ArihantCapital
Generating Wealth

Date: 28th August, 2021

To, The Department of Corporate Services, Bombay Stock Exchange Limited., P J Towers, Dalal Street, Mumbai- 400001 **Scrip Code: 511605**	To, Listing Department, National Stock Exchange of India Limited., Exchange Plaza 5th Floor, Plot No. C/1, G- Block,Bandra Kurla Complex, Bandra (E), Mumbai - 400051 **NSE Symbol- ARIHANTCAP**

Sub. : Submission of Annual Report for the year 2020-21 pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref.: ISIN - INE420B01028

Dear Sir/ Madam,

This is to inform you that 29th Annual General Meeting of the Company is scheduled to be held on Saturday, 25th September, 2021 at 12:30 p.m., through Video Conferencing (VC)/Other Audio Visual Means (OAVM).

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report for the year 2020-21 along with the Notice of 29th Annual General Meeting of the Company.

This is for your information and records.

Thanking You,

Yours faithfully,

For Arihant Capital Markets Limited

Mahesh Pancholi
(Company Secretary)
M. No. F-7143

ARIHANT CAPITAL MARKETS LIMITED

ArihantCapital
Generating Wealth



Create a future ready company



Unlock synergies

Making a

Positive Difference

Annual Report 2020-2021



Focus on digital and innovation



Drive on sustainablility



Upskilling

MAKING A

POSITIVE DIFFERENCE

ARIHANT HAS BEEN FOUNDED WITH THE GOAL OF MAKING EVERY INDIAN FINANCIALLY INDEPENDENT. ALL THIS WHILE CONTRIBUTING POSITIVELY TO THE COMMUNITIES IN WHICH WE OPERATE AND TO THE PLANET.

ArihantCapital
Generating Wealth

OUR PURPOSE

OUR PURPOSE IS TO HELP EVERY INDIAN REALISE THEIR GOALS WITH INTEGRITY, EMPOWERING THEM TO TAKE OWNERSHIP OF THEIR FINANCIAL FUTURE AT EVERY INCOME LEVEL AND LIFE STAGE.

OUR VALUES

INTEGRITY

WE OPERATE WITH HIGHEST LEVEL OF INTEGRITY, AND HONESTY. WE ARE OPEN AND TRANSPARENT WITH OUR CUSTOMERS AND WITH EACH OTHER

YOU FIRST

KEEPING OUR CLIENTS FIRST – BECAUSE THEY ARE AT THE HEART OF EVERYTHING WE DO

GRITTY

WE CONSTANTLY WORK TOWARDS CREATING VALUE FOR OUR CLIENTS THROUGH OBJECTIVE ADVICE

SIMPLICITY

MAKING INVESTMENTS SIMPLE, UNDERSTANDABLE AND ACCESSIBLE TO EVERYONE

OUR STAKEHOLDERS

HAVING A STRONG PURPOSE AND VALUES ENSURES WE ARE ABLE TO DELIVER FOR ALL OUR STAKEHOLDERS:

FOR OUR CUSTOMERS AND CLIENTS

WE WANT TO MAKE SURE OUR CLIENTS BECOME FINANCIALLY INDEPENDENT AND WORRY-FREE.

FOR OUR COLLEAGUES

WE SUPPORT NOT JUST THEIR CAREER GROWTH BUT ALSO THEIR HEALTH AND WELLBEING, AND EMPOWER AND MOTIVATE THEM TO BE ABLE TO PROVIDE EXCELLENT SERVICE

FOR SOCIETY

OUR SUCCESS OVER THE LONG TERM IS TIED INEXTRICABLY TO THE PROGRESS OF OUR COMMUNITIES, AND THE PRESERVATION OF OUR ENVIRONMENT

FOR OUR INVESTORS

WE CONTINUE TO BUILD A FUNDAMENTALLY STRONG, DIVERSIFIED BUSINESS THAT CAN DELIVER ATTRACTIVE AND SUSTAINABLE RETURNS

YOU CAN READ MORE ABOUT US AT

arihantcapital.com/about-us

CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. ASHOK KUMAR JAIN
(Chairman & Managing Director)

MRS. ANITA SURENDRA GANDHI
(Whole Time Director)

MR. ARPIT JAIN
(Joint Managing Director)

MR. SUNIL KUMAR JAIN
(Non Executive Director)

MR. AKHILESH RATHI
(Independent Director)

MR. PARAG RAMESHBHAI SHAH
(Independent Director)

MR. ASHISH MAHESHWARI
(Independent Director)

MR. JITENDRA JAIN
(Independent Director)

EMAIL

compliance@arihantcapital.com

WEBSITE

www.arihantcapital.com

CHIEF FINANCIAL OFFICER

MR. TARUN GOYAL

COMPANY SECRETARY

MR. MAHESH PANCHOLI

AUDITORS

M/S DINESH AJMERA & ASSOCIATES
Chartered Accountants
901 Scheme No. 114, Part-1, A. B. Road,
Indore – 452001 (MP)
Mobile No. 9826868011

SECRETARIAL AUDITORS

AJIT JAIN & CO.
Prem Villa, 84, Kailash Park Colony,
Indore-452001
Mobile No. 9425053710

REGISTERED OFFICE

6, Lad Colony Y.N Road,
Indore – 452001 (MP)
T. +91-731-4217100
F. +91-731-3016199

CORPORATE OFFICE

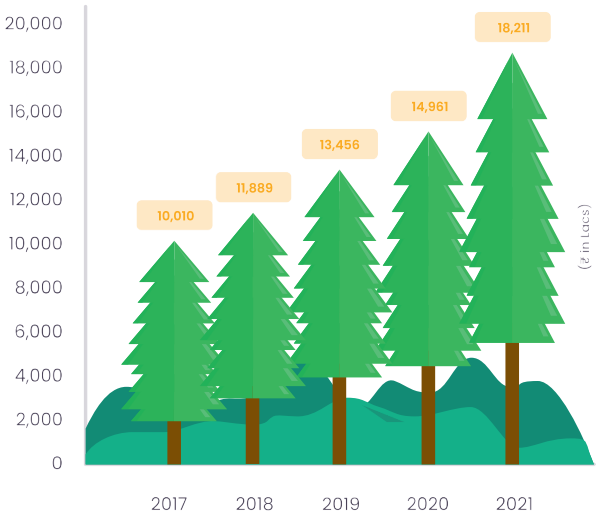
1011, Solitaire Corporate Park,
Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road,
Chakala, Andheri (East),
Mumbai – 400093
T. 022-42254800
F. 022-42254899

REGISTRAR & TRANSFER AGENT

ANKIT CONSULTANCY PRIVATE LIMITED
Plot No. 60,
Electronic Complex Pardeshipura,
Indore – 452 010 (M.P.)
T. +91-731-2551745
F. +91-731-4065798

CONSOLIDATED PERFORMANCE HIGHLIGHTS

NET WORTH



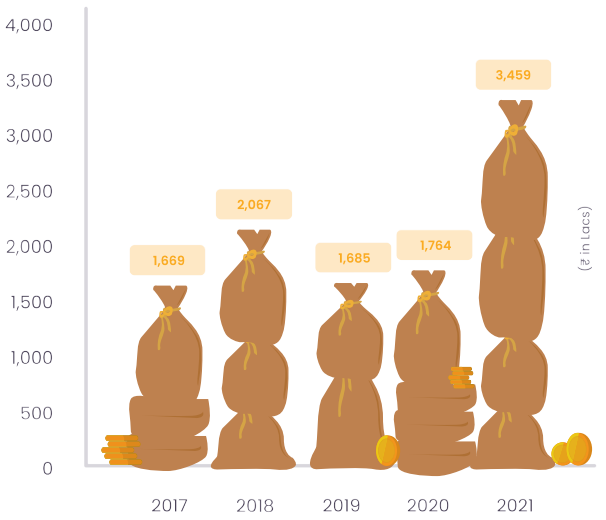
TOTAL INCOME



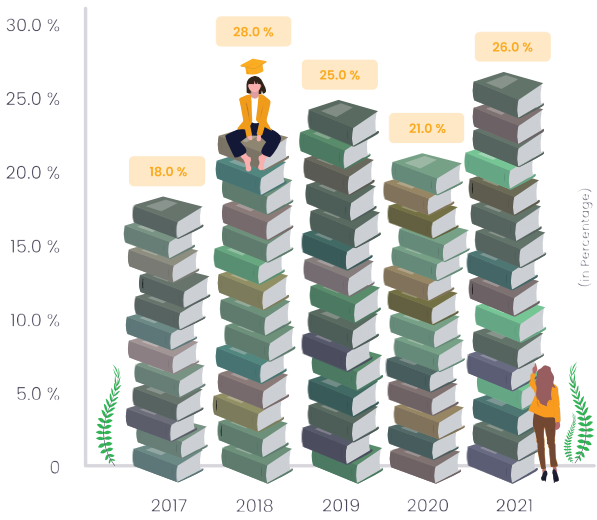
CMA



PROFIT AFTER TAX (PAT)



RETURN ON CAPITAL EMPLOYED (ROCE)



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) INITIATIVES

"Creating a strong business and building a better world are not conflicting goals –they are both essential ingredients for long term success"

~ BILL FORD

Arihant has built its reputation on being there for our customers, employees, business associates, and communities. Our ESG commitments are an essential part of our company-wide strategy, deeply integrated into our business. We believe now, more than ever, a strong focus on ESG is a business imperative — and a key driver of long-term business success.

The COVID-19 pandemic highlighted the increasingly visible effects of climate change and the economic problems in the society — underscore why understanding, anticipating and effectively managing environmental, social and governance (ESG) matters is critical to delivering on our mission to serve our clients, others stakeholders and communities.

Your company had always placed compliance and governance at the center of its operations. Over the years, your company had been making conscious efforts to being a more environmentally responsible entity and had taken various initiatives including massive plantation drives, switching to LED to power the offices, and promoting reusable water bottles with installed water dispensers across its offices. However, it was the 'S' part of ESG that really came into focus in 2020.

We have highlighted some of the key CSR and ESG activities the company undertook during the financial year in the wake of COVID-19.

COVID -19: RELIEF INITIATIVES

Your company was proactive in implementing safety measures for its employees across all its locations pan-India. Serving consumers and supporting community's starts with ensuring our employees are safe and protected. As the pandemic unfurled, your company implemented work-from-home policy for all our staff. Even when the offices opened later in the financial year, we put in robust safety measures in place that include comprehensive cleaning of work areas, temperature scans, hand sanitizers and face masks, shift rotations, physical distancing, working from home and using collaboration tools to stay connected.


PM CARES

Receipt No : PMCARES/UTIB/IFT20274068130 Date: 30-09-2020

Dear ARIHANT CAPITAL MARKETS LIMITED

Thank you very much for contributing to PM CARES Fund.

Prime Minister Shri Narendra Modi expresses his gratitude for the thoughtful and compassionate gesture on your part. The valuable contribution will greatly help India in fighting distress situations like COVID-19.

Under Secretary
PM CARES Fund

ARIHANT CAPITAL MARKETS LIMITED

Donation made to the PMCARES Fund through IFT mode of Axis Bank

INR 1,100,000.00 (Rupees Eleven Lakhs Only)





MAKING MENTAL AND PHYSICAL HEALTH A PRIORITY

The somewhat less discussed impact of this pandemic is the deteriorating mental health. During our interactions with our clients, employees and business partners across the country, we realized the COVID-19 pandemic and the resulting economic recession had negatively affected many people's mental health and created new barriers for people already suffering from mental illness. The pandemic brought forth a range of neurological disorders affecting mental well-being not just in India but globally.

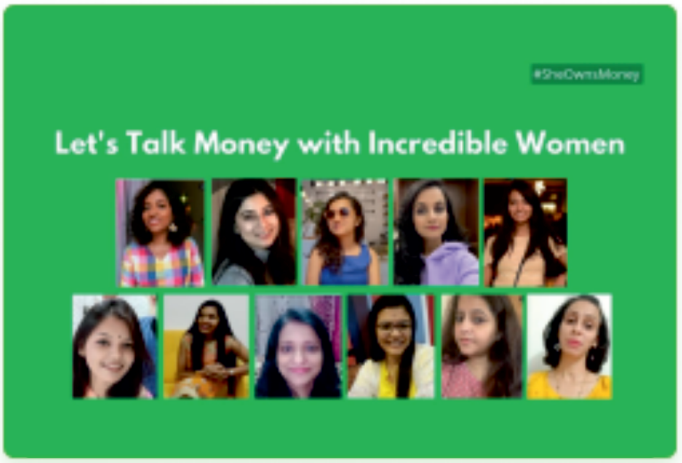
Realizing the need of making mental health a priority, we conducted webinars for our employees as well as clients like "How to improve our relationship with food for life without medicines" by Dr Nandita Shah, Founder of Sharan and "Gift yourself the gift of Health" by Dr. Bandre, veteran yoga trainer.



FINANCIAL AWARENESS FOR WOMEN

Women need to be sufficiently financially literate effectively participate in economic activities and to take appropriate financial decisions for themselves and their families. It is commonly known that women usually have lower access to formal financial products and most financial companies do not target women clients.

To promote financial awareness among women your company conducted seminars like "Let's Talk Money with Incredible Women" during the financial year.



PAINTING CONTEST FOR KIDS

Your company organized virtual art competition for children on Children's Day on the themes of "India" and "Environment". This contest has been in the hope that paintings and thoughts expressed by children, on their sincere consideration of the environmental conservation around them, the earth and its future and their love for the country, will inspire people and lead to take action for changing lifestyles.



WAY AHEAD

Our commitment now is to deploy finance responsibly to support people and businesses and work towards bringing equitable recovery, acting with empathy and integrity, championing innovation and sustainability, for the common good and the long term. This shall lay down the foundation of our growth going forward.





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CHAIRMAN'S MESSAGE



ASHOK KUMAR JAIN
(CHAIRMAN & MANAGING DIRECTOR)

2020 was a year of incredible challenges. As the pandemic unfurled, it had devastating consequences on the lives and livelihoods of millions of people around the world, but as a company our priorities were clear. We first needed to ensure our operational and financial resilience. Before the pandemic, if someone would have asked me to estimate the time it would take for us to enable over 95 per cent of our employees to work remotely, I would have never thought it was possible. And yet, as the pandemic hit the world in full force in March, our technology team accomplished the unprecedented task of creating suitable digital infrastructure that enabled the entire Arihant team to work remotely.

During the last financial year, your company has delivered robust growth and a strong financial performance across all metrices, despite a challenging operating environment. Importantly, we have focused on putting in place the right building blocks for the future.

While the markets started the year with a huge drop in early April, they went on an unstoppable northward journey in the financial year 2021. For the year, the Sensex Index gained 75.16% and the Nifty clocked 77.99% return compared to the year before—generating record returns. Meanwhile, your company recorded a profit of Rs 34.67 crores, the highest ever in its history.

The pandemic triggered high retail participation in the stock markets. Declining saving avenues amidst the low interest rate regime and the lockdown that forced many people to stay at home, and many others lose their jobs and revenues, had led to greater interest by individuals in the stock market. The number of individual investors in the market has increased by a whopping 142 lakh in FY21. Also, the share of individual investors in total turnover on stock exchange has risen to 45% from 39% in Mar'20, as shown by NSE data. The strong growth in retail clients, and participation of younger generation in the stock markets will expand the addressable market opportunity for us and go a long way to increase the demand for investment products digitally. This provides an incredible opportunity for your company to grow.

Although we are grateful for the stellar performance of equity markets and your company for much in 2020, we cannot discuss this past year without first acknowledging both the pain and tragedy that the COVID-19 pandemic has inflicted on so many of our clients, colleagues, vendors, and partners, as well as

many Indians, especially the marginalized sections of the society. This year has particularly highlighted the importance of saving, investing, and having a financial plan more than ever.

During pandemic we were proactively finding ways to help those affected. Arihant contributed funds to PM National Cares Fund (Rs 11 lacs), Indian Red Cross Society (Rs 15 lacs), contributed towards school fees of children from the poor sections of the society (Rs 31 lacs), distributed food packages, medical equipment, sanitizers & masks, and also provided COVID-19 health insurance plan to our employees. We hope that initiatives such as these clearly demonstrate the ways in which Arihant can do good in society by deploying finance in multiple ways.

