70
<b>At 31 March 2016</b>	<b>356.99</b>	<b>47.34</b>	<b>43.13</b>	<b>9.89</b>	<b>27.84</b>	<b>39.24</b>	<b>524.43</b>
Charge for the year	17.50	25.24	18.27	2.31	14.78	24.47	102.57
Disposals	-	0.60	1.13	0.86	0.74	-	3.33
<b>At 31 March 2017</b>	<b>374.49</b>	<b>71.98</b>	<b>60.27</b>	<b>11.34</b>	<b>41.88</b>	<b>63.71</b>	<b>623.67</b>
<b>Net Block</b>							
<b>At 31 March 2016</b>	<b>504.02</b>	<b>201.69</b>	<b>90.73</b>	<b>7.17</b>	<b>22.40</b>	<b>125.94</b>	<b>951.95</b>
<b>At 31 March 2017</b>	<b>486.52</b>	<b>212.78</b>	<b>88.87</b>	<b>11.56</b>	<b>24.47</b>	<b>185.75</b>	<b>1,009.95</b>

## 14 Intangible assets

₹ in lacs

Particulars	Softwares	Total
<b>Cost-At 1 April 2015</b>	50.92	50.92
Additions	2.48	2.48
Disposals	-	-
<b>At 31 March 2016</b>	<b>53.40</b>	<b>53.40</b>
Additions	1.88	1.88
Disposals	-	-
<b>At 31 March 2017</b>	<b>55.28</b>	<b>55.28</b>
<b>Depreciation -At 1 April 2015</b>	44.88	44.88
Charge for the year	3.15	3.15
Disposals	-	-
<b>At 31 March 2016</b>	<b>48.03</b>	<b>48.03</b>
Charge for the year	3.00	3.00
Disposals	-	-
<b>At 31 March 2017</b>	<b>51.03</b>	<b>51.03</b>
<b>Net Block</b>		
<b>At 31 March 2016</b>	5.37	5.37
<b>At 31 March 2017</b>	4.25	4.25

## Consolidated Notes forming part of accounts

<b>15 Long term loans and advances</b> (Unsecured and Considered Good)	[₹ in lacs]
	As at 31 <sup>st</sup> March, 2016
<b>Loans Given to</b>	<b>As at 31<sup>st</sup> March, 2017</b>
Partners	4,157.32
Others	10.25
Other co-venture	71.02
Security Deposit	207.19
Advance against Land	21.08
Advance Tax (net of provision)	187.72
	<u>4,654.48</u>
	<u>4,824.37</u>
<b>16 Inventories (At lower of cost or net realisable value)</b>	[₹ in lacs]
	As at 31 <sup>st</sup> March, 2016
Construction Work-in-Progress	<b>As at 31<sup>st</sup> March, 2017</b>
Unsold Developed plots of land and units	22,181.59
Construction Materials	2,191.36
	303.13
	<u>24,676.08</u>
	<u>16,486.74</u>
<b>17 Trade receivable</b> (Unsecured and Considered Good) <sup>4</sup>	[₹ in lacs]
	As at 31 <sup>st</sup> March, 2016
Debt outstanding for the period exceeding six months	<b>As at 31<sup>st</sup> March, 2017</b>
Others Receivables	630.56
	3,618.66
	<u>4,249.22</u>
	<u>3,847.89</u>
<b>18 Cash and bank balance</b>	[₹ in lacs]
	As at 31 <sup>st</sup> March, 2016
Balances with banks	<b>As at 31<sup>st</sup> March, 2017</b>
Cash in hand	1,245.30
Cheques on Hand	3.89
<b>Fixed Deposit</b>	89.34
With maturity in three months	2.42
	<u>1,340.95</u>
	<u>371.60</u>
<b>19 Short term loans and advances</b> (Unsecured and Considered good)	[₹ in lacs]
	As at 31 <sup>st</sup> March, 2016
Advance For Land*	<b>As at 31<sup>st</sup> March, 2017</b>
Advances Recoverable in cash or kind	3,168.82
<b>Other Loans &amp; Advances</b>	278.65
Balance with Government Authorities	572.58
Prepaid Expenses	97.78
Loans to others	100.00
	<u>4,217.83</u>
	<u>5,563.46</u>

\* Advance for land though unsecured, are considered good as the advances have been given based on arrangement/ memorandum of understanding executed by the company and the company/seller/intermediary is in the course of obtaining clear and marketable title, free from all encumbrances, including for certain properties under litigation.

## Consolidated Notes forming part of accounts

### 20 Other current assets

(Unsecured and Considered good)

[₹ in lacs]

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Interest Accrued but not due	20.77	51.40
Unbilled Revenue	-	2,762.78
	<b>20.77</b>	<b>2,814.18</b>

### 21 Revenue from operations

[₹ in lacs]

	For the year 2016-2017	For the year 2015-2016
<b>Sale of Products</b>		
Commercial and Residential Units	14,679.11	11,467.63
Transferrable Development Rights	1,156.81	-
<b>Other operating revenue</b>		
Cancellation and Transfer Fees	20.47	4.72
Project Consultancy Income	117.50	-
Miscellaneous	10.04	1.63
	<b>15,983.93</b>	<b>11,473.98</b>

### 22 Other income

[₹ in lacs]

	For the year 2016-2017	For the year 2015-2016
Interest Income	12.46	146.22
Other Non-Operating Income	2.61	21.25
	<b>15.07</b>	<b>167.47</b>

### 23 Cost of Construction material and components consumed

[₹ in lacs]