The pandemic provided an opportunity – indeed a necessity – to innovate at unprecedented speed. For us, COVID-19 was not a one-off adverse event. The pandemic was a development that put all our systems and processes to test. It has prompted a far-reaching assessment of our operational mindset, and we will be embedding new ways of thinking about our work based on lessons learned from our experience in 2020. I can confidently say that we are evolving into a more robust enterprise.

Frankly, on several occasions in 2020, we were overwhelmed by the volume of clients accessing our trading systems and phone calls. Despite our best efforts to plan for spikes in volumes, we did not anticipate volumes that oftentimes were multiples of the highest volume we had ever witnessed before, and this was seen across the industry. Our employees responded heroically, working unprecedented overtime hours to serve our clients. The combination of these volumes, however, with the inevitable impact on efficiency caused by so many of our employees working from home, resulted in service quality and experience that did not consistently meet the high levels our clients deserve. We expect more of ourselves.

To help address these challenges, we continue to invest in our digital transformation; are working on new web and mobile trading platforms that will be created using new technologies to help us serve every client with the same speed and power irrespective of volumes.

I am happy to inform you that we have already put together our digital transformation plan in motion and are gearing up for Arihant's next leg of growth and to help us establish ourselves as a fintech company.

We are spending substantial sum on technology and infrastructure. It may take some time, but we're working aggressively to ensure we offer a world-class platform and experience to our clients and those who serve them.

One of our priorities for this coming year, and the years ahead, is to ensure that we continuously advance and innovate our trading systems, client experience, and internal processes and focus on being a technology-led company to stay ahead of the competition.

I believe we are well placed to respond to the challenges. Our diversified model has proved its value, and we have a clear view of our business priorities going forward. Our strong focus on technology and innovation going forward will ensure that we are able to offer our clients the best service and experience.

For over 29 years, your company has stood as a beacon of opportunity, and respect for all. This commitment has never been more important than right now, as we continue fulfilling our longstanding strategy of "Making a Positive Difference". Put simply, it means that we try to operate your company by looking at all our actions from the perspective of our clients, our stakeholders, and the communities where we operate. Since day one, our mission has been to help every Indian meet their financial goals while keeping integrity at the heart of everything we do. We will continue to do it not just by striving towards making a positive difference in the lives of our clients and stakeholders but also to the planet.

We strongly believe in creating a sustainable future. Going forward, our efforts will be consciously directed towards this goal through our Environmental, Social and Governance (ESG) initiatives.

Finally, I want to thank everyone involved in this most challenging of years – customers, business partners, investors, regulators, and governments. But above all, thank you to our team for their diligent commitment to serving others while balancing the health and safety of their own families.

We have so much to do in 2021 as we continue to pursue the enormous growth opportunities still ahead.

Yours sincerely,

Ashok Kumar Jain
(Chairman and Managing Director)

Our Board Of Directors



Mr. Ashok Kumar Jain
Chairman and Managing Director

Over 34 years of experience in stock markets, primary and secondary market research.



Mr. Akhilesh Rathi
Independent Director

Over 26 years of experience in the field of finance, real estate and service industry.



Mr. Arpit Jain
Joint Managing Director

Over 8 years of experience in the field of capital market and financial sector



Mr. Parag Rameshbhai Shah
Independent Director

Over 20 years of experience in the field of manufacturing and trading of industrial electronic weighing systems.



Mrs. Anita Surendra Gandhi
Whole Time Director

Over 33 years of experience in corporate finance, primary and secondary market research.



Mr. Ashish Maheswari
Independent Director

Over 15 years of experience and having sound understanding on equity, fundamental analysis, and identification of undervalued companies.



Mr. Sunil Kumar Jain
Non-executive Director

Over 25 years of experience in the field of capital market and equity research.



Mr. Jitendra Jain
Independent Director

Over 26 years of experience in the field of financial sector in areas such as corporate finance, fund raising, equity / debt capital markets.

NOTICE

Notice is hereby given that the **TWENTY NINTH ANNUAL GENERAL MEETING (AGM)** of the members of **ARIHANT CAPITAL MARKETS LIMITED (CIN: L67120MP1992PLC007182)** will be held on **Saturday, 25th September, 2021 at 12:30 P.M.** through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") on account of outbreak of COVID – 19 Pandemic and in accordance with the relevant circulars issued by the Ministry of Corporate Affairs, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company including Audited Consolidated Financial Statements for the financial year ended March 31, 2021 and the Reports of the Board of Directors and Auditors Report thereon.

2. To declare Dividend for the Financial Year ended on 31st March, 2021.

3. To appoint a director in place of Mr. Sunil Kumar Jain (DIN: 00184860), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

4. **To re-appoint Mr. Ashok Kumar Jain (DIN: 00184729) as a Managing Director.**

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

   "RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the company and subject to the approval of Members of the Company in the general meeting and approval of Central Govt. or other Govt. authority /agency/ board, if any, the approval of the members/ shareholders of the Company be and are hereby accorded for the re-appointment of Mr. Ashok Kumar Jain as a Managing Director of the Company for a period of three years with effect from 1st August 2021 to 31st July 2024, on the terms and conditions and remuneration as set out in the agreement entered into between the Company and Mr. Ashok Kumar Jain, a copy whereof is placed before the meeting duly initialed for the purpose of identification, which agreement is hereby specifically approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement (including authority, from time to time, to determine the amount of salary and variable pay as also the type and amount of perquisites and other benefits payable to Mr. Ashok Kumar Jain), in such manner as may be agreed to between the Board of Directors and Mr. Ashok Kumar Jain.

   Provided that the remuneration payable to Mr. Ashok Kumar Jain shall not exceed the limits specified in the said agreement as also the limits prescribed under schedule V to the Companies Act, 2013, including any amendment, modification, variation or re-enactment thereof;

   RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the Company subject to requisite approvals, may pay to Managing Director, by way of remuneration including commission, perquisites and allowances, which shall not exceed the amount as may be agreed and decided by the Board of Directors of the Company.

   RESOLVED FURTHER THAT on the recommendation of the Remuneration Committee, the Board of Directors do hereby approve re-appointment of Mr. Ashok Kumar Jain as Managing Director for a further period of three years with effect from 1st August 2021, subject to the approval of the shareholders in the AGM.

RESOLVED FURTHER THAT Mr. Ashok Kumar Jain shall not be subject to retirement by rotation during his tenure as a Managing Director. However, due to compulsion of provisions of the Companies Act, 2013, if he has to retire by rotation and reelected, then such re-appointment of the Managing Director of the company due retirement by rotation shall not constitute a break in his office as a Managing Director of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem desirable, necessary, expedient, usual or proper to implement this resolution.

RESOLVED FURTHER THAT Mr. Mahesh Pancholi, Company Secretary of the Company be and is hereby authorized to sign and file necessary forms with the Registrar of Companies, and to do all such acts, deeds, matters and things ancillary and incidental thereto to give effect to the above resolution."

5. To appoint Mr. Arpit Jain (DIN: 06544441) as a Joint Managing Director.

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the company and subject to the approval of Members of the Company in the general meeting and other Govt. authority /agency/ board, if any, the approval of the members/ shareholders of the Company be and are hereby accorded for the appointment of Mr. Arpit Jain as a Joint Managing Director of the Company for a period of five years with effect from 25th January,2021 to 24th January,2026, on the terms and conditions and remuneration as set out in the agreement entered into between the Company and Mr. Arpit Jain, a copy whereof is placed before the meeting duly initialed for the purpose of identification, which agreement is hereby specifically approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement (including authority, from time to time, to determine the amount of salary and variable pay as also the type and amount of perquisites and other benefits payable to Mr. Arpit Jain), in such manner as may be agreed to between the Board of Directors and Mr. Arpit Jain.

Provided that the remuneration payable to Mr. Arpit Jain shall not exceed the limits specified in the said agreement as also the limits prescribed under schedule V to the Companies Act, 2013, including any amendment, modification, variation or re-enactment thereof;

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the Company subject to requisite approvals, may pay to Joint Managing Director, by way of remuneration including commission, perquisites and allowances, which shall not exceed the amount as may be agreed and decided by the Board of Directors of the Company;

RESOLVED FURTHER THAT Mr. Arpit Jain shall be subject to retirement by rotation during his tenure as Joint Managing Director.

RESOLVED FURTHER THAT on the recommendation of the Nomination And Remuneration Committee, the Board of Directors do hereby approve the appointment of Mr. Arpit Jain as Joint Managing Director for a further period of Five years with effect from 25th January 2021, subject to the approval of the shareholders in the AGM;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem desirable, necessary, expedient, usual or proper to implement this resolution;

RESOLVED FURTHER THAT Mr. Mahesh Pancholi, Company Secretary of the company be and is hereby authorized to sign and file necessary forms with the Registrar of Companies, and to do all such acts, deeds, matters and things ancillary and incidental thereto to give effect to the above resolution."

6. To re-appoint Mrs. Anita Surendra Gandhi (DIN: 02864338) as a Whole Time Director of the Company.

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

"RESOLVED THAT subject to the provisions of Sections 196, 197, 203 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and subject to such approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities in granting such approvals, permissions and sanctions, approval of members of the Company be and is hereby accorded for the re-appointment of Mrs. Anita Surendra Gandhi, Whole Time Director of the Company for a period of Twenty Six months with effect from 01/02/2021 till 31/03/2023.

RESOLVED FURTHER THAT notwithstanding anything contained herein, where in any financial year during the tenure of the Whole Time Director, the Company has no profits or its profits are inadequate, the Company may pay to the Whole Time Director, the above remuneration as the minimum remuneration for a period not exceeding Twenty Six months by way of salary, perquisites, performance pay, other allowances and benefits as specified above subject to receipt of the requisite approvals, if any.

RESOLVED FURTHER THAT the nature of employment of the Whole Time Director with the Company shall be contractual and services can be discontinued by giving one month's notice from either party.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include Nomination and Remuneration Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) be and is hereby authorized to vary, increase, enhance, or widen from time to time the terms of appointment and remuneration of the Whole Time Director and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.

RESOLVED FURTHER THAT Mrs. Anita S. Gandhi shall not be entitled to any sitting fees for attending meetings of the Board of Directors and her office shall be liable to determination by retirement of Directors by rotation.

RESOLVED FURTHER THAT Mr. Mahesh Pancholi, Company Secretary of the Company be and is hereby authorized to sign and file necessary forms with the Registrar of Companies, and to do all such acts, deeds, matters and things ancillary and incidental thereto to give effect to the above resolution."

7. Appointment of Mr. Jitendra Jain as an Independent Director of the company.

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

"RESOLVED THAT pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and rules, circulars, orders and notifications issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Jitendra Jain (DIN: 08377285) who was appointed as an Additional Independent Director of the Company with effect from 14th June, 2021 by the Board of Directors and who holds office up to the date of the forthcoming Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ('the Act'), but who is eligible for appointment and in respect of whom the Company has received recommendation by Nomination and Remuneration Committee under section 160(1) of the Act proposing his candidature for the office of a director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Act including any statutory modification(s) or re-enactment(s) thereof, the Companies (Appointment and Qualification of Directors) Rules, 2014, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time, the appointment of Mr. Jitendra Jain (DIN: 08377285), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act 2013 and Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations, as amended, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years upto the conclusion of 34th Annual General Meeting of the Company, be and is hereby approved.

RESOLVED FURTHER THAT Mr. Mahesh Pancholi, Company Secretary of the company be and is hereby authorized to sign and file necessary forms with the Registrar of Companies, and to do all such acts, deeds, matters and things ancillary and incidental thereto to give effect to the above resolution."

8. **To Sale or Transfer the whole of Undertaking of Arihant Futures and Commodities Limited (Material Subsidiary / wholly owned Subsidiary) as specified under sub- clause (A) of sub-section (1) of Section 180 of the Companies Act, 2013.**

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

"RESOLVED THAT pursuant to provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable SEBI Regulations as amended from time to time, any other law for the time being in force and subject to such other approvals as may be applicable and required under various statutes or regulations or any other law for the time being in force, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board") to sell, transfer and dispose of, as a going concern and on a slump sale basis, all businesses of the **Arihant Futures and Commodities Limited,** a material subsidiary / wholly owned subsidiary of the Company having Registered Office situated at E/5, Ratlam Kothi, Indore, Madhya Pradesh – 452001, including all its assets (tangible and intangible) and liabilities including the concerned licenses, permits, consents approvals whatsoever and the employees etc. to any person including Directors/ shareholders /Promoter and Promoter Group and their relatives for a consideration as determined by the Registered Valuer or such higher value, to be discharged in form of cash and/or kind, on such terms and conditions and with such modifications as the Board may deem fit and appropriate in the interest of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to undertake all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and

expedient in its absolute discretion, for the purpose of giving effect to this Resolution and to settle any question, difficulty or doubt that may arise in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company with power to delegate to any Officers of the Company, with authorities as required, affixing the Common Seal of the Company on agreements/ documents, arranging delivery and execution of contracts, deeds, agreements and instruments.

RESOLVED FURTHER THAT Director or Company Secretary of the Company be and is/are hereby severally authorized to take all necessary actions and correspondence with the Registrar of Companies, Stock Exchange(s), Bank etc., required to give effect to the above resolution."

9. **To Sale or Transfer the whole of Undertaking of Arihant Lifespace Infra Developers Limited (Material Subsidiary / wholly owned Subsidiary) as specified under sub- clause (A) of sub-section (1) of Section 180 of the Companies Act, 2013.**

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

"RESOLVED THAT pursuant to provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable SEBI Regulations as amended from time to time, any other law for the time being in force and subject to such other approvals as may be applicable and required under various statutes or regulations or any other law for the time being in force, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board") to sell, transfer and dispose of, as a going concern and on a slump sale basis, all businesses of the **Arihant Lifespace Infra Developers Limited,** a material subsidiary / wholly owned subsidiary of the Company having Registered Office situated at E/5, Ratlam Kothi, Indore, Madhya Pradesh – 452001, including all its assets (tangible and intangible) and liabilities including the concerned licenses, permits, consents approvals whatsoever and the employees etc. to any person including Directors/ shareholders / Promoter & Promoter Group and their relatives for a consideration as determined by the Registered Valuer or such higher value, to be discharged in form of cash and/or kind, on such terms and conditions and with such modifications as the Board may deem fit and appropriate in the interest of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to undertake all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, for the purpose of giving effect to this Resolution and to settle any question, difficulty or doubt that may arise in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company with power to delegate to any Officers of the Company, with authorities as required, affixing the Common Seal of the Company on agreements/ documents, arranging delivery and execution of contracts, deeds, agreements and instruments.

RESOLVED FURTHER THAT Director or Company Secretary of the Company be and is/are hereby severally authorized to take all necessary actions and correspondence with the Registrar of Companies, Stock Exchange(s), Bank etc., required to give effect to the above resolution."

10.To Sale or Transfer the whole of Undertaking of Arihant Institute of Financial Education Private Limited (Formerly Known as Arihant Investment Advisers Private Limited) wholly owned Subsidiary of the Company as specified under sub- clause (A) of sub-section (1) of Section 180 of the Companies Act, 2013.

"**RESOLVED THAT** pursuant to provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable SEBI Regulations as amended from time to time, any other law for the time being in force and subject to such other approvals as may be applicable and required under various statutes or regulations or any other law for the time being in force, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board") to sell, transfer and dispose of, as a going concern and on a slump sale basis, all businesses of the **Arihant Institute of Financial Education Private Limited (Formerly Known as Arihant Investment Advisers Private Limited)**, a wholly owned subsidiary of the Company having Registered Office situated at 1011, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Chakala, Andheri (E) Mumbai MH 400093, including all its assets (tangible and intangible) and liabilities including the concerned licenses, permits, consents approvals whatsoever and the employees etc. to any person including Directors/ shareholders /Promoter and Promoter Group and their relatives for a consideration as determined by the Registered Valuer or such higher value, to be discharged in form of cash and/or kind, on such terms and conditions and with such modifications as the Board may deem fit and appropriate in the interest of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to undertake all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, for the purpose of giving effect to this Resolution and to settle any question, difficulty or doubt that may arise in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or any one or more Directors of the Company with power to delegate to any Officers of the Company, with authorities as required, affixing the Common Seal of the Company on agreements/ documents, arranging delivery and execution of contracts, deeds, agreements and instruments.