	For the year 2016-2017	For the year 2015-2016
Inventory at the beginning of the year	225.89	282.57
Add : Purchases	1,211.89	584.25
Less : Inventory at the end of the year	(303.13)	(225.89)
<b>Cost of Construction material and components consumed</b>	<b>1,134.65</b>	<b>640.93</b>
<b>Details of raw materials, components and stores consumed</b>		
Cement	150.48	235.63
Iron and Steel	296.84	96.18
Chemical and Paint	177.63	11.32
Aggregates	199.20	52.22
Others	195.40	245.59
	<b>1,134.65</b>	<b>640.94</b>
<b>Details of Inventory at the end of the year</b>		
Cement	23.71	67.03
Iron and Steel	68.79	113.57
Chemical and Paint	9.01	1.00
Aggregates	1.42	0.68
Others	200.20	43.61
	<b>303.13</b>	<b>225.89</b>



## Consolidated Notes forming part of accounts

### 24 Changes in inventories

[₹ in lacs]

#### Closing Stock

Unsold Developed plots of land and units  
Construction Work-in-Progress

#### Opening Stock

Unsold Developed plots of land and units  
Construction Work-in-Progress

Less : Expenses Recovered

#### (Increase) in Inventories

	For the year 2016-2017	For the year 2015-2016
	<b>2,191.36</b>	1,789.43
	<b>22,170.30</b>	14,460.13
	<b>24,361.66</b>	16,249.56
	<b>1,789.43</b>	125.16
	<b>14,460.13</b>	13,464.38
	<b>16,249.56</b>	13,589.54
	-	46.69
	<b>16,249.56</b>	13,542.85
	<b>(8,112.10)</b>	(2,706.71)

### 25 Employees benefits expenses

[₹ in lacs]

Salary, Allowances & Bonus  
Contribution to Provident & other funds  
Gratuity (Refer Note No. 29)  
Staff Welfare expenses

	For the year 2016-2017	For the year 2015-2016
	<b>1,343.01</b>	1,102.03
	<b>59.32</b>	60.79
	<b>15.97</b>	9.60
	<b>28.97</b>	17.32
	<b>1,447.27</b>	1,189.74

### 26 Finance cost\*

[₹ in lacs]

#### Interest on

Inter Corporate Deposits  
Term Loan from NBFC  
Line of Credit Facility from NBFC  
Vehicle Loan from Banks

#### Other Borrowing cost

	For the year 2016-2017	For the year 2015-2016
	<b>244.35</b>	462.99
	<b>241.44</b>	256.68
	<b>624.89</b>	38.44
	<b>8.49</b>	4.66
	<b>1,119.17</b>	762.77
	<b>38.86</b>	80.61
	<b>1,158.03</b>	843.38

\*Gross of interest amounting to ₹ 1,094.44 lacs (P.Y. ₹ 798.82 lacs) inventorised to qualifying work-in-progress.

### 27 Other expenses

[₹ in lacs]

Repairs and Maintenance  
Buildings  
Others  
Rates and Taxes  
Traveling Expenses  
Power and Fuel  
Advertisement  
Brokerage and Commission Charges

	For the year 2016-2017	For the year 2015-2016
	<b>20.48</b>	17.69
	<b>0.33</b>	11.96
	<b>20.15</b>	5.73
	<b>153.63</b>	18.62
	<b>56.00</b>	53.53
	<b>48.76</b>	26.78
	<b>259.20</b>	122.94
	<b>62.39</b>	137.07

# Consolidated Notes forming part of accounts

## 27 Other expenses (Continued)

[₹ in lacs]

	For the year 2016-2017	For the year 2015-2016
Legal and Professional Charges	929.38	277.41
Secretarial Expenses	87.03	85.12
Information Technology Expenses	10.57	11.32
Auditors' Remuneration(*)	14.08	6.97
Insurance Charges	13.87	6.32
CSR Expenses	37.00	26.25
Bad debt	-	2.13
Loss on Sale of Fixed Assets	2.88	1.99
Rent	68.68	94.30
Miscellaneous Expenses	209.04	517.39
	<b>1,972.99</b>	<b>1,405.83</b>
<b>*Auditors' Remuneration</b>		
Statutory Audit Fees	10.27	6.97
Limited Review Fees	3.50	-
Reimbursement of Cess	0.31	-
	<b>14.08</b>	<b>6.97</b>

[₹ in lacs]

### Construction Contracts

	2016-2017	2015-2016
1. Amount of contract revenue recognised as revenue for the year	14,679.11	11,467.63
2. Amounts in respect of contracts in progress at the reporting date :		
a. Aggregate amount of costs incurred and recognised profits	37,359.89	21,644.64
b. Amount of advances received (gross)	908.89	3,381.46
c. Gross amount due from customers	4,211.27	3,847.89

## 28 (a) Contingent Liabilities

[₹ in lacs]

	As at March 31, 2017	As at March 31, 2016
Contingent Liabilities		
- Income Tax (See note below)	460.02	90.84
- Karnataka VAT	71.42	71.42
- Gujarat VAT	3.10	3.10
- Excise	4.90	4.90
- Service Tax	6.80	6.80
- Others	0.72	0.72

The group has not recognized and acknowledged the claims as liability in the books of account amounting to ₹ 460.02 lacs (P.Y. ₹ 90.84 lacs) which have been made against the group by Department of Income Tax since such claims have been disputed and pending before the appropriate authorities for final adjudication and accordingly sub-judice. The final outcome of such lawsuits filed against the Company is not presently ascertained and accordingly no provision in respect thereof has been made in the books of account of the company.

The group has not recognized and acknowledged the claims as liability in the books of account amounting to ₹ 11.70 lacs (P.Y. ₹ 11.70 lacs) which have been made against the group by Department of Central Board of Excise and Customs. Since such claims have been disputed and pending before the appropriate authorities for final adjudication and accordingly sub-judice. The final outcome of such lawsuits filed against the Company is not presently ascertained and accordingly no provision in respect thereof has been made in the books of account of the company.

## Consolidated Notes forming part of accounts

### (b) Other Commitments

At March 31, 2017 the Entity has given ₹ 3,189.89 lacs (March 31, 2016: ₹ 8,564.82 lacs) as advances for purchase of land under the agreements executed with the land owners, the Entity is required to make further payments based on the agreed terms. At March 31, 2017 one of the subsidiaries has given ₹ 4,157.32 lacs (March 31, 2016: ₹ 4,270.94 lacs) as interest free loan to its Land Managing Partners.

### 29 Employee Benefits

#### (a) Defined contribution to Provident fund and Employee state insurance

The group makes contribution towards employees' provident fund and employees' state insurance plan scheme. Under the rules of these schemes, the group is required to contribute a specified percentage of payroll costs. During the year, the group has recognized 56.66 lacs (P.Y. 43.09 lacs) as expense towards contributions to these plans.

#### (b) Defined Contribution Benefit Plans (Gratuity and Leave Encashment)

The following table sets out the status of the gratuity scheme non funded plan as at 31<sup>st</sup> March, 2017.

[₹ in lacs]

Particulars	Gratuity	
	2016-17	2015-16
<b>Statement of Profit &amp; Loss</b>		
<b>Net employee benefit expense recognized in the employee cost</b>		
Current service cost	11.16	7.97
Interest cost	2.54	1.79
Net Actuarial (Gain) / Loss	2.27	(0.16)
Employee's Contribution	-	-
<b>Net benefit expense</b>	<b>15.97</b>	<b>9.61</b>
<b>Balance Sheet</b>		
<b>Benefit assets / Liability</b>		
Present value of obligation as at the year end	46.16	31.85
Fair value of plan assets as at the year end	-	-
<b>Plan asset / (liability)</b>	<b>46.16</b>	<b>31.85</b>
<b>Changes in the present value of obligation</b>		
Present value of obligation (Opening)	31.85	22.24
Interest cost	2.54	1.80
Current service cost	11.16	7.97
Benefits paid	(1.66)	-
Actuarial (Gain) / Loss-Due to change in Financial Assumptions	2.26	0.40
Actuarial (Gain) / Loss-Due to change in Experience	0.01	(0.57)
Present value of obligation (Closing)	46.16	31.85
<b>Changes in the fair value of plan assets</b>	-	-
<b>Percentage of each category of plan assets to total fair value of plan assets at the year end</b>	-	-
<b>Reconciliation of the present value of defined benefit obligation and the fair value of assets</b>	-	-
<b>Principal actuarial assumption (Rate of Discounting)</b>		
Rate of discounting	7.57%	7.96%
Expected return on plan assets	-	-
Rate of increase in salaries	4.00%	4.00%
Attrition Rate (Employees opting for early retirement)	2.00%	2.00%
<b>Mortality Rate During Employment</b>	Indian Assured Lives Mortality (2006-08)	

#### Leave Encashment

Salaries, Wages and Bonus include ₹ 21.72 lacs (Previous Year ₹ 4.34 lacs) towards provision made as per actuarial valuation in respect of accumulated leave encashment/compensated absences.

## Consolidated Notes forming part of accounts

### 30 Employee Stock Option Scheme

The Holding Company has instituted Employee Stock Option Scheme 2013 ("ESOP 2013"), pursuant to the approval of the shareholders of the Holding Company at their Extra Ordinary General Meeting held on March 8, 2013. Under ESOP 2013, the Holding Company has granted options convertible into equal number of Equity Shares. The following table sets forth the particulars of the options granted during the current financial year under ESOP 2013 –

1	Options granted	10,32,972			
2	Date of Grant	Grant I – 3 July, 2013	No. of Options – 9,68,411		
		Grant II – 23 May, 2014	No. of Options – 64,561		
3	Exercise price(₹)	Grant I – 41.25			
		Grant II – 45.14			
4	Options Vested	7,90,870			
5	Vesting Schedule	Over a period of 3 years			
6	Vesting Requirements	On continued employment with the company and certain performance parameters.			
7	Exercise Period	A maximum period of 5 years from the date of grant.			
8	Method of Settlement (Cash / Equity)	Equity			
9	A summary of the activity of options	<b>31<sup>st</sup> March, 2017</b>		<b>31<sup>st</sup> March, 2016</b>	
		<b>Grant</b>	<b>Wtd. Avg. Ex Price (₹ in lacs)</b>	<b>Grant</b>	<b>Wtd. Avg. Ex Price (₹ in lacs)</b>
	Outstanding at the beginning of the period	10,32,972	41.50	10,32,972	41.50
	Granted during the period	-	-	-	-
	Forfeited during the period	-	-	-	-
	Exercised during the period	10,000	41.50	-	-
	Expired during the period	-	-	-	-
	Outstanding at the end of the period	10,22,972	41.50	10,32,972	41.50
	Exercisable at the end of the period	7,80,870	41.50	5,48,767	41.50
	Method of Valuation	Intrinsic Value			
10	For stock options outstanding at the end of the period, the range of exercise prices and the weighted average remaining contractual life (comprising the vesting period and the exercise period)	Exercise price range ₹ 41.00 Weighted average remaining contractual life - 2.96 years (P.Y. 2.96 years) Weighted average share price at the exercise date was ₹ 70.78/- per share. (31 <sup>st</sup> March, 2016: Not Applicable since no options exercised.)			

The company measures the cost of ESOP using the intrinsic value method. Had the company used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the amounts indicated below:

[₹ in lacs]

Particulars	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
Profit after tax as reported	2,096.87	1,720.82
Add: ESOP cost using the intrinsic value method	-	-
Less: ESOP cost using the fair value method	9.74	24.00
<b>Proforma profit after tax</b>	<b>2,087.14</b>	<b>1,696.82</b>
<b>Earnings Per Share</b>		
<b>Basic</b>		
- As reported	7.91	6.66
- Proforma	7.87	6.61
<b>Diluted</b>		
- As reported	7.74	6.66
- Proforma	7.70	6.49

31 The group operates within a single business segment i.e. Developing of commercial and residential units, the disclosure requirements of Accounting Standard – 17 "Segment Reporting" notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting standard) Amendment Rules, 2016.