RESOLVED FURTHER THAT Director or Company Secretary of the Company be and is/are hereby severally authorized to take all necessary actions and correspondence with the Registrar of Companies, Stock Exchange(s), Bank etc., required to give effect to the above resolution."

By the order of the Board of Directors

Mahesh Pancholi
(Company Secretary)
M. No. F7143

Place: Indore
Dated: 21/08/2021

NOTES :

A statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") in respect of the special business under Item No. 4 to Item No. 10 of the Notice is annexed hereto.

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular no 20/2020 dated May 5, 2020 read with circular no 14/2020 dated April 8, 2020 ,circular no 17/2020 dated April 13, 2020 and circular no 02/2021 dated 13th January, 2021 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC /OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through Video Conferencing (VC)/Other Audio Visual Means (OAVM).

2. The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by Companies and has issued a circular on April 21, 2011 stating that the service of document by a Company can be made through electronic mode. Electronic copy of the Annual Report for the FY 2020-21 is being sent to all the members whose email ID's are registered with the Company/Depository Participants Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company/Ankit Consultancy Pvt. Ltd., the Registrar and Share Transfer Agent in case the shares are held by them in physical form.

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Corporate Members whose Authorised Representatives are intending to attend the Meeting through VC/OAVM are requested to send to the Company on their email Id:- mahesh.pancholi@arihantcapital.com a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting and through Remote E-voting.

5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e voting system as well as venue voting on the date of the AGM will be provided by CDSL.

7. The Register of Members, Beneficial Owner and Share Transfer Books of the Company will remain closed from Sunday, September 19, 2021to Saturday, September 25, 2021 both days inclusive for the purpose of payment of dividend, if declared at the Annual General Meeting.

8. The dividend on Equity Shares, if declared at the AGM, will be payable on or after 5th October, 2021to those members whose names appear as Members in the Register of Members of the Company on Sunday, September 19, 2021 in respect of the shares held in electronic form, the dividend will be paid on the basis of Beneficial Ownership as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

9. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Annual Report 2020-21 will also be available on the Company's website www.arihantcapital.com websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and www.nseindia.com and on the website of CDSL (agency for providing the Remote e-Voting facility) https://www.evotingindia.com

10. Members who hold shares in dematerialized form are requested to quote Depository Account Number (Client ID No.) for recording of attendance at the meeting.

11. Members are requested to notify to the Company immediately, quoting Registered Folio No., change in their address, if any, with the pin code number.

12. Non-resident members are requested to immediately notify: - (i) change in their residential status on return to India for permanent settlement; and (ii) particulars of NRE account, if not furnished earlier.

13. Members who are holding shares in identical names in more than one folios, are requested to write to the Company/Ankit Consultancy Pvt. Ltd., the Registrar and Share Transfer Agent, to consolidate their holding in one folio.

14. Shareholders who are still holding physical share certificate are advised to dematerialize their shareholding to avail benefit of dematerialization.

15. Dividend for the financial year ended 31st March, 2014, which remains unclaimed or unpaid, will be due for transfer to the Investor Education and Protection Fund of the Central Government, pursuant to the provision of section 124 of the Companies Act, 2013. Members, who have not yet encashed their dividend warrants for the financial year ended 31st March, 2014 or any subsequent financial years are requested to lodge their claims with the Company/ Ankit Consultancy Pvt. Ltd., without delay. Members are advised that no claims shall lie against the said fund or against the Company for the amounts of dividend so transferred to the said fund.

16. Members desirous of obtaining any information concerning to the accounts and operations of the Company are requested to send their queries to the Company Secretary at least seven days before the date of the meeting so that the required information can be made available at the meeting.

17. Details required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting is annexed herewith to the Notice as Annexure-I. The Directors have furnished the requisite declarations for their appointment/re-appointment.

18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar and Share Transfer Agent.

19. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, and the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting of the Company.

20. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

21. Relevant documents referred to in the accompanying Notice and in the Explanatory Statement are open for inspection by the Members at the Company's Registered Office at 6, lad Colony, YN Road, Indore – 452001 (M.P.) on all working days (except Sundays and Public Holidays) between 11.00 a.m. to 1.00 p.m. up to the date of this Annual General Meeting ("AGM") and also at the AGM.

22. Voting through electronic means

    I. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the company is pleased to provide facility to members to exercise their right to vote at 29th Annual General Meeting (AGM) by electronic means /remote e voting and the business may be transacted through e-Voting Services provided by CDSL.

    II. The remote e-voting period commences on Wednesday, 22nd day of September, 2021 (9.00 A.M.) and ends on Friday, 24th day of September, 2021 (5.00 P.M). During this period shareholders of the Company, holding

shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Saturday, 18th day of September, 2021, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

III. Members holding shares in physical or in Demat form as on Saturday, 18th day of September, 2021 shall only be eligible for Remote e-voting.

IV. Members will be provided with the facility for voting through electronic voting system during the VC/OAVM proceedings at the AGM and Members participating at the AGM, who have not already casted their vote by remote e-Voting, will be eligible to exercise their right to vote at the end on discussion on the resolution on which voting is to be held, upon announcement by the Chairperson. Members who have cast their vote on resolution(s) by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution(s) again.

V. The remote e-Voting module on the day of the AGM shall be disabled by CDSL for voting after the conclusion of the Meeting.

VI. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

VII. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of notice through email and holding shares as of cut-off date i.e.- Saturday, 18th day of September, 2021 may obtain the login ID and password by sending a request. However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

VIII. The Board of Directors has appointed CS Virendra G Bhatt, Company Secretary in Whole Time Practice (ICSI Membership No. ACS 1157 CP No. 124) as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.

IX. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website at www.arihantcapital.com within two (2) working days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and NSE India Limited.

X. THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.
- Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
- In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

- Pursuant to aforesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID

   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	• Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	• Enter the Dividend Bank Details or Date of Birth (in .dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

(i) After entering these details appropriately, click on "SUBMIT" tab.

(ii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(iii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(iv) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(v) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(vi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(vii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(viii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(ix) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(x) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; mahesh.pancholi@arihantcapital.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

Instructions for members for attending the AGM through VC/OAVM are as under:

- The procedure for attending meeting & e voting on the day of the AGM is same as the instructions mentioned above for e-voting.
- The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

- Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at mahesh.pancholi@arihantcapital.com
- Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.
- Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
- If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013 ('THE ACT').

Item No. 4

Mr. Ashok Kumar Jain is one of the promoters and founder of the Company. He is eminent personality managing the whole company in best effective manner. Considering the overall performance and growth of the company under his dynamic leadership and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has approved the re-appointment of Mr. Ashok Kumar Jain as Managing Director of the Company for a further period of three years with effect from 1st August 2021, subject to the approval of the shareholders in a ensuing Annual General Meeting. The Nomination and Remuneration Committee of the Company has also approved the terms of appointment, including remuneration. The material terms and conditions of the agreement are as follows:

a) **Duties and Responsibility :** Subject to the superintendence, control and overall direction of the Board of Directors of the company, the Managing Director shall have the power of general conduct and management of the whole of business and affairs of the company except in the matter which may be specifically required to be done by the board either as per the provisions of the Companies Act, 2013 or by the articles of association of the company and the Managing Director shall also exercise and perform such powers and duties as the board of the directors of the company may from time to time determine and shall also do and perform all other acts and things which in the ordinary course of business he may be consider necessary or proper or in the interest of the company.

b) **Period of Agreement:** Three years from August 1, 2021 to July 31, 2024.

c) **Remuneration:** Rs. 5 Lacs per month.

Managerial Remuneration shall not include:

i. Contribution to Provident Fund/Superannuation or Annuity Fund

ii. Gratuity payable
iii. Leave encashment

d) **Commission:** He shall be paid commission 5% on the net profit (subject to a maximum of 5%) as may be determined by the Board or Committee thereof from time to time, subject to maximum remuneration permissible under Companies Act, 2013, or Schedule V thereto as may be applicable.

e) **Other terms and conditions,** including perquisites: As laid down in the agreement.

f) **Reimbursement:** The Managing Director shall be entitled to reimbursement of all actual expenses or charges including travel, entertainment or other out-of-pocket expenses incurred by him for and on behalf of the Company, in furtherance of its business and objects.

g) The terms and conditions of the said appointment may be altered, enhanced or varied from time to time by the Board as it may, in its discretion, deem fit.

h) **Termination:** The aforesaid appointments are subject to termination with 3 months notice from either side.

i) For the purposes of calculating the value of perquisites, the same shall be evaluated as per Income Tax Rules, 1962, wherever applicable or at actual cost.

j) The Managing Director shall not be entitled to receive any fees for attending meetings of the Board/Committee.

The Managing Director shall, subject to the supervision and control of the Board of Directors; carry out such duties as may be entrusted to him by the Directors and shall exercise such powers as are delegated to him by the Board of Directors.

Except Mr. Ashok Kumar Jain, Mr. Sunil Kumar Jain and Mr. Arpit Jain, none of the other Directors is interested in this resolution. A brief profile of Mr. Ashok Kumar Jain is enclosed at the end of this notice.

Item No. 5

Mr. Arpit Jain is one of the youngest leader of the Company. Considering the overall performance and growth of the company under his valuable guidance and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has approved the appointment of Mr. Arpit Jain as Joint Managing Director of the Company for a period of five years with effect from 25th January 2021, subject to the approval of the shareholders in a ensuing Annual General Meeting. The Nomination and Remuneration Committee of the Company has also approved the terms of appointment, including remuneration. The material terms and conditions of the agreement are as follows:

a) **Duties and Responsibility :** Subject to the superintendence, control and overall direction of the Board of directors of the company, the Joint Managing Director shall have the power of general conduct and management of the whole of business and affairs of the company except in the matter which may be specifically required to be done by the board either as per the provisions of the Companies Act, 2013 or by the Articles of Association of the Company and Joint Managing Director shall also exercise and perform such powers and duties as the board of the directors of the company may from time to time determine and shall also do and perform all other acts and things which in the ordinary course of business he may be consider necessary or proper or in the interest of the company.

b) **Period of Agreement:** Five years from 25th January, 2021 to 24th January, 2026.

c) **Remuneration:** Rs. 3 Lacs per month.

Managerial Remuneration shall not include:
i. Contribution to Provident Fund/Superannuation or Annuity Fund
ii. Gratuity payable
iii. Leave encashment

d) **Commission:** He shall be paid commission @ 3% on the net profit (subject to a maximum of 5%) as may be determined by the Board or Committee thereof from time to time, subject to maximum remuneration permissible under Companies Act, 2013, or Schedule V thereto as may be applicable.

e) **Other terms and conditions,** including perquisites: As laid down in the agreement.

f) **Reimbursement:** The Joint Managing Director shall be entitled to reimbursement of all actual expenses or charges including travel, entertainment or other out-of-pocket expenses incurred by him for and on behalf of the Company, in furtherance of its business and objects.

g) The terms and conditions of the said appointment may be altered, enhanced or varied from time to time by the Board as it may, in its discretion, deem fit.

h) **Termination:** The aforesaid appointments are subject to termination with 3 months notice from either side.

i) For the purposes of calculating the value of perquisites, the same shall be evaluated as per Income Tax Rules, 1962, wherever applicable or at actual cost.

j) The Joint Managing Director shall not be entitled to receive any fees for attending meetings of the Board/Committee.

The Joint Managing Director shall, subject to the supervision and control of the Board of Directors carry out such duties as may be entrusted to him by the Directors and shall exercise such powers as are delegated to him by the Board of Directors.

Except Mr. Ashok Kumar Jain, Mr. Sunil Kumar Jain and Mr. Arpit Jain none of the other Directors is interested in this resolution. A brief profile of Mr. Arpit Jain is enclosed at the end of this notice.

Item No. 6

Mrs. Anita Surendra Gandhi has a wide experience in the field of finance including corporate finance, primary market and secondary market research. She was actively involved in the financial affairs of the company including working capital arrangements, term loan syndication, commercial paper placements, credit rating of the company and public issue of the Company. She is a member of The Institute of Chartered Accountants of India and a member of The Institute of Cost and Works Accountants of India. The Board, subject to requisite approvals and in accordance with the recommendations of Nomination and Remuneration Committee, approved the re-appointment and remuneration payable to Mrs. Gandhi for a period of twenty six months i.e. 01.02.2021 till 31.03.2023. The material terms and conditions of the agreement are as follows:

1. Basic Salary Rs 2,09,000 per month.
2. Housing: Furnished/Unfurnished accommodation or House Rent Allowance in lieu thereof not exceeding 40% of the Basic salary.
3. Conveyance: Company will reimburse actual conveyance and traveling expenses incurred.
4. Performance Pay: Such amount as may be determined by the Nomination and Remuneration Committee, not exceeding 2 times of the basic salary.
5. Mrs. Gandhi prior to her appointment as Whole Time Director in the Company, in her capacity as an employee of the Company. She shall be eligible for Stock Options, as and when the event happens.
   Provided that the remuneration payable by way of salary, perquisites, performance pay, other allowances and benefits does not exceed the limits laid down in Section 197 of the Companies Act, 2013, including any statutory modifications or re-enactment thereof.

The Board is of the view that the knowledge and experience of Mrs. Gandhi will be beneficial and valuable to the Company, and therefore, recommends her re-appointment as Whole-Time Director of the Company.

Your Directors recommend this resolution as a Special resolution for approval of the members.

A brief profile of Mrs. Anita S. Gandhi is enclosed at the end of this notice.

Apart from Mrs. Anita Surendra Gandhi, no other Directors is deemed to be concerned or interested in this item of business.

Item No. 7

Mr. Jitendra Jain is a senior finance professional with more than 26 years of strong background in financial sector in areas such as Corporate Finance, Fund raising, Equity / Debt Capital Markets, Structured Finance, Treasury and Forex Management,

Investor Relations, M & A, Asset Liability & Enterprises Risk Management and Corporate Strategy. In the Opinion of the Board Mr. Jitendra Jain the independent director proposed to provide appointed, fulfils the conditions specified in the Act and rules made thereunder. The Board considers that his association would be immense benefit to the Company and it is desirable to continue to avail the services of Mr. Jitendra Jain as an Independent Director. Accordingly, the Board recommends the resolution to appoint Mr. Jitendra Jain as an Independent Director for the approval of members. Except Mr. Jitendra Jain, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.7.

Item no. 8

1. In line with the strategic directions outlined by the Board of Directors (the "Board") of Arihant Capital Markets Limited (the "Company"), the Board at its Meeting held on 21st August, 2021 approved the sale or transfer the whole of Undertaking of Arihant Futures and Commodities Limited (Material Subsidiary / Wholly Owned Subsidiary) as specified under sub-clause (A) of sub-section (1) of Section 180 of the Companies Act, 2013, on a going concern, by way of a slump sale to any person including Directors/ shareholders and their relatives ("Transferee") and the same has been approved by the Board of Directors of Arihant Futures and Commodities Limited at the Meeting held on 26th day of July, 2021. The Company, the Transferee and the Material Subsidiary / Wholly Owned Subsidiary are collectively referred to as the "Parties".

2. The total income of the Business of the Material Subsidiary / Wholly Owned Subsidiary for the year ended 31st March, 2021 was Rs. 42,55,362 and formed 0.37% of the total income on consolidated basis. The profit / loss before tax of the Business of the Material Subsidiary / Wholly Owned Subsidiary for the year ended 31st March, 2021 was Rs. (2,95,43,378). The total income of the Business of the Material Subsidiary / Wholly Owned Subsidiary for the quarter ended 30th June, 2021 was Rs. 8,24,470 and formed 2.17% of the total income on consolidated basis. The profit / loss before tax after exceptional item of the for the quarter ended 30th June, 2021 was Rs. (26,11,032).

3. In terms of Section 180(1)(a) of the Act, shareholders' approval is required by a Company to sell or otherwise dispose-off the whole or substantially the whole of the undertaking of the Material Subsidiary / Wholly Owned Subsidiary. An undertaking is defined to mean an undertaking in which the investment of a Company exceeds 20.00% of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates 20% of the total income of a Company during the previous financial year. Given that the undertaking being transferred generated more than 20% of the total income during the previous financial year ended 31st March, 2021, the sale / transfer of the Material Subsidiary / Wholly Owned Subsidiary requires approval of the members by a special resolution under Section 180(1)(a) of the Act. The approval of the members of the Company is accordingly being sought for the proposed transaction under the provisions of the Companies Act, 2013 read with applicable Rules at the Annual General Meeting as set out in the accompanying Notice of the Annual General Meeting.

4. The Board of Directors of the Company and Board of Directors of the Material Subsidiary / Wholly Owned Subsidiary are of the opinion that the aforesaid proposal is in the best interest of the Company and hence, the Board recommends passing of the Special Resolution for approval of the members.

5. None of the directors or any key managerial personnel or any relative of any of the other directors/key managerial personnel of the Company are, in any way concerned or interested, financially or otherwise, in the above referred resolutions.

6. The Board recommends the resolution set out at Item No.: 08 as a Special Resolution to the members for their approval.

Item no. 9

1. In line with the strategic directions outlined by the Board of Directors (the "Board") of Arihant Capital Markets Limited (the "Company"), the Board at its Meeting held on 21st August, 2021 approved the sale or transfer the whole of Undertaking of Arihant Lifespace Infra Developers Limited (Material Subsidiary / Wholly Owned Subsidiary) as specified under sub-clause (A) of sub-section (1) of Section 180 of the Companies Act, 2013, on a going concern, by way of a slump sale to any person including Directors/ shareholders and their relatives ("Transferee") and the same has been approved by the Board of Directors of Arihant Lifespace Infra Developers Limited at the Meeting held on 26th day of July, 2021. The Company, the Transferee and the Material Subsidiary / Wholly Owned Subsidiary are collectively referred to as the "Parties".

2. The total income of the Business of the Material Subsidiary / Wholly Owned Subsidiary for the year ended 31st March, 2021 was Rs. 5,07,41,971 and formed 4.23% of the total income on consolidated basis. The profit / loss before tax of the Business of the Material Subsidiary / Wholly Owned Subsidiary for the year ended 31st March, 2021 was Rs. 50,48,659. The total income of the Business of the Material Subsidiary / Wholly Owned Subsidiary for the quarter ended 30th June, 2021 was Rs. 38,07,550 and formed 1.00% of the total income on consolidated basis. The profit / loss before tax after exceptional item of the for the quarter ended 30th June, 2021 was Rs. (29,92,325.80).

3. In terms of Section 180(1)(a) of the Act, shareholder's approval is required by a Company to sell or otherwise dispose-off the whole or substantially the whole of the undertaking of the Material Subsidiary / Wholly Owned Subsidiary. An undertaking is defined to mean an undertaking in which the investment of a Company exceeds 20.00% of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates 20% of the total income of a Company during the previous financial year. Given that the undertaking being transferred generated more than 20% of the total income during the previous financial year ended 31st March, 2021, the sale / transfer of the Material Subsidiary / Wholly Owned Subsidiary requires approval of the members by a special resolution under Section 180(1)(a) of the Act. The approval of the members of the Company is accordingly being sought for the proposed transaction under the provisions of the Companies Act, 2013 read with applicable Rules at the Annual General Meeting as set out in the accompanying Notice of the Annual General Meeting.

4. The Board of Directors of the Company and Board of Directors of the Material Subsidiary / Wholly Owned Subsidiary are of the opinion that the aforesaid proposal is in the best interest of the Company and hence, the Board recommends passing of the Special Resolution for approval of the members.

5. None of the directors or any key managerial personnel or any relative of any of the other directors/key managerial personnel of the Company are, in any way concerned or interested, financially or otherwise, in the above referred resolutions.

6. The Board recommends the resolution set out at Item No.: 9 as a Special Resolution to the members for their approval.

Item no. 10

1. In line with the strategic directions outlined by the Board of Directors (the "Board") of Arihant Capital Markets Limited (the "Company"), the Board at its Meeting held on 21st August, 2021 approved the sale or transfer the whole of Undertaking of Arihant Institute of Financial Education Private Limited (Formerly Known as Arihant Investment Advisers Private Limited) wholly owned Subsidiary of the Company as specified under sub- clause (A) of sub-section (1) of Section 180 of the Companies Act, 2013, on a going concern, by way of a slump sale to any person including Directors/ shareholders

and their relatives ("Transferee") and the same has been approved by the Board of Directors of Arihant Institute of Financial Education Private Limited (Formerly known as Arihant Investment Advisers Private Limited) at the Meeting held on 26th day of July, 2021. The Company, the Transferee and the Wholly Owned Subsidiary are collectively referred to as the "Parties".

2. The total income of the Business of the Wholly Owned Subsidiary for the year ended 31st March, 2021 was Rs. 11,85,581 and formed 0.10% of the total income on consolidated basis. The profit / loss before tax of the Business of the Wholly Owned Subsidiary for the year ended 31st March, 2021 was Rs. 8,93,655. The total income of the Business of the Wholly Owned Subsidiary for the quarter ended 30th June, 2021 was Rs. 1,88,459 and formed 0.05% of the total income on consolidated basis. The profit / loss before tax after exceptional item of the for the quarter ended 30th June, 2021 was Rs. 72,874.

3. In terms of Section 180(1)(a) of the Act, shareholders' approval is required by a Company to sell or otherwise dispose-off the whole or substantially the whole of the undertaking of the Wholly Owned Subsidiary. The approval of the members of the Company is accordingly being sought for the proposed transaction under the provisions of the Companies Act, 2013 read with applicable Rules at the Annual General Meeting as set out in the accompanying Notice of the Annual General Meeting.

4. The Board of Directors of the Company and Board of Directors of the Wholly Owned Subsidiary are of the opinion that the aforesaid proposal is in the best interest of the Company and hence, the Board recommends passing of the Special Resolution for approval of the members.

5. None of the directors or any key managerial personnel or any relative of any of the other directors/key managerial personnel of the Company are, in any way concerned or interested, financially or otherwise, in the above referred resolutions.

6. The Board recommends the resolution set out at Item No.: 10 as a Special Resolution to the members for their approval.

Annexure - I

Details of Directors seeking appointment /re-appointment at the AGM

Particulars	Mr. Ashok Kumar Jain	Mrs. Anita S. Gandhi	Mr. Arpit Jain	Mr. Jitendra Jain
DIN No.	00184729	02864338	06544441	08377285
Date of Birth	01/03/1954	11/12/1963	09/01/1991	25/04/1971
Date of Appointment	25/06/1992	30/01/2010	25/01/2021	14/06/2021
Qualifications	CA	CA,CMA	CA	BE (Production Eng.), CFA
Expertise in Specific functional Area	Mr. Ashok Kumar Jain is a Chartered Accountant by profession and holds vast experience in stock market, primary and secondary market research.	Mrs. Anita Gandhi holds wide experience in primary and secondary market research, institutional broking.	Mr. Arpit Jain holds vast experience in institutional broking, investment banking, wealth management and research.	Mr. Jitendra Jain holds vast experience in corporate finance, M&A , treasury & forex management enterprise risk management
Directorship held in other public companies/ deemed public companies (excluding private companies, foreign companies and section 8 companies	• Arihant Futures and Commodities Limited • Arihant Capital (IFSC) Limited • Savitt Universal Limted • Arihant Lifespace Infra Developers Limited • Electrum Portfolio Managers Limited • Arihant Investment Advisers Private Limited	Nil	Nil	Nil
Memberships/ Chairmanship of Committees of other public companies (includes Audit Committee and Stakeholders Relationship Committee	Nil	Nil	Nil	Nil
No. of shares held in the company	61,70,336	Nil	11,47,840	Nil

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the **Twenty Ninth Annual Report** of the business and operations of your Company and the Financial Statements for the year ended 31st March 2021.

Financial Highlights

The Board's Report is prepared based on the Standalone and Consolidated financial statements of the Company The Company's financial performance for the year under review along with previous year's figures are given hereunder:

(Amount in ₹)

Particulars	Standalone		Consolidated	
	2020-2021	2019-2020	2020-2021	2019-2020
Total Income	**109,83,88,206**	**79,25,89,922**	**116,16,23,207**	**90,87,63,915**
Profit Before Depreciation	**45,31,72,654**	**24,44,14,665**	**44,55,38,334**	**24,20,31,969**
Depreciation	**1,16,89,638**	**1,15,34,422**	**1,26,55,721**	**1,28,06,883**
Profit Before Tax	**44,14,83,016**	**23,28,80,243**	**43,74,61,208**	**22,92,25,086**
Provision for Taxation	**9,39,41,688**	**5,52,74,392**	**9,07,14,390**	**5,43,47,303**
Net Profit After Taxation	**34,75,41,328**	**17,76,05,850**	**34,67,46,818**	**17,48,77,783**
Total Comprehensive Income	**34,69,93,941**	**17,75,95,891**	**34,58,57,841**	**17,64,08,758**
Appropriations:				
Transfer to General Reserve	**20,00,00,000**	**15,00,00,000**	**20,25,00,000**	**15,00,00,000**
Dividend (inclusive of dividend tax)	**2,08,22,560**	**-1,73,85,093**	**-2,08,22,560**	**-2,59,44,520**
Balance Carried to Balance Sheet	**25,70,84,565**	**13,09,13,184**	**26,57,33,041**	**14,29,72,169**

Review of Operations

During the year under review, the company has posted total income of ₹109,83,88,206 (previous year ₹79,25,89,922) on a Standalone basis and a net profit after tax, for the year 2020-21, of ₹34,75,41,328 compared to ₹17,76,05,850 in the previous year. On a consolidated basis during the year under review, the company has posted total income of ₹116,16,23,207 (previous year ₹90,87,63,915). The consolidated net profit during the same period stands at ₹34,67,46,818 as compared to ₹17,48,77,783 in the previous year.

A Brief note on the Company's operational and financial performance is given in Management Discussion and Analysis (MDA) Report which is annexed to the Director's Report. The MDA report has been prepared in compliance with the terms of Regulation 34(2) (e) of SEBI (LODR) 2015 with the BSE Ltd.

Change in the Nature of Business:

There was no change in the nature of the business of your Company during the financial year.

Transfer to General Reserves

The Company proposes to transfer ₹ 20 Crore to the general reserves out of the amount available for appropriations.

Share Capital

The paid up Equity Share Capital as on March 31, 2021 stood at ₹10,41,12,800. There has been no change in the capital structure of company during the year under review.

Dividend

Your Directors are pleased to recommend the dividend ₹1.00 (20 % per share) on the Equity Shares of the Company for the financial year 2020-21.The dividend payout is subject to approval of member at the 29th Annual General Meeting.

Public Deposits

During the Financial Year 2020-21 under review the Company has neither invited nor accepted any public deposits within the meaning of section 73 & 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules 2014.

Subsidiaries

As on 31st March, 2021 Your Company have eight wholly owned subsidiaries. During the year, the Board of Directors reviewed the business operations and financial performance of the said Companies.

1. Arihant Futures and Commodities Limited
2. Arihant Financial Services Limited
3. Arihant Lifespace Infra Developers Limited
4. Arihant Insurance Broking Services Limited
5. Arihant Investment Advisers Pvt. Ltd (Formerly Known as- Arihant Financial Planners and Advisors Pvt. Ltd.)
6. Ahinsa Lifespace Infraheight Limited.
7. Electrum Portfolio Managers Limited (Formerly Known as - Arihant Asset Management Limited)*
8. Arihant Capital (IFSC) Limited.

* Shareholders Resolution for sale of investment has been passed but no transfer of shares has been made during the current financial year

During the year company has invested more than 27% stake in Electrum Capital Private Limited

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, your Company has prepared Consolidated Financial Statements of Company which is forming part of this Annual Report. Further, a Statement containing salient features of financial information of the Subsidiary Companies is disclosed in the prescribed format AOC-1, pursuant to Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is annexed to this Report **"Annexure-E "**. The Statement also provides details of performance and financial position of each of the Companies. The Company will provide a copy of separate Annual Accounts in respect of each of its subsidiary to any shareholder of the Company who asks for it.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the Audited Financial Statements, the Consolidated Financial Statements and the related information of the Company and the Audited Accounts of the Subsidiaries Companies, are available on our website i.e. **www.arihantcapital.com.** These documents shall also be available for inspection during the business hours, i.e. between 10.00 A.M. to 6.00 P.M. on all working days (except Saturday and Sunday) at the Registered Office of the Company. In accordance with the Accounting Standard AS-21, the consolidated financial statements are furnished herewith and form part of this Annual Report.

Directors and KMP

In accordance with the provisions of Section 152 (6)(C) of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sunil Kumar Jain (DIN:00184860), Director of the Company is due to retire by rotation at forthcoming Annual General Meeting, and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment for the consideration of the members of the company at the ensuing Annual General Meeting.

In accordance with the provisions of Sections 196, 197, 203 and all other applicable provisions of the Companies Act, 2013 and the Articles of Association of the Company, re-appointment of Mrs. Anita Surendra Gandhi (DIN: 02864338), as Whole Time Director of the Company for a period of Twenty Six months with effect from 1st February, 2021 till 31st March, 2023 subject to the approval of the members in ensuing General Meeting. The Board recommends her re-appointment for the consideration of the members of the company at the ensuing Annual General Meeting.

In accordance with the provisions of Sections 196, 197, 203 and all other applicable provisions of the Companies Act, 2013 and

the Articles of Association of the Company, Mr. Arpit Jain (DIN : 06544441) appointed as a Joint Managing Director of the Company for a period of five years with effect from 25th January, 2021 to 24th January, 2026 subject to the approval of the members in ensuing General Meeting. The Board recommends his appointment for the consideration of the members of the company at the ensuing Annual General Meeting.

In accordance with the provisions of Sections 196, 197, 203 and all other applicable provisions of the Companies Act, 2013 and the Articles of Association of the Company, re-appointment of Mr. Ashok Kumar Jain (DIN: 00184729), as Managing Director of the Company for a period of Three years with effect from 1st August, 2021 till 31st July, 2024 subject to the approval of the members in ensuing General Meeting. The Board recommends his re-appointment for the consideration of the members of the company at the ensuing Annual General Meeting.

Particulars of the directors seeking appointment/re-appointment are provided in the notes forming part of the notice for the ensuing Annual General Meeting, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has received disclosures from all the directors and none of the directors has been disqualified as stipulated under Section 164 of the Companies Act, 2013 and rules made thereunder.

During the year, the Board of Directors met 5 (Five) times. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report.

The following employees were designated as whole-time key managerial personnel as required under section 203 of the Companies Act, 2013 by the Board of Directors during the year under review:

a. Mr. Ashok Kumar Jain, Managing Director;
b. Mr. Arpit Jain , Joint Managing Director;
c. Mrs. Anita Surendra Gandhi, Whole Time Director;
d. Mr. Tarun Goyal , Chief Financial Officer and
e. Mr. Mahesh Pancholi, Company Secretary

Independent Directors

All Independent Directors have given declarations that they meet criteria of independence as laid down under Section 149 of the Companies Act, 2013 and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

As per requirement of Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 separate meeting of the independent directors ("Annual Independent Directors Meeting") was convened, which reviewed the performance of the Board (as a whole).

During the year, Mr. Ashish Maheshwari, Independent Director becomes the new chairman of the company with effect from 25/01/2021 in place of Mr. Ashok Kumar Jain.

Familiarization program for independent directors

All independent directors inducted into the Board attend an orientation program. The details of the training and familiarization program are provided in the corporate governance report. Further, at the time of the appointment of an independent director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities.

Remuneration and Nomination Policy

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board members. The details of this policy are explained in the Corporate Governance Report. There has been no change in the policy during the year.

Board and Committee Meetings

The details of the composition of the Board and its Committees and the number of meetings held and attendance of Directors at such meetings are provided in the Corporate Governance Report, which forms part of the Annual Report.

Particulars of Loans, Guarantees or Investments by Company

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

Whistle Blower Policy/ Vigil Mechanism

Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (LODR) Regulations, 2015, the Company has in place a Whistle Blower Policy, which provides for a vigil mechanism that encourages and supports its Directors and employees to report instances of illegal activities, unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. It also provides for adequate safeguards against victimization of persons who use this mechanism and direct access to the Chairman of the Audit Committee in exceptional cases.

During the year under review, no protected disclosure concerning any reportable matter in accordance with the Vigil mechanism and Whistle Blower policy of the Company was received by the Company.