## Consolidated Notes forming part of accounts

### 32 Preferential Issue

The Company has allotted 57,50,000 lacs warrants ("Warrants") at ₹ 88/- (Rupees Eighty Eight only) per Warrant for an aggregate consideration of up to ₹ 50.60 lacs (Rupees Fifty Crores Sixty Lakhs only) and entitling the Warrant holder(s), being promoter and promoter group entities, to convert the Warrants into equivalent numbers of Equity Shares in one or more tranches within eighteen months from the date of allotment of Warrants (i.e. 2<sup>nd</sup> May, 2016) in accordance with provisions of Chapter VII of the SEBI ICDR Regulations or subject to other applicable laws and regulations as may be prevailing at the time of allotment of Warrants / conversion of Warrants into Equity Shares ("Preferential Issue")

Further the Company has allotted 25,75,000 equity shares on 22<sup>nd</sup> March, 2017 to the warrant holders, being promoter and promoter group entities, pursuant to exercise of conversion of warrant option by them under Preferential Issue Tranche-I.

Money received from balance 31,75,000 warrants of ₹ 698.50 lacs being 25% of exercise price is shown as Money received against share warrants as on balance sheet date.

Funds raised by way of preferential issue have been used for augmentation of the long term resources and to meet working capital requirements.

### 33. SBNs Disclosures

[₹ in lacs]

Particulars	SBNs	Other Denomination Notes	Total
<b>Closing Balance as at November 8, 2016</b>	<b>7.00</b>	<b>3.13</b>	<b>10.13</b>
Transactions between November 9 to December 30, 2016			
Add : Withdrawal from Bank accounts	-	8.72	8.72
Add : Receipts for permitted transactions (if any)	-	-	-
Add : Receipts for non-permitted transactions (if any)	-	-	-
Less : Paid for permitted transactions	-	(5.24)	(5.24)
Less : Deposited in Bank accounts	(7.00)	-	(7.00)
<b>Closing Balance as at December 30, 2016</b>	<b>-</b>	<b>6.61</b>	<b>6.61</b>

### 34 Related Party Disclosures

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

#### I. Names of related parties and related party relationship

<b>(i)</b>	<b>Related parties under AS-18 with whom transactions have taken place during the year:</b>	
	Mr. Kamal Singal	Key Management Personnel
	Aura Securities Private limited	Entity exercising significant influence in the company
	Arvind Lifestyle Brands Ltd	Enterprise having significant influence by Key Managerial Person
	Arvind Infrabuid LLP	Company under common control of Key Managerial Person
	Arvind and Smartvalue Homes LLP	Enterprise having significant influence by Key Managerial Person
	Safal Homes LLP	Co-venturer in Joint Venture
	Arvind Limited	Enterprise having significant influence by Key Managerial Person
<b>(iii)</b>	<b>Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year</b>	
	Mr. Sanjay Lalbhai	Chairman & Non-Executive Director
	Mr. Kulin Lalbhai	Non-Executive Director
	Mr. Kamal Singal	Managing Director & CEO
	Mr. Mehul Shah	Key Management Personnel
	Mr. Prakash Makwana	Key Management Personnel
	Mr. Prem Prakash Pangotra	Non-Executive Director
	Mr. Pratul Shroff	Non-Executive Director
	Ms. Indira Parikh	Non-Executive Director
	Mrs. Divya M. Shah	Relative of Key Management Personnel
	Mr. Dinesh Jasraj Jain	Land Managing Partner
	Mr. Sharad Govindbhai Patel	Land Managing Partner
	Mrs. Kavita Dinesh Jain	Relative of Land Managing Partner
	Mr. Neel Dinesh Jain	Relative of Land Managing Partner
	Mrs. Rashmi Sharadbhai Patel	Relative of Land Managing Partner
	Mrs. Jignesh Govindbhai Patel	Relative of Land Managing Partner



## Consolidated Notes forming part of accounts

II. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

[₹ in lacs]