The Whistle Blower Policy has been posted on the website of the company www.arihantcapital.com.

Transfer of Amounts to Investor Education and Protection Fund

Pursuant to the Section 123 & 125 of the Companies Act, 2013, the relevant amounts which remained unpaid or unclaimed for a period of seven years from the date they become due for payment have been transferred by the Company to the Investor Education and Protection Fund.

Transfer of Shares Pertaining To Unclaimed / Unpaid Dividend to Investor Education And Protection Fund

Pursuant to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares of the shareholders in respect of whom the dividend is unpaid/unclaimed for seven consecutive years are required to be transferred to Investor Education and Protection Fund ("IEPF") after giving an opportunity to shareholders to claim the said unpaid/unclaimed dividend.

Accordingly, the Company issued the reminder letters to such shareholders to claim the dividend accordingly informed them that in the event of failure to claim said divided, the unpaid/unclaimed dividend along with shares pertaining to unpaid/unclaimed dividend would be transferred to IEPF. The concerned shareholders are requested to claim the said shares by directly approaching to IEPF Authority

Conservation Of Energy, Technology Absorption and Foreign Exchange Earnings/ Outgo

In view of the nature of activities which are being carried on by the Company, Rules 8(3) (A) and (B) of the Companies (Accounts) Rules, 2014 concerning conservation of energy and technology absorption respectively are not applicable to the Company. The company has been continuously using technology in its operations; however efforts are made to further reduce energy consumption.

A. Conservation of Energy

The steps taken or impact on conservation of energy:

I. The operations of your Company are not energy intensive. However, adequate measures have been initiated to reduce energy consumption.

II. The capital investment on energy conservation equipments : NIL

B. Technology Absorption:

I. The efforts made towards technology absorption: Not Applicable.

II. The benefits derived like product Improvement, cost reduction, product development or import substitution : Not Applicable

III. In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year) : Not Applicable

IV. Company has not incurred any expenditure on Research and Development during the year under review.

C. Foreign Exchange earning & outgo : Foreign exchange earned in terms of actual inflow ₹ Nil (previous Year ₹Nil)

Information as Per Rule 5(2) Of the Chapter XIII of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Details Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board Report and are Annexed herewith as **"Annexure-D"**

Risk Management & Internal Financial Control and Its Adequacy

The Company has an Internal risk management policy providing effective risk management framework for identifying, prioritizing and mitigating risks, which may impact attainment of short and long term business goals of our company. The main objective of the policy is to assess & evaluate significant risk exposures & assess management's actions to mitigate the exposures in a timely manner. The process aims to analyze internal and external environment and manage economic, financial, market, operational, compliance and sustainability risks and capitalizes opportunities of business success. The risk management framework, which is based on our holding Company's risk management process, is aligned with strategic planning, deployment and capital project evaluation process of the Company.

The Internal Financial control framework has been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets from unauthorized use, executing transaction with proper authorization and ensuring compliances with corporate policies.

COVID-19 Impact

In the year 2020-21 due to Country wide lockdown following the pandemic breakout which is still continuing with limited parameters. The Company's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance performance of their business. Accordingly, your Company continued its operations through minimal staff working at office premises and rest all working from home.

Your Directors have been periodically reviewing with the Management, the impact of COVID-19 on the Company. However despite all these factors your Company saw an improved performance in 2020-21

As per the current reports the Second wave of COVID-19 pandemic has peaked in most states in India. The Company is closely monitoring the impact due to COVID-19 on various aspects of its business including its customers / vendors / employees and other business partners. The Company will continue to monitor for any material changes to future economic conditions and as of March 31, 2021 based on the facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern. In management view, the Company's capital and liquidity position stands strong as on reporting date.

Some of the measures taken by the Company are as follows:

- Contribution of ₹ 11 Lacs to PM Cares Fund
- No entry in Offices/Branches for external visitors
- Supply of sanitizers, face masks, face shield masks, gloves to all employees.
- Work from Home facility for employees was provided in advance before announcement of lockdown without compromising any commitments.
- Medical assistance for the COVID positive cases and support to the family members of employees by providing essential needs.
- The Company has taken variety of safety steps, such as maintenance of social distancing, sanitizing the office space on regular basis, enforcing regular cleaning of hands and wearing of masks
- Conducting Virtual Meetings
- We have access to all information through our network connected with servers and there has been no hampering in accessing the database.
- The Company has complied with all the applicable legal requirements, wherever possible, during the lockdown period.

Performance Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant the provision of the act and the corporate governance requirement as prescribed by the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement Regulation, 2015.

The performance of the board was evaluated by the board after seeking inputs from all the Directors on the basis of criteria such as board composition and structure, effectiveness of board processes, information and functioning, etc. as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India.

The performance of the committee was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of the committee, effectiveness of committee meetings, etc.

The Board and the Nomination and remuneration Committee reviewed the performance of individual director on the basis of criteria such as the contribution of the individual directors to the board and committee meeting like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meeting, etc.

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

Director's Responsibility Statement

In pursuance of Section 134(3) (c) read with section 134(5) of the Companies Act, 2013, the Director's statement, as an averment of their responsibility, is as under:

(i) The Company has, in the preparation of the annual accounts for the year ended March 31, 2021, followed the applicable accounting standards along with proper explanations relating to material departures, if any.
(ii) They had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs as at 31st March 2021 and of the profit or loss of the Company for the year ended.
(iii) They have taken proper and sufficient care to the best of their knowledge for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
(iv) They have prepared the annual accounts for the financial year ended 31st March 2021 on a going concern basis.
(v) They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
(vi) They had devised proper systems to ensure compliance with the provisions of all applicable laws and those systems are adequate and operating effectively.

Auditors and Auditors Report

Statutory Auditors

The Members at the 25thAnnual General Meeting of the Company held on 09th September, 2017, had appointed M/s Dinesh Ajmera & Associates, Chartered Accountants (Firm Registration no. 011970C) as the Statutory Auditor of the Company to hold office for a term of five years i.e., from the conclusion of the said Annual General Meeting until the conclusion of 30th Annual General Meeting, subject to ratification of their appointment by the shareholders, every year. The Ministry of Corporate Affairs vide its Notification dated 7th May 2018, has dispensed with the requirement of ratification of Auditor's appointment by the shareholders, every year. Hence, the resolution relating to ratification of Auditor's appointment is not included in the Notice of the ensuing Annual General Meeting.

In terms of provisions of Section 139 of the Companies Act, 2013, M/s Dinesh Ajmera & Associates have furnished a certificate that their appointment is within the limits prescribed.

There are no qualifications, reservations or adverse remarks made by Statutory Auditors in their Report.

Internal Auditor

M/s Agrawal & Singhal, Practicing Chartered Accountant, is appointed as Internal Auditor of the Company to conduct the internal audit of the Company for the Financial Year 2020-2021, as required under Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014.

To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board. Based on the report of internal audit function, Company undertakes corrective action in their respective areas and thereby strengthens the controls. Recommendations along with corrective actions thereon are presented to the Audit Committee of the Board and accordingly implementation has been carried out by the Company.

There are no qualifications, reservations or adverse remarks made by Internal Auditors in their Report during the Financial Year 2020-2021

Management Discussion and Analysis Report

In terms of the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's discussion and analysis is set out in this Annual Report.

Corporate Governance

Your Company corporate governance practices are a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Your Company is committed towards maintaining high standards of Governance. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times. Corporate governance is about maximizing shareholder value legally, ethically and sustainably.

The Report on Corporate Governance as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A Certificate from Practicing Company Secretary confirming compliance to the corporate governance requirements by the Company is attached to this report.

Corporate Social Responsibility

Your Company is committed to improve the quality of life of the communities in its focus areas through long term value creation for all its Stakeholders through its various Corporate Social Responsibility (CSR) initiatives.

Brief details on various focus areas of interventions are part of the Annual Report on CSR activities annexed to this report as **"Annexure-C"** in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy adopted by the Company can be viewed at website of the Company *www.arihantcapital.com.*

Extract of Annual Return

As provide under Section 92(3) of the act and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the extract of the Annual return is given in "Annexure A" in the prescribed Form MGT-9, which is a part of this report and also available on the Company's website at www.arihantcapital.com.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act 2013, and the rules made there under, the Company had appointed M/s Ajit Jain & Co., Practicing Company Secretary, to undertake the Secretarial Audit of the Company for the year ended 31st March 2021.

The Auditor's Report and the Secretarial Audit Report for the Financial Year ended March 31, 2021, do not contain any qualification or reservation or adverse or disclaimer remarks.

The Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)

The Secretarial Audit Report issued in this regard is annexed as **"Annexure –B ".**

Cost Auditor

The provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 are not applicable to the Company. Hence, the maintenance of the cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 is not required and accordingly, such accounts and records are not made and maintained.

Related Party Transactions

All related party transactions that were entered into during the financial year under review were on arm's length basis and in the ordinary course of the business and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made there under are not attracted. Thus, disclosures in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. There were no materially significant Related Party Transactions made by the Company during the year that required shareholder's approval under Regulation 23 of the Listing Regulations.

All Related Party Transactions are placed before the Audit Committee for prior approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature or when the need for them cannot be foreseen in advance.

The Company has also formed Related Party Transactions Policy and has been uploaded on Company's Website at *www.arihantcapital.com.*

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Neither the Managing Director nor Whole Time Director of the company received any remuneration or commission from any of its subsidiaries.
- No significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status of company's operation in future.
- Material changes and/ or commitments that could affect the Company's financial position, which have occurred between the end of the financial year of the Company and the date of this Report.
- There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013 either to the Audit Committee, the Board of Directors or to the Central Government

Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has zero tolerance towards sexual harassment at workplace. It has a well- defined policy in compliance with the requirements of the Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under. An Internal Committee is in place to redress complaints received regarding sexual harassment. The Company has not received any complaint of sexual harassment during financial year 2020-2021.

Acknowledgement

Your directors take this opportunity to thank the customers, shareholders, financial institutions, stock exchanges, SEBI, Reserve Bank of India, National Securities Depository Limited, Central Depository Services (India) Limited and other government and regulatory agencies for their consistent support and encouragement to the Company.

We also place on record our sincere appreciation to all the members of Arihant family including our employees and authorized persons for their hard work, support and commitment. Their dedication and competence has made these results achievable.

Your Board recognizes and appreciates the contributions made by all employees at all level that ensure sustained performance in a challenging environment.

Place: Indore
Dated: 27/07/2021

For and on behalf of the Board of Directors

Ashok Kumar Jain
MD

Arpit Jain
JMD

Annexure A

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31/03/2021

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i	CIN	L67120MP1992PLC007182
ii	Registration Date	25/06/1992
iii	Name of the Company	Arihant Capital Markets Ltd.
iv	Category/Sub-Category of the Company	Company limited by shares/ Indian non Govt. company
v	Address of the Registered office and contact details	6, lad Colony, Y.N. road Indore MP- 452001 T. +91-731-2519610 F. +91-731-3048915
vi	Whether listed company	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Ankit Consultancy Private Limited Plot No. 60, Electronic Complex Pardeshipura, Indore – 452 010 (M.P.) T. +91-731-2551745 F. +91-731-4065798

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:-

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Securities brokerage services	99715210	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	ARIHANT FUTURES AND COMMODITIES LTD. Add: E/5, Ratlam Kothi Area, Indore-452001 (M.P.)	U51225MP2002PLC015401	Subsidiary Company	100%	Section 2(87)
2	ARIHANT FINANCIAL SERVICES LTD. Add: E/5, Ratlam Kothi Area, Indore-452001 (M.P.)	U67120MP2006PLC019160	Subsidiary Company	100%	Section 2(87)
3	ARIHANT LIFESPACE INFRA DEVELOPERS LIMITED Add: E/5, Ratlam Kothi Area, Indore-452001 (M.P.)	U70100MP2008PLC020730	Subsidiary Company	100%	Section 2(87)
4	ARIHANT INSURANCE BROKING SERVICES LTD. Add: E/5, Ratlam Kothi Area, Indore-452001 (M.P.)	U66000MP2009PLC021788	Subsidiary Company	100%	Section 2(87)
5	ARIHANT INVESTMENT ADVISERS PRIVATE LIMITED (Formerly known as -ARIHANT FINANCIAL PLANNERS AND ADVISORS PVT. LTD.) Add: 1011, Solitaire Corporate Park, building No. 10, 1st Floor, Chakala, Andheri (E), Mumbai-400 093	U74140MH2011PTC314121	Subsidiary Company	100%	Section 2(87)
6	AHINSA LIFESPACE INFRAHEIGHT LIMITED Add: E/5, Ratlam Kothi Area, Indore-452001 M.P.)	U70102MP2014PLC032196	Subsidiary Company	100%	Section 2(87)
7	ELECTRUM PORTFOLIO MANAGERS LIMITED (Formerly known as - ARIHANT ASSET MANAGEMENT LIMITED) Add: 1011, Solitaire Corporate Park, building No. 10, 1st Floor, Chakala, Andheri (E), Mumbai-400 093	U74110MH2014PLC265689	Subsidiary Company	100%	Section 2(87)

8	ARIHANT CAPITAL (IFSC) LIMITED Add: Unit No. 424, Signature Building, Fourth Floor, Block 13B, Zone-1, GIFT SEZ GIFT CITY Gandhinagar GJ 382355 IN	U65990GJ2016PLC094776	Subsidiary Company	100%	Section 2(87)
9	Electrum Capital Private Limited (Formerly known as - Electrum Investment Managers Pvt. Ltd. Add. A-211, Crystal Plaza, New Link Road, Andheri West Mumbai (MH) 400052	U65993MH2019PTC334594	Associate Company	27.23%	Section 2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01/04/2020)				No. of Shares held at the end of the year (31/03/2021)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian									
a)Individual/Huf	15421052	-	15421052	74.06	15528348	-	15528348	74.57	0.52
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	**15421052**	**-**	**15421052**	**74.06**	**15528348**	**-**	**15528348**	**74.57**	**0.52**
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other….	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**15421052**	**-**	**15421052**	**74.06**	**15528348**	-	**15528348**	**74.57**	**0.52**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

2. Non-Institutions									
a) Bodies Corp.									
i) Indian	127291	67520	194811	0.94	101452	67520	168972	0.81	0.71
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2353297	292664	2645961	12.71	20321088	261624	2582712	12.40	-0.31
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2299695	-	2299695	11.04	2294387	-	2294387	11.02	-0.02
c) Others (specify)	122205	-	122205	0.59	151978	-	151978	0.73	0.14
i)NRI & OCB	103641	-	103641	0.50	87297	-	87297	0.43	-0.13
ii) Clearing Member	35195	-	35195	0.17	8866	-	8866	0.04	0.52
Sub-total (B)(2):-	**5041324**	**360184**	**5401508**	**25.94**	**4965068**	**-**	**5294212**	**25.43**	**0.52**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**5041324**	**360184**	**5401508**	**25.94**	**4965068**	**-**	**5294212**	**25.43**	**0.52**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**20462376**	**360184**	**20822560**	**100.00**	**20493416**	**329144**	**20822560**	**100.00**	**0.00**

(ii) Shareholding of Promoters

S. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares % of Total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares % of Total shares	
1	Ashok Kumar Jain	6063040	29.12	-	6170336	29.63	-	0.52
2	Kiran Jain	4728320	22.71	-	4728320	22.71	-	-
3	Sunil Kumar Jain	1606656	7.71	-	1606656	7.71	-	-
4	Arpit Jain	1147840	5.51	-	1147840	5.51	-	-
5	Swati Jain	915516	4.40	-	915516	4.40	-	-
6	Shruti Jain	622080	2.99	-	622080	2.99	-	-
7	Ratik Jain	192000	0.92	-	192000	0.92	-	-
8	Kamal Kumar Jain HUF	51200	0.25	-	51200	0.25	-	-
9	Anvita Jain	38400	0.18	-	38400	0.18	-	-
10	Meena Jain	30400	0.15	-	30400	0.15	-	-
11	Kamal Kumar Jain	25600	0.12	-	25600	0.12	-	-

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

S. No.	Particulars	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
	At the beginning of the year	6063040	29.12	6063040	29.12
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): Increase : Date : 10.09.2020 Date : 16.09.2020 Date : 03.12.2020	 6649 29941 70706	 0.03 0.14 0.34	 6069689 6099630 6170336	 29.15 29.28 29.63
	At the End of the year	-	-	6170336	29.63