Sr. No.	Particulars	Relationship	2016-2017	2015-2016
<b>1</b>	<b>Remuneration</b>			
	Mr. Kamal Singal	Managing Director & CEO	216.94	102.28
	Mr. Mehul Shah	Key Management Personnel	25.28	19.25
	Mr. Prakash Makwana	Key Management Personnel	21.98	18.41
	Mr. Sharad Govindbhai Patel & Mr. Dinesh Jasraj Jain	Land Managing Partner	1,307.07	-
<b>2</b>	<b>Director's Sitting Fees &amp; Commission</b>			
	Mr. Prem Prakash Pangotra	Non-Executive Director	6.30	6.50
	Mr. Pratul Shroff	Non-Executive Director	5.70	5.50
	Ms. Indira Parikh	Non-Executive Director	6.10	5.80
<b>3</b>	<b>Revenue from operations</b>			
	Mr. Kamal Singal	Managing Director & CEO	2.63	25.71
	Mr. Mehul Shah	Key Management Personnel	3.13	27.10
	Mr. Sharad Govindbhai Patel & Mr. Dinesh Jasraj Jain	Land Managing Partner	1,658.07	-
<b>4</b>	<b>Land Managing partner's contribution received</b>			
	Mr. Sharad Govindbhai Patel & Mr. Dinesh Jasraj Jain	Land Managing Partner	186.92	895.94
<b>5</b>	<b>Land Managing partner's contribution paid</b>			
	Mr. Sharad Govindbhai Patel & Mr. Dinesh Jasraj Jain	Land Managing Partner	790.00	-
<b>6</b>	<b>Share of profit (Loss)</b>			
	Mr. Sharad Govindbhai Patel & Mr. Dinesh Jasraj Jain	Land Managing Partner	45.65	(30.75)
<b>7</b>	<b>Reimbursement of construction and labour cost</b>			
	Arvind Limited	Company under common control of Key Managerial Person	32.15	17.26
<b>8</b>	<b>Advance for land (given)</b>			
	Mr. Sharad Govindbhai Patel & Mr. Dinesh Jasraj Jain	Land Managing Partner	209.53	125.00
	Others	Relative of Land Managing Partner	82.32	-
<b>9</b>	<b>Advance for Land (received back)</b>			
	Mr. Sharad Govindbhai Patel & Mr. Dinesh Jasraj Jain	Land Managing Partner	119.95	18.95
	Others	Relative of Land Managing Partner	36.50	-
<b>10</b>	<b>Land Purchased</b>			
	Mr. Sharad Govindbhai Patel & Mr. Dinesh Jasraj Jain	Land Managing Partner	216.02	175.97
	Others	Relative of Land Managing Partner	160.77	4.24
<b>11</b>	<b>Advance from customer received</b>			
	Mr. Sharad Govindbhai Patel & Mr. Dinesh Jasraj Jain	Land Managing Partner	752.99	-
	Mr. Kamal Singal	Managing Director & CEO	75.05	-
	Mr. Mehul Shah	Key Management Personnel	31.05	-
	Mrs. Divya M. Shah	Relative of Key Management Personnel	8.84	-
<b>12</b>	<b>Interest Expense</b>			
	Safal Homes LLP	Co-venturer in Joint Venture	-	3.54
	Arvind Limited	Enterprise having significant influence by Key Managerial Person	6.02	-
	Aura Securities Private limited	Company under common control of Key Managerial Person	114.05	-
<b>13</b>	<b>Interest Income</b>			
	Safal Homes LLP	Co-venturer in Joint Venture	-	21.48

## Consolidated Notes forming part of accounts

II. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year: (Continued)

[₹ in lacs]

Sr. No.	Particulars	Relationship	2016-2017	2015-2016
14	<b>Short term borrowings repaid</b>			
	Arvind Limited	Enterprise having significant influence by Key Managerial Person	90.93	-
	Aura Securities Private limited	Company under common control of Key Managerial Person	6,500.00	-
15	<b>Short term borrowings taken</b>			
	Arvind Limited	Enterprise having significant influence by Key Managerial Person	-	297.70
	Aura Securities Private limited	Company under common control of Key Managerial Person	6,500.00	-
16	<b>Preferential allotment of equity shares</b>			
	Aura Securities Private Ltd.	Company under common control of Key Managerial Person	240.50	-
17	<b>Money Received against Share Warrants</b>			
	Aura Securities Private Ltd.	Company under common control of Key Managerial Person	2,768.70	-

### III. Outstanding Balances

[₹ in lacs]

Sr. No.	Particulars	Relationship	2016-2017	2015-2016
1	<b>Trade payables</b>			
	Mr. Sharad Govindbhai Patel & Mr. Dinesh Jasraj Jain	Land Managing Partner	12.82	-
	Others	Relative of Land Managing Partner	117.43	9.06
	Arvind Limited	Enterprise having significant influence by Key Managerial Person	11.29	10.96
	Arvind Lifestyle Brands Limited	Enterprise having significant influence by Key Managerial Person	5.63	5.63
	Arvind and Smartvalue Homes LLP	Enterprise having significant influence by Key Managerial Person	54.00	54.00
	Mr. Prem Prakash Pangotra	Non-Executive Director	4.50	5.00
	Mr. Pratul Shroff	Non-Executive Director	4.50	5.00
	Ms. Indira Parikh	Non-Executive Director	4.50	5.00
2	<b>Advance for Land</b>			
	Others	Relative of Land Managing Partner	1.09	2.30
3	<b>Loans Given</b>			
	Mr. Sharad Govindbhai Patel & Mr. Dinesh Jasraj Jain	Land Managing Partner	4,157.32	-
4	<b>Trade receivables</b>			
	Aura Securities Private limited	Entity exercising significant influence in reporting Entity & Land Managing Partners	765.25	-
	Mr. Mehul Shah	Key Managerial Person	51.63	49.49
	Mr. Kamal Singal	Managing Director & CEO	-	34.29

## Consolidated Notes forming part of accounts

### III. Outstanding Balances (Continued)

[₹ in lacs]

Sr. No.	Particulars	Relationship	2016-2017	2015-2016
5	<b>Advance from customers</b>			
	Aura Securities Private limited	Entity exercising significant influence in reporting Entity	-	212.13
	Mr. Kamal Singal	Key Managerial Person	68.43	-
	Mrs. Divya Mehul Shah	Relative of Key Managerial Person	8.84	4.61
6	<b>Long term loans and advance</b>			
	Arvind Limited	Enterprise having significant influence by Key Managerial Person	10.15	-
	Safal Homes LLP	Other Co-Venturer in Joint Venture	-	333.13
7	<b>Money Received against Share Warrants</b>			
	Aura Securities Private limited	Company under common control of Key Managerial Person	652.30	-

### 35 Additional Information as required under Schedule III to the Companies Act, 2013, of Enterprises consolidated as Subsidiary/ Associates/ Joint Ventures.

Name of the Enterprise	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit/(Loss)	
	As % of Consolidated Net Assets	[₹ in lacs]	As % of Consolidated profit or loss	[₹ in lacs]
<b>Parent</b>				
Arvind SmartSpaces Limited (formerly Arvind Infrastructure Limited)	97%	17,237.82	(4%)	(87.66)
<b>Subsidiaries</b>				
Arvind Hebbal Homes Pvt. Ltd.	0%	47.07	0%	(0.67)
Ahmedabad East Infrastructure LLP	12%	2,145.65	109%	2,282.61
Ahmedabad Industrial Infrastructure (One) LLP	0%	(9.47)	0%	(7.02)
Arvind Alcove LLP	0%	(0.17)	0%	(0.17)
Arvind Altura LLP	0%	(0.77)	0%	(0.37)
Arvind Beyond Five Club LLP	0%	(1.47)	0%	(0.80)
Arvind Five Homes LLP	0%	(72.82)	(1%)	(21.12)
Arvind Infracon LLP	0%	(0.77)	0%	(0.38)
Changodar Industrial Infrastructure (One) LLP	0%	(0.76)	0%	(0.36)
		<b>2,106.48</b>		<b>2,251.71</b>
<b>Minority Interest</b>				
Arvind Hebbal Homes Pvt. Ltd.	0%	-	0%	-
Ahmedabad East Infrastructure LLP	(9%)	(1,654.74)	(7%)	(136.96)
Ahmedabad Industrial Infrastructure (One) LLP	0%	-	0%	-
Arvind Alcove LLP	0%	-	0%	-
Arvind Altura LLP	0%	-	0%	-
Arvind Beyond Five Club LLP	0%	-	0%	-
Arvind Five Homes LLP	0%	-	0%	-
Arvind Infracon LLP	0%	-	0%	-
Changodar Industrial Infrastructure (One) LLP	0%	-	0%	-
<b>Total</b>		<b>(1,654.74)</b>		<b>(136.96)</b>
<b>Joint Venture</b>				
Arvind Bsafal Homes LLP	0%	69.79	3%	69.79
	<b>100%</b>	<b>17,759.35</b>	<b>100%</b>	<b>2,096.88</b>

## Consolidated Notes forming part of accounts

### 36. In respect of Jointly Controlled Entities

The Company's share of assets, liabilities, income and expenditure of the joint venture companies are as follows:

#### (a) List of Joint Ventures

Sr No.	Name of Joint Venture	Nature of Business	Description of Interest	Proportion of Ownership interest	Country of Incorporation	Country of Residence
1	Arvind B Safal Homes LLP	Development of Residential & Commercial Expense	Jointly Controlled Entity	41%	India	India

#### (b) Financial Interest in Jointly Controlled Entity

[₹ in lacs]

Particulars	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
Current assets	252.53	473.72
Non-current assets	14.86	17.42
Current liabilities	103.28	159.02
<b>Equity</b>	<b>164.11</b>	<b>332.12</b>
Revenue	124.87	482.51
Project Development Expense	5.24	9.40
Changes in Inventory	-	265.22
Depreciation and Amortization Expense	2.23	2.53
Employee benefit expense	-	2.93
Other expense (Including Finance Cost)	10.68	36.21
<b>Profit before tax</b>	<b>106.72</b>	<b>166.22</b>
Income-tax expense	36.94	53.14
<b>Profit after tax</b>	<b>69.78</b>	<b>113 .08</b>

There are no commitments and contingent liabilities of the jointly controlled entity as on 31<sup>st</sup> March, 2017 & 31<sup>st</sup> March, 2016.

### 37. Imported and indigenous of construction materials consumed

Particulars	% of Total Consumption	Value [₹ in lacs]	% of Total Consumption	Value [₹ in lacs]
	2016-17		2015-16	
Imported	-	-	-	-
Indigenous	100%	1,134.65	100%	640.93

### 38. Due to Micro Small & Medium Enterprise

Based on information available with company, there are no suppliers who are registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" (Act) till 31<sup>st</sup> March, 2017. Accordingly no disclosures are required to be made under said Act.

## Consolidated Notes forming part of accounts

### 39. Earnings per Share

[₹ in lacs]

Particulars	2016-17	2015-16
i) Profit as per Statement of Profit & Loss (₹)	2,096.88	1,720.82
ii) Weighted average No. of shares for EPS computation		
a) For Basic EPS (Nos)	265.10	258.24
b) For Diluted EPS (Nos) *	270.91	258.24
Earnings per Share (Basic) (In ₹)	7.91	6.66
Earnings per Share (Diluted) (In ₹)	7.74	6.66
Nominal Value per share in ₹	10.00	10.00

\* Potential equity shares arising out of shares options (ESOS) (Nos) and share warrants.

40. The previous year financial statement was audited by another firm of Chartered Accountant other than S R B C & Co. LLP. Previous year figures have been regrouped / reclassified, wherever necessary to confirm current year's classification.

As per our report of even date  
For **S R B C & CO LLP**  
ICAI Firm Registration No. 324982E/E300003  
Chartered Accountants

**per Arpit K. Patel**  
Partner  
Membership No. 34032

Place : Ahmedabad  
Date : 12<sup>th</sup> May, 2017

**For and on behalf of Board of Directors of  
Arvind SmartSpaces Limited**

<b>Sanjay Lalbhai</b>	Director
<b>Kamal Singal</b>	MD & CEO
<b>Mehul Shah</b>	Chief Financial Officer
<b>Prakash Makwana</b>	Company Secretary

Place : Ahmedabad  
Date : 12<sup>th</sup> May, 2017



**FORM AOC-1**

(Pursuant to first proviso to Sub - Section (3) of Section 129 read with rules 5 of Companies (Accounts) Rules, 2014)

**STATEMENT CONTAINING SAILENT FEATURES OF THE FINANCIAL STATEMENT OF STATEMENT OF SUBSIDIARIES OR ASSOCIATES OR JOINT VENTURES**