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

S. No.	Top 10 Shareholder's	Shareholding at the beginning of the year 01.04.2020		Cumulative Shareholding at the end of the year 31.03.2021	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Manorama Jain	760276	3.65	760276	3.65
2	Vijaya Jain	303215	1.46	303215	1.46
3	Vinodkumar Harakchand Daga	464388	2.23	0.00	0.00
4	Parshva Kumar Daga	118202	0.57	118202	0.57
5	Nirmala Vinod Kumar Daga	0.00	0.00	464388	2.23
6	Ankit Agrawal	82000	0.39	82000	0.39
7	Gaurav Paliwal	69100	0.33	69100	0.33
8	Sushila Paras Kumar Daga	60058	0.29	60058	0.29
9	Kasyap Sweetners Pvt. Ltd.	57600	0.28	57600	0.28
10	Omprakash Agrawal	51987	0.28	51987	0.28
11	Shrijika Agrawal	46000	0.22	46000	0.22
12	Ajay Jain	42000	0.20	42000	0.20
13	Anshul Agrawal	39895	0.19	39895	0.19

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of Director/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
1.	Mr. Ashok Kumar Jain (Managing Director)	6063040	29.12	6063040	29.12
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.)				
	Date: 10.09.2020 - Purchase	6649	0.03	6069689	29.15
	Date: 16.09.2020 - Purchase	29941	0.14	6099630	29.28
	Date: 03.12.2020 - Purchase	70706	0.34	6170336	29.63
2.	Mr. Sunil Kumar Jain (Director)	1606656	7.71	1606656	7.71
3.	Mr. Akhilesh Rathi	39847	0.19	39847	0.19
4.	Mr. Mahesh Pancholi (Company Secretary)	272	-	272	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year		-	-	
i) Principal Amount	3479.06	-	-	3479.06
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**3479.06**		-	**3479.06**
Change in Indebtedness during the financial year		-	-	
Addition	4805.29			4805.29
Reduction	3479.06			3479.06
Net Change	**1326.23**			**1326.23**
Indebtedness at the end of the financial year		-	-	
i) Principal Amount	4784.45			4784.45
ii) Interest due but not paid	20.84	-	-	20.84
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**4805.29**			**4805.29**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

S. No.	Particulars of Remuneration	Mr. Ashok Kumar Jain (Managing Director)	Mrs. Anita S. Gandhi (Whole Time Director)	Mr. Arpit Jain (JMD)	Total Amount
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	52,50,000	32,88,231	3,00,000	88,38,231
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,01,700	-	-	2,01,700
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	3,20,00,000	3,20,100	-	3,23,20,100
	- as % of profit	10	-	-	10
	- Others, specify…	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	**3,74,51,700**	**36,08,331**	**3,00,000**	**4,13,60,031**

B. Remuneration to other directors:

(Amount in ₹)

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Akhilesh Rathi	Mr. Sunil Kumar Jain	Mr. Parag Rameshbhai Shah	Mr. Ashish Maheshwari	
1	Independent Directors					
	Fee for attending board / committee meetings	75,000	-	1,15,000	1,40,000	3,30,000
	Commission	-	-	-	-	
	Others, please specify	-	-	-	-	
	Total **(1)**	**75,000**	**-**	**1,15,000**	**1,40,000**	**3,30,000**
2	Other Non-Executive Directors					
	Fee for attending board / committee meetings	-	1,40,000	-	-	1,40,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	**-**	**1,40,000**	**-**	**-**	**1,40,000**
	Total (B)=(1+2)	**75,000**	**1,40,000**	**1,15,000**	**1,40,000**	**4,70,000**
	Total Managerial Remuneration	**-**	**-**	**-**	**-**	**-**
	Overall Ceiling as per the Act	-	-	-	-	-

Note: 1. Overall ceiling as per Act is not applicable to sitting fees paid to Non executive Directors.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total (Amount in ₹)
		Company Secretary	CFO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,89,980	13,47,948	**23,37,928**
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- Others, specify…	-	-	-
5	Others, please specify	-	-	-
	Total	**9,89,980**	**13,47,948**	**23,37,928**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for breach of any section of the Companies Act, 2013, against the Company or its Directors or their officers in default, if any, during the year.

S. No.	Action taken by	Details of violation	Details of action taken E.g. Fines, warning letter, debarment, etc.	Observations/Remarks of the Practicing Company Secretary, If any
1.	The Securities Exchange Board of India	Violation of provisions of clause 12(e) of the Annexure to SEBI Circular No.: MIRSD/SE/Cir-19/2009 dated 03rd December 2009 and also Circular No.: SMD/SED/CIR/93/23321 dated 18th November, 1993 which specifies the norms for regulation of transactions between clients and brokers.	The SEBI has imposed penalty of ₹1,00,000/- under the provisions of Section 15 HB of the SEBI Act and ₹5,00,000/- under the provisions of Section 23D of SCRA.	The Company had filed an appeal before the Securities Appellate Tribunal ('SAT') for review of penalty levied by SEBI. The final outcome of appeal is pending as on 31st March, 2021
2.	The Securities and Exchange Board of India (SEBI)	Not exercising proper due diligence for change of email id and mobile number in two demat accounts	Show cause notice issued by the SEBI in the said matter	Not Applicable

Annexure – B

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st March, 2021

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

To,
The Members,
ARIHANT CAPITAL MARKETS LIMITED
(CIN: L67120MP1992PLC007182)
6, Lad Colony YN Road,
Indore (M.P.) 4520011

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Arihant Capital Markets Limited** (hereinafter called the Company) having **(CIN:L67120MP1992PLC007182)** Subject to noted limitation of physical Interaction and verification of records caused due to Second wave of COVID-19 pandemic thereby local lock down. While taking review after completion of financial year 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 31st March, 2021 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:

We have examined the Statutory Register, books, papers, minute books, forms and returns filed and other records maintained by **Arihant Capital Markets Limited (CIN :L67120MP1992PLC007182**)for the financial year ended on 31st March, 2021 according to the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made there under and the Companies Act, 1956 to the extent applicable;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

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

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the audit period)
f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the company during the audit period)
h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the company during the audit period); and
I. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015.

VI. **Other applicable Acts;**

(a) Prevention of Money Laundering Act, 2002;
(b) The Employees Provident Fund & Miscellaneous Provisions Act, 1952;
(c) Employees State Insurance Act, 1948;
(d) Payment of Gratuity Act, 1972;
(e) The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited (BSE).

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, etc. mentioned above subject to the following broad observation:

I. During the review period, the Company has given intimation on 19th June, 2020 to the stock exchange for the Board Meeting to be held on 29th June, 2020 which later was postponed and rescheduled to 09th July, 2020 for which he Company has not published the Notice of the Board Meeting on 09th July 2020 in the newspapers for approval of the financial Results for the quarter ended 31st March, 2020.
II. During the review period, the SEBI has imposed penalty of Rs. 1, 00,000/- under the provisions of Section 15HB of the SEBI Act and Rs. 5,00,000/- under the provision of Section 23D of SCRA. The company had filed an appeal before the Securities Appellate Tribunal (SAT) for review of penalty levied by the SEBI. The final outcome of appeal is pending as on 31st March, 2021.

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 one Woman Director.

Adequate notice is given to all directors to schedule Board Meetings including Committees thereof, along with the 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 by the directors.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and dissenting member's views have been recorded.

We further report that based on the information provided and the representation made by the Company and also review of the compliance Certificates /reports taken on records by the Board of Directors of the Company, in our opinion there are adequate system 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 referred to herein above.

On account of pandemic "COVID 19" and nationwide Lockdown imposed by Governments, the audit process has been modified wherein certain documents/ records etc were verified in electronic mode, and have relied on the representations received from the Company for its accuracy and authenticity.

We further report that during the audit period the company has not incurred any specific event /action that can have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For Ajit Jain & Co.
(Company Secretary)

Date: 14/06/2021
Place: Indore

Ajit Jain (Proprietor)
M.No. 3933
CP No. 2876
Peer Review No. – S1998MP023400
UDIN : F003933C000458321

This report is to be read with our letter of even date which is annexed as **Annexure-A** *and forms an integral part of this report.*

Annexure A to Secretarial Audit Report

To,
The Members,
ARIHANT CAPITAL MARKETS LIMITED
(CIN: L67120MP1992PLC007182)
6, Lad Colony YN road
Indore (M.P.) - 452001

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion. However, in the Covid 19 pandemic era, we express our apparent limitations of physical verification of the maintenance of record and cross verification of evidences.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. 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.

Date: 14/06/2021
Place: Indore

For Ajit Jain & Co.
(Company Secretary)

Ajit jain (Proprietor)
M.No. 3933
CP no. :2876
Peer Review No. – S1998MP023400
UDIN: F003933C000458321

''Annexure- C''

Annual Report on CSR Activities

A brief Outline of the Company's CSR policy, including overview of projects or programs to be undertaken to the CSR policy and projects or programs.

Corporate Social Responsibility forms an important part of Arihant Capital Markets Limited overall philosophy of giving back to society. The Company is committed to bring out positive changes in the society it operates and strives to integrate its business values and operations in an ethical and transparent manner to demonstrate its commitment towards social and environmental amenabilities and to meet the interest of its stakeholders. The projects undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013.

During the year Arihant Capital Markets Limited spent ₹ 80.85 Lakhs in the implementation of various CSR initiatives in the education, healthcare including preventive healthcare, gender equality etc.

CSR Policy of Arihant Capital Markets Limited is available on our website www.arihantcapital.com

1. **The Composition of the CSR Committee.**

   Mr. Ashok Kumar Jain : Chairman of the Committee
   Mr. Akhilesh Rathi : Member (Non-executive Independent Director)
   Mr. Ashish Maheshwari : Member (Non-executive Independent Director)
   Mr. Sunil Kumar Jain : Member (Non-executive Director)

2. **Average net profit of the company for last three financial year`.**
   The average Net Profit for the last three year is ₹2530.66 Lacs

3. **Prescribed CSR Expenditure (two percent of the amount as in item 2 above).**

   The Company was required to spend ₹50.61 Lacs towards CSR for the Financial Year 2020-2021.

4. **Details of CSR spent during the Financial Year:**

   a) Total amount to be spent for the Financial Year 2020-21: ₹ 80.85 Lacs
      i. Amount Spent: ₹ 80.85 Lacs (Including Amount Spent ₹30.23 Lacs in FY 2018-19)

   b) Amount unspent: ₹ Nil (FY 2019-20)
   c) Manner in which the amount spent during the Financial Year: Attached

5. **In case the Company has failed to spend the two percent of the average net profit of the last three Financial Year or any part thereof, the company shall provide the reason for not spending the amount in its Board Report: Not Applicable**

6. **We hereby declare that implementation and monitoring of the CSR policy, is in compliance with CSR objectives and policy of the Company.**

Date : 14/06/2021
Place : Indore

Ashok Kumar Jain
Chairman

Manner in which the amount spent during the Financial Year is detailed below:

(Amt. in Lacs)

S. No.	CSR Project or Activity identified	Sector in which the project is covered	Project or programs 1. Local area or other 2. Specify the State and District where projects or programmes were undertaken	Amount Outlay(budget) project or programmes wise	Amount spent on the projects or programmes Subheads 1. Direct Expenditure 2. Overhead	Cumulative Expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
1.	Contribution for Medical equipment and Hand Sanitizer, Mask and Pulse Oxemeter	Prevention of COVID-19	Indore	1.11	1.11	1.11	Direct
2.	Contribution to Indore Eye Hospital	Promoting preventive health care	Indore	1.00	1.00	1.00	Direct
3.	Contribution to School Fees - Shree Maheshwari Shaikshani K And Parmarthik Nyas, Shri Jagatbharti Education And Charitable Trust, The Friend H.S. School	Promoting education , including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Indore /Ahemdabad	30.91	30.91	30.91	Direct
4.	Contribution to "Seva Bharti Shiksha Samiti"	Eradicating hunger, Poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water:	Indore	0.51	0.51	0.51	Direct
5.	Contribution to Manav seva Trust	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	Indore	2.00	2.00	2.00	Direct
6.	Contribution to Vardhman Nyas Amayan Trust	Promoting education , including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Indore /Ahemdabad	2.00	2.00	2.00	Direct
7.	Contribution to PM Cares Fund	Contribution to the Prime Minister's National Relief Fund [9][or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)]	PAN India	11.00	11.00	11.00	Direct
8.	Contribution to Pandit Todarmal Sarvodaya Trust	Promoting preventive health care and sanitation and making available safe drinking water	Jaipur	12.00	12.00	12.00	Direct
9.	Contribution to Kalyanmal Badriprasad Garg Parmarthik Trust	Eradicating hunger, Poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water:	Indore	3.00	3.00	3.00	Direct
10.	Contribution to Indian Red Cross Society	Eradicating hunger, Poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water:	Indore	15.00	15.00	15.00	Direct
11.	Administrative Expenses Incurred by company towards CSR Work	Administrative Expenses	Indore	2.32	2.32	2.32	Direct
	Sub total			**80.85**	**80.85**	**80.85**	**-**
	Overhead			**-**	**-**	**-**	**-**
	Total CSR Spend			**80.85**	**80.85**	**80.85**	**-**

ANNEXURE-D

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(2) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2020-21, ratio of the remuneration of each Director to the median remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 and the comparison of remuneration of each Key Managerial Personnel(KMP) against the performance of the Company are as under :

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director /KMP for the FY 2020-21 (Rs. in Lacs)	% increase in Remuneration in the FY 2020-21	Ratio of Remuneration of each Director to Median remuneration of employees
1.	Ashok Kumar Jain*	52.50	-	18.16
2.	Mrs. Anita S. Gandhi*	32.88	-	11.38
3.	Arpit Jain*	3.00	-	N.A.
3.	Sunil Kumar Jain	-	-	-
4.	Akhilesh Rathi	-	-	-
5.	Parag Rameshbhai Shah	-	-	-
6.	Ashish Maheshwari	-	-	-
7.	Mahesh Pancholi*	9.89	-	3.43
8.	Tarun Goyal*	13.47	5.12%	4.66

*KMP of the company
NOTE: For this purpose, sitting fees paid to the Directors have not been considered as remuneration.

(ii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year 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:

(iii) In the financial year, there was an increase of average 1.20% in the median remuneration of employees.

(iv) There were 260 permanent employees on the rolls of Company as on March 31, 2021.

Annexure -E

FORM NO. AOC.1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sr. No.	Particulars	1	2	3	4	5	6	7	8
1	Name of the subsidiary	Arihant Financial Services Limited	Arihant Lifespace Infra Developers Limited	Arihant Futures & Commodities Limited	Arihant Insurance Broking Services Limited	Arihant Investment Advisers Private Limited(Formerly Known as Arihant Financial Planners & Advisors Private Limited)	Electrum Portfolio Managers Limited (Formerly Known as Arihant Asset Management Limited)	Ahinsa Lifespace Infraheight Limited	Arihant Capital (IFSC) Limited
2	Paid Up Share capital	25,00,000	45,00,000	35,50,000	75,00,000	25,00,000	2,50,00,000	1,90,00,000	1,40,00,000
3	Reserves & surplus	7,88,44,759	11,16,48,250	10,45,94,782	2,65,671	24,49,570	67,16,293	-3,82,948	-5,79,857
4	Total assets	11,23,84,977	37,99,96,248	10,89,88,808	80,23,595	51,59,421	3,25,94,664	1,86,92,611	1,34,33,434
5	Total Liabilities	11,23,84,977	37,99,96,248	10,89,88,808	80,23,595	51,59,421	3,25,94,664	1,86,92,611	1,34,33,434
6	Investments	-	-	-	-	-	2,20,39,227	-	-
7	Turnover/Total Income	3,67,26,835	5,07,41,971	42,55,362	13,10,503	11,85,581	55,13,252	-	65,741
8	Profit before taxation	1,41,08,065	50,48,659	-2,95,43,378	-786,652	8,93,655	22,64,746	-22,485	-563,013
9	Provision for taxation	35,28,437	2,07,289	-7390,333	-210,594	2,30,954	5,83,936	-9,964	-167,022
10	Profit after taxation	1,05,79,628	48,41,370	-22153,045	-576,059	6,62,701	16,80,810	-12,521	-395,991
11	Proposed Dividend	-	-	-	-	-	-	-	-
12	% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:

S.No	Name of Associates and Joint Ventures	Electrum Capital Private Limited (Formerly Known as Electrum Investment Managers Limited)
1.	Latest audited Balance Sheet Date	31.03.2021
2.	Date on which the associate is associated	07.10.2020
3.	Shares of Associate held by the company on the year end	
I.	No. of shares	13,75,000
ii.	Investment in associates	1,37,50,000
iii.	Extend of Holding (in percentage)	27.23%
4.	Description of how there is significant influence	By virtue of holdings being 20% or more
5.	Reason why the associates not consolidated	N.A.
6.	Net worth attributable to shareholding as per latest audited Balance Sheet	1,83,26,498
7.	Profit or Loss for the year	
I.	Considered in Consolidation	14,79,716
II.	Not Considered in Consolidation	25,68,959

Management Discussion and Analysis Report

FY2020-21: A Glance

The financial year 2021 was one of the most challenging periods in any company's history, worldwide. The impact of COVID-19 created an unprecedented combination of personal and macroeconomic challenges for our clients, employees and all other stakeholders. While the extraordinary macroeconomic environment persisted throughout the FY2021, the stock broking industry particularly did well due to spike in volumes and record number of new participants in the markets.