**Part "A": Subsidiaries**

Sr. No	Name of Subsidiary	Reporting Period	Exchange Rate	Share Capital/Capital	Reserves and Surplus	Total Assets	Total Liabilities	Details of Investment	Turnover	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend	% of share-holding/capital contribution
1.	Arvind Hebbal Homes Pvt. Ltd.	March 31, 2017	INR	1.00	46.07	47.64	0.58	-	-	(0.67)	-	(0.67)	Nil	100%
2.	Arvind Infracon LLP	March 31, 2017	INR	1.00	(0.77)	0.41	0.18	-	-	(0.38)	-	(0.38)	Nil	100%
3.	Arvind Five Homes LLP	March 31, 2017	INR	1.00	(72.82)	4593.30	4665.12	-	-	(22.18)	(1.06)	(21.12)	Nil	100%
4.	Changodar Industrial Infrastructure (one) LLP	March 31, 2017	INR	1.00	(0.76)	0.71	0.46	-	-	(0.36)	-	(0.36)	Nil	100%
5.	Arvind Beyond Five Club LLP	March 31, 2017	INR	1.00	(1.47)	865.24	865.71	-	-	(0.80)	-	(0.80)	Nil	100%
6.	Arvind Altura LLP	March 31, 2017	INR	1.00	(0.77)	1,000.54	1000.31	-	-	(0.37)	-	(0.37)	Nil	100%
7.	Arvind Alcove LLP	March 31, 2017	INR	1.00	(0.17)	2153	20.70	-	-	(0.17)	-	(0.17)	Nil	100%
8.	Ahmedabad Industrial Infrastructure (one) LLP	March 31, 2017	INR	1.00	(9.47)	3,041.28	3,049.75	-	-	(7.04)	(0.02)	(7.02)	Nil	100%
9.	Ahmedabad East Infrastructure LLP	March 31, 2017	INR	1.00	-	11,500.68	11,499.68	-	-	3,412.83	1130.21	2,282.61	Nil	5%

**Notes: The following information shall be furnished at the end of the statement:**

1. Name of subsidiaries which are yet to commence the operations
2. Names of subsidiaries which have been liquidated or sold during the year.

**Part "B": Joint Venture**

Sr. No.	Particulars	Arvind Bsafal Homes LLP
1.	Latest Audited Balance Sheet Date	31.03.2017
2.	Share Joint Ventures Held By company on the year end	
	i) Number	Not applicable
	ii) Amount of Investment in Joint Ventures	0.50
	iii) Extend of Holding%	Capital Contribution Ratio : 50% Profit Sharing Ratio : 41%
3.	Description of how there is significant influence	LLP Agreement allows the Company to exercise significant influence in the operating and financial decision making
4.	Reason why the joint venture is not consolidated	Not Applicable as accounts are consolidated
5.	Net worth attributable to shareholding as per latest Audited Balance sheet	164.11
6.	Profit/(Loss) for the year	
	i) Considered in Consolidation	69.79
	ii) Not Considered in Consolidation	100.43

1. Name of subsidiaries which are yet to commence the operations
2. Names of subsidiaries which have been liquidated or sold during the year.

**For and on behalf of Board of Directors of Arvind SmartSpaces Limited**

**Sanjay Lalbhai**  
Director  
Ahmedabad

**Kamal Singal**  
MD & CEO  
Ahmedabad

**Mehul Shah**  
Chief Financial Officer  
Ahmedabad

**Prakash Makwana**  
Company Secretary  
Ahmedabad

ARVIND SMARTSPACES

**ARVIND SMARTSPACES LIMITED****ATTENDANCE SLIP****(CIN: L45201GJ2008PLC055771)**

Regd. Office: 24, Government Servant's Society, Near Municipal Market, Off C.G. Road, Navrangpura, Ahmedabad - 380009  
 Phone: 079-30137000, Fax: 079-30137021 Email: [investor@arvindinfra.com](mailto:investor@arvindinfra.com), Website: [www.arvinsmartspaces.com](http://www.arvinsmartspaces.com)

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.  
 Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id*		Folio No.	
Client Id*		No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the **9<sup>TH</sup> ANNUAL GENERAL MEETING** of the Company held on Thursday, the 14<sup>th</sup> September, 2017 at 10:00 a.m. at J B Auditorium, Ahmedabad Management Association, Opp. Apang Manav Mandal, IIM Road, Dr. V S Marg, Ahmedabad 380 015.

\* Applicable for investors holding shares in electronic form.

\_\_\_\_\_  
 Signature of Shareholder / proxy

ARVIND SMARTSPACES

**PROXY FORM****ARVIND SMARTSPACES LIMITED****(CIN: L45201GJ2008PLC055771)**

Regd. Office: 24, Government Servant's Society, Near Municipal Market, Off C.G. Road, Navrangpura, Ahmedabad - 380009  
 Phone: 079-30137000, Fax: 079-30137021 Email: [investor@arvindinfra.com](mailto:investor@arvindinfra.com), Website: [www.arvinsmartspaces.com](http://www.arvinsmartspaces.com)