The Indian stock markets opened the year on a grim note and had a roller coaster ride during the financial year. From the lows seen during the end of 2019-20 on account of the COVID-19 induced lockdown, the markets recovered and touched record highs in the last quarter after vaccines against Covid-19 were approved and rolled out. For the FY21, the BSE Sensex gained 75.16% and the Nifty clocked 77.99% return compared to the year before, ending the year at 49,509.15 and 14,690.7 respectively. In fact, BSE Sensex was the best performing index among the 10 major world indices across nine countries in the current financial year, which included DJIA, Nikkei, FTSE and Hang Seng.

FII flows in equities in FY21 was the highest ever at $37.6 billion, whereas DII equity flows saw outflows after five consecutive years of inflows. During fiscal 2021, the Rupee appreciated by 3.2% from ₹75.54 per US dollar on March 31, 2020 to ₹73.11 per US dollar at March 31, 2021.

The number of new demat accounts reached a record 1.42 crores during FY21, almost 3 times the figure in the previous fiscal year. In FY20, 49 lacs demat accounts were opened with a 3-year average of 43 lacs in the 3 fiscal years from FY18, according to the data from the Securities and Exchange Board of India (SEBI).

India's Gross Domestic Product (GDP) contracted 7.3% in FY2021, as per provisional National Income estimates released by the National Statistical Office. However, the economy is on a road to recovery. Estimates of India's GDP for fiscal 2022, by various agencies and analysts, indicate a strong growth in GDP. The International Monetary Fund (IMF) has projected an impressive 12.5% growth rate for India in 2021.

Outlook :

Global economy is on firmer ground, but with contrasting recoveries amid high uncertainty. Global economic situation has been in one of the worst situations in decades from last year due to COVID 19. New virus variants and an increase in positive cases have been the cause of concern, even as growing vaccine coverage lifts sentiment. Economic recoveries are diverging across countries and sectors depending upon the opening up of the economies. The outlook depends not just on the outcome of the battle between the virus and vaccine, it also hinges on how effectively economic policies are being deployed under high uncertainty to limit lasting damage from this unprecedented crisis.

The Global growth for CY21 and CY22 are estimated to be stronger than what it was in October 2020, according to World Economic outlook. The upward revision reflects additional stimulus packages from a few large economies. The anticipated vaccination drive throughout nations will depict the start of the recovery in the second half of CY 2021. There has been a high uncertainty surrounding this outlook, related to the path of the pandemic, and the effectiveness of policy support to provide a bridge to vaccine-powered normalization, and the evolution of the financial conditions.

Going forward, economic activity will depend on the trajectory of the second wave of Covid-19, the progress of the vaccination program and the restrictions on activity and the period for which they continue. A prolonged period of economic weakness caused by the second wave of the pandemic and uncertainty regarding normalisation could negatively impact the markets and affect the stock broking business.

The Indian economy is showing decisive and strong signs of recovery. These positive signals are underpinned by the confidence post the vaccine roll out, low interest rates, improved consumer confidence and other investment attracting measures. Our outlook for the industry and the economy is positive, unless a new wave causes disruption.

Who we are and what we do

Established as a stock broking company in 1992, we are today one of India's leading integrated financial services companies. Initiated with the idea to make financial products and services easily understandable and accessible to all. Promoted by Mr. Ashok Kumar Jain, the Company along with all wholly owned subsidiaries now offers equity, commodity and currency broking services, merchant banking services, distribution of financial products, wealth management, insurance and depository

services through its investment centres across India servicing over 1.50 lac customers that includes retail, high net worth individuals and domestic and foreign financial institutions.

Its wide presence with a robust network of branches and online and mobile platforms, helps catering the financial needs of new India. Here is a list of products and services offered by your Company:

- Equities and Derivatives Broking
- Commodities & Currency Broking
- Mutual Funds & IPO
- Bonds and NCDs
- National Pension Scheme (NPS)
- Affordable Housing
- Insurance Broker (Life & General)
- Merchant Banking (Category I)
- Loan Against Shares (RBI Registered NBFC)
- Priority Client Group
- Portfolio Management Services (PMS)

The Company conducts its operations along with its subsidiaries (together hereinafter referred to as Arihant or the Company).

Review of Operations

The COVID-19 pandemic is a global humanitarian and health crisis that continues to impact all our stakeholders. In responding to this crisis, your company primary objective has been to ensure the safety of our employees worldwide, to deliver our client commitments, and protect its long-term prospects. We offered COVID-19 related care for our employees and their families. For employees working from the office, we have established a safe work environment and protocols for testing and quarantine.

The Company's operations predominantly relate to providing end-to-end business solutions to enable clients to enhance performance of their business

Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties relating to revenue in future.

Your company's activities and performance are directly related with the performance of the capital markets. The main activities of the company include stock broking, merchant banking, depository services, and commodity broking and wealth management. On the backdrop of strong performance of the Indian bourses during the financial year, your company's financials also saw a strong growth. During the FY2021, your company clocked the consolidated income of ₹116.16 crores and while the reported profit after tax stood at an all-time high of ₹34.67 crores. With our ongoing strategy in place to handle future business, we are clear that all our efforts must converge into real value creation for all our stakeholders in the coming times.

During the year under review, your Company Managing Director Mr. Ashok Kumar Jain was awarded by the Institute of Chartered Accountants of India (ICAI) in category LEADER (EMERGING CORPORATE BFSI)

Risk factors relating to our business operations

The COVID-19 pandemic continues to impact key geographies that we operate in and may further impact, all of our stakeholders – employees, clients, vendors, investors and communities we operate in.

Every Company is prone to internal and external risks, including risks around compliance, operational, strategic and many others. Many of these risks are inherent in the enterprise structure of any organization and may interfere with an organization's operations and objectives. The Company takes responsibility to proactively identify and address risks and opportunities to protect and create value for its stakeholders.

Some of the crucial risks impacting the Company's overall governance are detailed below:

- **Economic risk and Global slowdown:** Our business is highly sensitive to economic and political conditions prevalent in the country and across the globe. Any sustained downturn in general economic conditions or Indian equity markets and severe market fluctuations would likely result in reduced client trading volumes and net revenues, and hence, will have a material adverse effect on our profitability.

  Additionally, the global markets are looming with uncertainty. The slow growth in the advanced economies and rising constraint on certain emerging economies can result in volatile capital inflows and currency fluctuations. These factors may take an immediate toll on the market sentiment. Speaking of the same in the Indian context, slow implementation of

regulatory reforms and lack of consensus on important legislations is further likely to delay growth and consequently affect the Indian stock market sentiment.

- **Technological disruption:** Constant technology and innovation-based upgradations require companies, particularly in stock broking industry, to pay as much attention towards innovation as towards business growth. It is also crucial for us to keep in line with competitors, especially the new age fintech players and discount brokers. The risk of disruptive innovations enabled by new and emerging technologies is always prevalent. Any significant changes in technology would pose pressure on our profitability.

- **Risk of attracting the right talent:** Our success depends largely upon our highly skilled technology professionals and our ability to hire, attract, motivate, retain and train these personnel.

- **Stringent Regulatory Norms:** Any unexpected regulatory changes or tightening in regulatory scrutiny/restrictions may adversely impact the way current products or services are produced or delivered.

- **Reputation Risk:** Our reputation could be at risk, and we may be liable to our clients or to regulators for damages caused by inadvertent disclosure of confidential information and sensitive data.

- **Credit Risk:** We provide exposure limits to clients, based on the collaterals of securities that we receive from them, in connection with our brokerage business. Sharp change in market values of securities and the failure by parties to honour their commitments on a timely basis could have a material adverse effect on the profitability of our operations.

- **Competition Risk:** The broking industry is highly competitive, with many participants offering a variety of products and services with the aim to provide best in class customer experience.

  The financial sector industry is becoming increasingly competitive, and the company's growth will depend on its ability to compete effectively. As a result, competition risk is always a consideration Emergence of disruptive business models like discount broking, robo-advisory and payment bank companies in the financial markets space will cause competition going forward.

- **Compliance Risk:** Compliance risks result from violations or non-compliance with laws and regulations, code of business conduct and contractual compliance having material impact on the company's financial, organizational and reputational standings.

  New and changing regulatory compliance, corporate governance and public disclosure requirements add uncertainty to our compliance policies and increase our costs of compliance. Changes in the policies of the Government of India or political instability may adversely affect economic conditions in India generally, which could impact our business and prospects.

  The Company has strong compliance management framework, supported by adequate tools and IT systems, to identify, assign and monitor compliance with applicable rules and regulations. In addition, an independent internal auditor reviews compliance management framework and submits their findings to the Audit Committee.

- **Conflict of Interest:** There is a risk that there will be situations when interests of the Management Company (or persons related to it) and the Company or shareholders will differ or interests of individual shareholders will differ, i.e., there will be a conflict of interest. The Management Company has to implement appropriate measures for avoiding conflicts of interest, which enable to perform the activities of managing the risk of conflicts of interest and managing conflicts of interest independently, in order to avoid/reduce the risk of conflicts of interest or properly manage a conflict of interest when it occurs.

Human Resources

The focus of human resources management at Arihant is to ensure that we enable each and every employee to navigate the next, not just for clients, but also for themselves. Arihant is committed to providing a positive work environment free of discrimination and harassment. Equal opportunity and fair treatment are part of our Code of Conduct.
The Company believes that the quality of the employees is the key to its success and is committed to equip them with skills, enabling them to seamlessly evolve with ongoing technological advancements. Our success depends in large part upon our management team and key personnel and our ability to attract and retain them.

During the year, the Company organised e-training programs in different areas such as technical skills, behavioural skills, business excellence, general management, advanced management, leadership skills, customer orientation, safety, values and code of conduct. Moreover, in line with the Company's staff certification policy, employees are mandatorily required to take relevant industry standard certifications such as National Institute of Securities Markets (NISM), Association of Mutual Funds of India (AMFI), Chartered Financial Analyst (CFA) and Chartered Financial Planner (CFP). Most of the Company's employees are qualified professionals (CA, CS, MBAs) or have obtained such certifications.

Corporate Social Responsibility (CSR) and Environmental, Social and Governance (ESG)

At Arihant, we are aware of how our operations impact our stakeholders, especially the communities where we operate. We are reliable and responsible company that operates in a socially and environmentally sustainable manner. We primarily focus on health, education, environment and rural development by promoting social welfare programmes and community participation near our facilities and offices.

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on CSR activities.

The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects.

The CSR Policy may be accessed on the Company Website at the link: www.arihantcapital.com

The key philosophy of the Company 'CSR initiatives' is to promote development through social and economic transformation. The Company has, interalia, identified following areas in which it may engage for its CSR activities.

- Addressing identified needs of the underprivileged through initiative directed towards promoting education including preventive health care.
- Addressing the cause of environmental sustainability by creating awareness on minimizing the use of plastic, promoting eco-friendly products and other measures to save the planet
- Any other activity falling within the scope of schedule VII to the Act.
- During the year, the Company has spent more than ₹80.85 lacs on CSR activities. Including Company has Contributed of ₹11 Lacs to PM Cares Fund.

The Environment: At Arihant, we understand the importance of eco-friendly and environmentally conscious development. We also encourage our clients to go paperless by signing up for electronic trade confirmations (e-contract notes), account statements and bills. Not only is this good for the environment, but it enables clients to receive important information electronically – even if they're away from home.

We believe in driving successful performance in tandem with ethical behaviour with an unwavering commitment to reducing environmental impact.

The details of our ESG and CSR activities area part of the Board Report.

Internal Control System

The internal control systems have been designed to effectively and efficiently handle the dynamic and complex nature of business operations of the company. The company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors on a routine basis. The committee makes note of the audit observations and takes corrective actions, if necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

Risk management

Risk Management plays a key role in business strategy and planning discussions. The Company has implemented a comprehensive risk management framework to identify, understand and manage risks associated with the business.

Your company has a risk management framework, appropriate to the size of the company and environment under which it operates. The risk management process covers risk identification, assessment, analysis and mitigations and policies are framed appropriate for various risk categories namely credit risk, market risk, operational risk and regulatory risk. The Audit

Committee reviews these policies and processes regularly and is periodically informed about the risk assessment, impact of risk on the business and mitigation plans.

Accordingly, the Company has identified key risks and developed plans for managing the same. The risk management committee also reviews various processes in the business and takes required corrective decisions to protect the value for its stakeholders. The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of this Report.

Commitment to doing what is right

Our management team and board of directors are resolved to do what, we believe, is best for our associates, clients and shareholders.

Opportunities and Threats

Opportunities

- Partnership with fintechs: An increasing number of fintech start-ups are focusing on developing innovative products for financial markets and investment industry. This gives us a room for finding synergies and offering value-added services to our clients and also enhance our offerings.
- Increasing interest of youth in stock markets and deeper penetration of financial products post COVID-19 through technology and social media.
- Leveraging technology to innovate and increase user engagement and share of wallet.
- Corporates looking at consolidation / acquisitions / restructuring opens out opportunities for the corporate advisory business.

Threats

- Execution risk.
- Regulatory Changes.
- Slowdown in global liquidity flows.
- Increased intensity of competition from local and global players.
- Market trends making other assets relatively attractive as investment avenues.

Strengths

- Trust: 'Arihant Capital Markets Limited' is a name synonymous with trust. Arihant is well-established financial services company with a 29+ years of track record. With our focus on client first approach and high levels of integrity, we have developed a strong sense of trust among our clients, channel partners and within the industry.
- Diversified business and broad product portfolio controls volatility in business cycle.
- Strong channel partner network with investment centers spread across India.
- Complete range of digital products right from mobile trading, web trading to online mutual fund.
- Focus on digital and innovation future.
- Strong understanding of the broking business and robust risk management systems in place.

Strategy

We intend to capitalize on the growth and consolidation of the brokerage industry and leverage our infrastructure to grow our market share and profitability. To achieve these goals, we seek to keep ourselves in sync with the growing dynamics of the industry on technology front, expand our network particularly in markets where the competition is not intense, and potential is high. We seek to further strengthen our position by increasing our relevance to clients by being able to understand their investment requirement and offer them a solution that best meet their needs (client centric approach).

Our strategic objective is to build a sustainable organization that remains relevant to the agenda of our clients, while creating growth opportunities for our employees and generating profitable returns for our investors.

Statutory Compliance

The company has a well-structured, documented and demonstrable compliance framework that helps the management monitor and report compliance risk and exposure to the Board. The Chief Compliance officer makes a declaration at each

Board Meeting regarding compliance with provisions of various statutes after obtaining confirmation from all the operating departments across all subsidiary companies within India.

Outlook and challenges

The continual growth in the finance sector is expected to help your company expand its business and revenue. Arihant Capital is perceived as a single product, traditional broking house. However, we needed to break this perception and create a better connection with the youth, and effectively communicate to them our range of digital financial products and services. For this purpose, we have already upgraded our website and are in the process of upgrading our trading platforms – including new mobile and web trading platforms that will offer seamless trading and investment experience to the clients without compromising on speed or user experience.