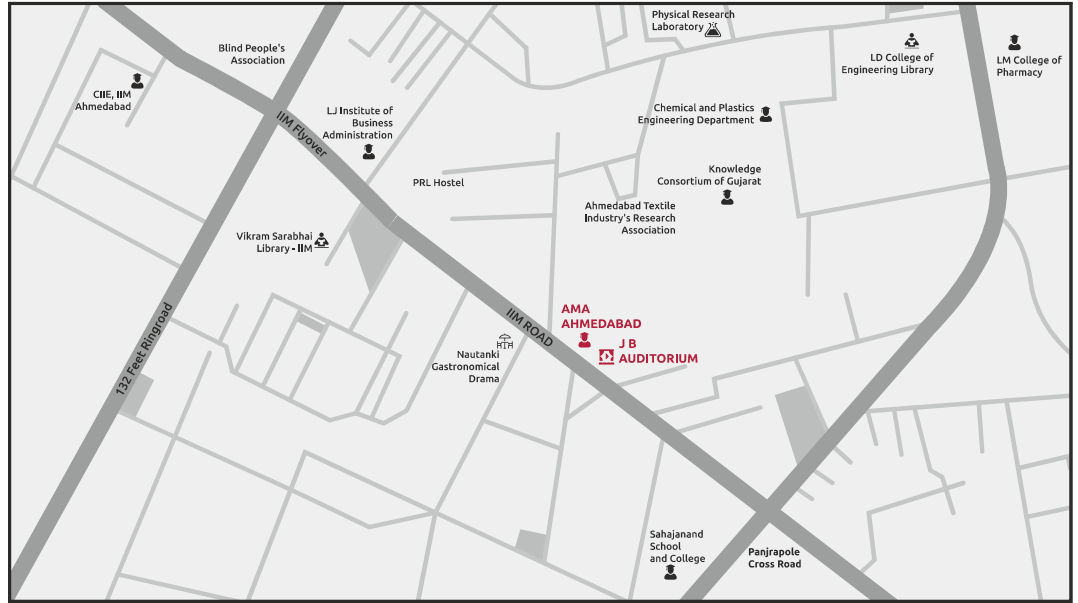
Name of the member(s) :	
Registered address :	
E-mail Id :	
Folio No/Client Id :	
DP ID :	

I/We, being the member (s) of \_\_\_\_\_ shares of the above named company, hereby appoint

- Name \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
- Name \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
- Name \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 9<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, the 14<sup>th</sup> September, 2017 at 10:00 a.m. at J B Auditorium, Ahmedabad Management Association, Opp. Apang Manav Mandal, IIM Road, Dr. V S Marg, Ahmedabad 380 015 and at any adjournment thereof in respect of such resolutions as are indicated below:

ROUTE MAP



Resolution No.	RESOLUTIONS	Optional *	
		For	Against
<b>Ordinary Business</b>			
1	Ordinary Resolution for adoption of the audited financial statements [including consolidated financial statements] of the Company for the financial year ended 31 <sup>st</sup> March, 2017 and the reports of the Directors and Auditors thereon.		
2	Ordinary Resolution for re-appointment of Mr. Kulin S. Lalbhai as Director of the Company, liable to retire by rotation.		
3	Ordinary Resolution for appointment of M/s S R B C & Co LLP, Chartered Accountants as Statutory Auditors of the Company and fixing of their remuneration.		
<b>Special Business</b>			
4	Ordinary Resolution for appointment Mr. Nirav Kalyanbhai Shah as an Independent Director of the Company.		
5	Ordinary Resolution for Ratification of the remuneration of M/s. Kiran J. Mehta & Co., Cost Accountants for the financial year ending 31st March, 2018.		

Signed this \_\_\_\_ day of \_\_\_\_\_, 2017

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp

- Note:
- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
  - For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 9th Annual General Meeting.
  - \*3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
  - Please complete all details including details of member(s) in above box before submission.

## GREEN INITIATIVE IN CORPORATE GOVERNANCE

### Registration of E-mail ids for the purpose of Communication.

Dear Shareholder,

The Ministry of Corporate Affairs vide Circular 18/2011 dated 29-04-2011, has initiated a "Green Initiative in Corporate Governance" by allowing paperless compliance by Companies through electronic mode. Companies can now send Annual Reports, Notices, and other documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders, thus reducing paper consumption and also contributing towards green environment. We at Arvind SmartSpaces therefore invite you to contribute to the cause by registering your email address with the company as set out below.

You may please also note that even after registering your email address, you will be entitled to receive all such communication in physical form, upon specific request made in this regards to the Company.

We solicit your co-operation in helping the Company implement the e-governance initiatives of the Government in the interest of environment, which is the need of the hour.

Please fill in the details below to register and send it duly signed to Link Intime India Private Limited having its Ahmedabad Office at 506-508, Amarnath Business Centre-1 (abc-1), Beside Gala Business Centre, Near St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad - 380006. Tel No: +91 79 26465179 /86 / 87 (Unit Arvind SmartSpaces) or to the Company at the registered office at 24, Government Servant's Society, Nr. Municipal Market, Off C. G. Road, Navrangpura, Ahmedabad - 380009.

Shareholder Registration Form	
Folio No/DP ID & Client ID*	
Name & Address of the Registered Holder*	
Name of the Joint Holder(s) (if any)*	
Contact No/Mobile Number*	
Email ID*(to be registered)*	

Fields marked with (\*) are mandatory.

On registration, I/we agree to receive all the communication/documents from the Company electronically through email at the above e-mail ID registered in the said folio. I/we hereby undertake to promptly inform RTA/Company of any changes to the information provided above.

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# OUR MAJOR DEVELOPMENTS



Arvind  
**EXPANSIA**



Arvind  
**SPORCIA**  
STAY WHERE YOU PLAY



**UPLANDS**  
GOLF • LIVING • LEISURE



Arvind | **CITADEL**



Arvind  
**MEGATRADE**



*beyond five*  
Where weekends come alive



**TRADE SQUARE**  
@ Khokhra  
A JV with bSafal Homes



Arvind  
**MEGAPARK**



Arvind  
**MEGAESTATE**



**Parishkaar**  
2 & 3 BHK 700+ Lifestyle Apartments  
A JV with bSafal



Arvind  
**ALCOVE**  
your plan for second life



Arvind  
**SKYLANDS**  
LIFE IN CENTRE



If undelivered, please return to:

**Arvind SmartSpaces Limited**

CIN: L45201GJ2008PLCO55771

24, Government Servant's Society,  
Near Municipal Market, Off C.G. Road,  
Navrangpura, Ahmedabad - 380009.

Phone No. 079-3013 7000 Fax No. 079-3013 7021

Website: [www.arvindinfra.com](http://www.arvindinfra.com)