Your company expects to improve its position in the market by pushing its focus towards technology and innovation. However, the challenges remain on being able to leverage these initiatives to carve out a space in the competitive broking industry and be able to take company to the masses and the youth efficiently and at optimal cost.

Cautionary Statement

The management discussion and analysis report containing your Company's objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within the meaning of applicable laws and regulations. The statements in this management discussion and analysis report could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation changes in the governmental regulations, tax regimes, forex markets, economic developments within India and the countries with which the Company conducts business and other incidental factors.

Report on Corporate Governance

As per Regulation 34(3) read along with Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Listing Regulations) the report containing the details of Corporate Governance systems and processes at Arihant Capital Markets Limited is as follows:

1) Company's philosophy on corporate governance

Good corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. It is about meeting strategic goals responsibility and transparently, while being accountable to our stakeholders.

The Company's policy on Corporate Governance is based on the principles of full disclosure, fairness, equity, transparency, and accountability in various aspects of its functioning, leading to the protection of stakeholder's interest and an enduring relationship with them.

The Company is committed to conduct its business in compliance with applicable laws, rules and regulations with highest standards of business ethics. The Company has a strong legacy of fair, transparent and ethical governance practices.

The Company has also adopted the Code of Conduct for its Directors and senior management personnel. The Company has in place a Code for Fair Disclosure and Conduct as required under the SEBI (Prohibition of Insider Trading) Regulations, 2015 which has been amended from time to time.

Arihant Capital Markets Limited constantly believes in adopting and adhering to the best practices. Henceforth, your Company has established systems to encourage and recognize employee participation and volunteering in environmental and social initiatives that contribute to Organizational Excellence, Sustainability, Human Resources Development and health of its employees and of the community in which the Company operates. These actions have become an integral part of your Company's operating plans for performing social responsibilities too.

Your Company is committed to highest standards of Corporate Governance and disclosure practices to ensure that its affairs are managed in the best interest of all stakeholders.

Your Company commitment to these principles is reinforced through the adherence of all Corporate Governance practices which forms part of the Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time [Listing Regulations].

Your Company confirms the compliance of Corporate Governance as contained in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time the details of which are given below.

2) Board of Directors

a) Composition and Category of the Board

The Board, comprising of eminent professionals with expertise provides leadership and guidance to the company's management and supervises the company's performance across a wide spectrum of domains, ensures business decisions which enhance long term interest of all stakeholder.

The Company has the policy to have an appropriate mix of executive, non executive and independent directors to maintain the independence of the Board. On March 31, 2021, the Board consists of 7 (Seven) Directors out of which 3 (three) are executive directors 3 (three) are independent directors and 1 (one) is non-executive, non-independent director.

The composition of the Board and details of the Board of Directors and their directorships/memberships held in committees of other companies as on 31st March 2021 are as under:

S. No.	Name of the Directors	DIN	Position	No. of other directorship(s) held in companies	No. of outside committee position held	
					Member	Chairman
1.	Mr. Ashok Kumar Jain	00184729	Managing Director	6	Nil	Nil
2.	Mr. Arpit Jain	06544441	Joint Managing Director	4	Nil	Nil
3.	Mrs. Anita Surendra Gandhi	02864338	Whole-time Director	Nil	Nil	Nil
4.	Mr. Sunil Kumar Jain	00184860	Non-executive Director	Nil	Nil	Nil
5.	Mr. Akhilesh Rathi	02002322	Non-executive Independent Director	8	Nil	Nil
6.	Mr. Parag Rameshbhai Shah	00512469	Non- executive Independent Director	3	Nil	Nil
7.	Mr. Ashish Maheshwari	00185949	Non-executive Independent Director	3	Nil	Nil

- Other than Mr. Ashok Kumar Jain & Mr. Sunil Kumar Jain who are brothers and Mr. Arpit Jain being the son of Mr. Ashok Kumar Jain, none of the directors are related to one another.
- None of the Directors hold office in more than ten Public Companies. None of the Independent Directors of the company serve as an Independent Director in more than seven listed companies. All Directors are also in compliance with the limit on Independent Directorships of listed companies as prescribed under SEBI (LODR) Regulations, 2015.
- Other directorships do not include alternate directorships, Companies registered under section 8 of the Companies Act, 2013 and of companies incorporated outside India.
- None of the Directors on the Board is a member of more than ten committees or Chairman of five committees. Chairmanship/Membership of board committees includes chairmanship/membership of audit committee and stakeholders' relationship committee only. The membership/chairmanship of board committee of private limited companies, foreign companies and companies registered under section 8 of the Companies Act, 2013 are excluded for the aforesaid purpose.
- Board of Directors of the company is much more aware on Company's business, Risk, Opportunities, Policies, Business Strategy, Sales and Marketing, Corporate Governance etc.
- During the year, Mr. Ashish Maheshwari, Independent Director becomes the new chairman of the company with effect from 25/01/2021 in place of Mr. Ashok Kumar Jain.

b) Board meetings held during the year

Five Board meetings were held during the Financial Year ended 31st March 2021. These were held on 09-July-2020, 08-August-2020,03-October-2020, 11-November-2020, and 25-Jan-2021. The maximum time gap between any two board meetings was less than 120 days.

As per SEBI Circular dated June 26, 2020, SEBI has further extended the relaxation from minimum gap between two Board meeting .Our first Board meeting during the financial year were held on 09-July-2020 as per relaxation granted by SEBI Circular dated June 26, 2020)

The details of director's attendance at board meetings held during financial year 2020-21 and at the last Annual General Meeting are as under:

S. No.	Name of the Directors	No. of Board Meetings		Whether attended the last AGM
		Held	Attended	
1.	Mr. Ashok Kumar Jain	5	5	Yes
2.	Mr. Sunil Kumar Jain	5	5	Yes
3.	Mr. Akhilesh Rathi	5	3	Yes
4.	Mrs. Anita Surendra Gandhi	5	5	No
5.	Mr. Paragbhai Rameshbhai Shah	5	4	No
6.	Mr. Ashish Maheshwari	5	5	Yes
7.	Mr. Arpit Jain (appointed w.e.f. 25/01/2021)	1	1	N.A.

The Company provides the information as set out in Regulation 17 (7) [Part A of Schedule II] of "SEBI (LODR) Regulations, 2015" to the Board and the Board committees to the extent it is applicable and relevant, such information is submitted either as part of the agenda papers in advance of the respective meetings or by way of presentations and discussions during the meeting.

The Important decisions taken at the Board or Committee meetings are communicated to the concerned departments.

c) Familiarisation Programme for Independent Directors

The Company formulated a policy on Familiarisation Programme for Independent Directors to provide them an opportunity to familiarise with the Company, its management and its operations so as to gain a clear understanding of their roles and responsibilities. They have full opportunity to interact with senior management personnel and are provided all documents required and sought by them for enabling them to have a good understanding of the Company, its various operations and the industry on which it is a part.

The Company has an orientation process/familiarization programme for its Independent Directors that includes:

a) Briefing on their role, responsibilities, duties, and obligations as a member of the Board.

b) Nature of business and business model of the Company, Company's strategic and operating plans.

c) Matters relating to Corporate Governance, Code of Business Conduct, Risk Management, Compliance Programs, Internal Audit, etc.

d) Independent Directors Meeting

During the year under review, a separate meeting of Independent Directors was held on 25th January, 2021, inter-alia to discuss:

i. Evaluation of the performance of Non-Independent Directors and Board of Directors as a whole;
ii. Review of the performance of the Chairman, taking into account the views of the Non-Executive Directors; and
iii. Assessment of the quality, content and timeliness of flow of information between the Company management and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

Except Mr. Ashish Maheshwari, all the Independent Directors of the Company were present in the meeting.

e) List of core skills/expertise/competencies identified by the Board of Directors required for the Company and the availability of such skills/expertise/competencies:

S.No	Skills/ Expertise/ Competencies	Names of Directors who have skills / expertise / competencies
1.	Understanding of Business - Sufficient understanding and knowledge of the Company and the business/sector in which it operates.	All Directors
2.	Service Industry Experience - Experience of Capital Market	All Directors
3.	Strategy and Planning - Contribution to new ideas/insights on business issues raised by Management. - Providing thoughtful and constructive feedback to Management. - Anticipating new issues that Management and the Board should consider. - Demonstration of highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality etc.)	Mr. Ashok Kumar Jain Mr. Arpit Jain Mr. Ashish Maheshwari
4.	Law - Knowledge of legal / regulatory framework / affairs relating to our service sector	Mr. Ashok Kumar Jain
5.	Financial Knowledge - Proficiency in review of financial statements	All Directors
6.	Technical Knowledge - Technical knowledge of the business of the Company.	Mr. Ashok Kumar Jain and Mr. Arpit Jain
7.	Commitment and Integrity - Adequate commitment to the Board and the Company	All Directors

Committees of the Board

To enable better and more focused attention on the affairs of the Company, the Board delegates particular matters to committees of the directors set up for the purpose. Each committee of the Board is guided by its charter, which defines the scope, powers and composition of the Committee. During the financial year, the board is assisted by various committees:

i) Audit Committee
ii) Stakeholders Relationship Committee
iii) Nomination and Remuneration Committee
iv) Corporate Social Responsibility Committee

In meetings where the Chairman, has expressed his inability to attend the committee meetings, such meetings were chaired by Mr. Parag Rameshbhai Shah.

3) Audit committee

Pursuant to the Act and the SEBI Listing Regulations, the Company has constituted an Audit Committee. The Board reviews the working of the Committee from time to time to bring about greater effectiveness in order to comply with the various requirements under the Act and the SEBI Listing Regulations. In compliance with the provisions of the Act and the SEBI Listing Regulations, all the members are independent, non–executive directors and are financially literate and have accounting or related financial management expertise.

The Audit Committee of Arihant consists of four members, viz., Mr. Akhilesh Rathi, Mr. Sunil Kumar Jain, Mr. Parag Rameshbhai Shah and Mr. Ashish Maheshwari. The chairman of the Committee is Mr. Akhilesh Rathi, and Mr. Mahesh Pancholi acts as the Secretary of the Committee.

The Committee held Five (5) meetings during the financial year 2020-21 and the gap between any two meetings did not exceed 120 days. The dates on which the Audit Committee Meetings held were: 09-July-2020, 08-August-2020, 03-October-2020, 11-November-2020, and 25-Jan-2021. The requisite quorum was present at the above meetings. The table below provides the attendance of the Audit Committee members:

S. No.	Name of the Director	Position	No. of Meetings	
			Held	Attended
1.	Mr. Akhilesh Rathi	Chairman	5	3
2.	Mr. Sunil Kumar Jain	Member	5	5
3.	Mr. Parag Rameshbhai Shah	Member	5	4
4.	Mr. Ashish Maheshwari	Member	5	5

The composition, quorum, powers, role and scope of Audit Committee and information being reviewed by the Audit Committee are in accordance with Regulation 18 read with Part C of Schedule II of the Listing Regulations as well as Section 177 of the Companies Act, 2013. The Terms of Reference of Audit Committee include the following:

i. 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;
ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
iv. 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 Directors' Responsibility Statement to be included in the Boards' 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) modified opinion(s) in the draft audit report.
v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
vi. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
vii. Approval or any subsequent modification of transactions of the company with related parties;
viii. Scrutiny of inter-corporate loans and investments;
ix. Evaluation of internal financial controls and risk management systems;
x. Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
xi. 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;
xii. Discussion with internal auditors of any significant findings and follow up there on;
xiii. 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;
xiv. To review the functioning of the Whistle Blower mechanism;
xv. Carrying out such other function as may be delegated by the Board from time to time or specified in the circular, notification issued by SEBI, from time to time or provided under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other law for the time being in force.

4) Nomination and Remuneration Committee

The Nomination and Remuneration Committee determines and recommends to the Board the compensation payable to the directors. The remuneration committee consists of four non–executive directors as members, viz., Mr. Akhilesh Rathi, Mr. Sunil Kumar Jain, Mr. Parag Rameshbhai Shah and Mr. Ashish Maheshwari. Mr. Akhilesh Rathi is the chairman of the committee and Mr. Mahesh Pancholi act as a Secretary to the Committee. The Committee's composition meets with requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015. During the year, two (2) meetings of the Nomination and Remuneration Committee were held on 09th July, 2020 and 25th January , 2021. The Terms of Reference of Nomination & Remuneration Committee include the following:

(I) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
(ii) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
(iii) Devising a policy on diversity of Board of Directors;
(iv) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
(v) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
(vi) Recommend to the Board, all remuneration, in whatever form, payable to senior management; and
(vii) Carrying out such other function as may be delegated by the Board from time to time or as provided in the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other law for the time being in force.

The attendance of each member at the Committee Meeting is as given below:

S. No.	Name of the Director	Position	No. of Meetings	
			Held	Attended
1.	Mr. Akhilesh Rathi	Chairman	2	1
2.	Mr. Sunil Kumar Jain	Member	2	2
3.	Mr. Parag Rameshbhai Shah	Member	2	1
4.	Mr. Ashish Maheshwari	Member	2	2

In meetings where the Board was informed that Mr. Akhilesh Rathi, Director, has expressed his inability to attend the committee meetings, such meetings were chaired by Mr. Parag Rameshbhai Shah.

a) Performance Evaluation of Independent Directors, Board of Directors, Committees of Board and Senior Management Evaluation of all Board members is performed on an annual basis. The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

The Directors were given various forms for evaluation of the following:
- Evaluation of Chairperson
- Evaluation of Board
- Evaluation of Independent Director
- Evaluation of Committees of the Board

5) Remuneration of Directors

All the non-executive directors receive remuneration only by way of sitting fees for attending meeting of the board/committee. The details of the remuneration paid to Chairman and managing director and whole-time director during the year is as under:

(Amount in ₹)

S. No.	Name of the Director	Salary	Perquisite	Commission	Total
1.	Mr. Ashok Kumar Jain	5250000	201700	32000000	37451700
2.	Mr. Arpit Jain	300000	-	-	300000
3.	Mrs. Anita S. Gandhi	3608331	-	-	3608331

Sitting fees and shares held by non-executive & Independent Directors

(Amount in ₹)

S. No.	Name of the Director	No. of Equity Shares	Sitting fees
1.	Mr. Sunil Kumar Jain	1606656	1,40,000
2.	Mr. Akhilesh Rathi	39847	75,000
3.	Mr. Parag Rameshbhai Shah	0	1,15,000
4.	Mr. Ashish Maheshwari	0	1,40,000

6) Stakeholders Relationship Committee

The Stakeholders Relationship committee has been constituted by the Board in compliance with the requirement of Section 178(5) of the Act and Regulation 20 of the Listing Regulations. During the financial year 2020-21, the Committee met 4 times i.e., on 09-July-2020, 08-August -2020, 11-November-2020, and 25-Jan-2021. Mr. Akhilesh Rathi is the chairman of the committee while Mr. Mahesh Pancholi, the Compliance Officer & Company Secretary of the Company, acts as the secretary to the committee.

The term of reference of the Committee is as follows:

1. To review the reports submitted by the Registrars and Share Transfer Agents of the Company at Quarterly Intervals.
2. To periodically interact with the Registrars and Share Transfer Agent to ascertain and look into the quality of the Company Shareholder / investor grievance redressal system and to review the report on the functioning of the Investor grievances redressal system.
3. To follow up on the implementation of suggestion for improvement, if any.
4. To periodically report to the Board about serious concern if any.
5. To consider and resolve the grievances of the security holders of the Company.

The attendance of each member at the Committee Meeting is as given below:

S. No.	Name of the Director	Position	No. of Meetings	
			Held	Attended
1.	Mr. Akhilesh Rathi	Chairman	4	2
2.	Mr. Ashok Kumar Jain	Member	4	4
3.	Mr. Sunil Kumar Jain	Member	4	4
4.	Mr. Parag Rameshbhai Shah	Member	4	3

In meetings where the Board was informed that Mr. Akhilesh Rathi, Director, has expressed his inability to attend the committee meetings, such meetings were chaired by Mr. Parag Rameshbhai Shah.

During the meeting all queries like non-receipt of annual reports, dividend, transfer of shares, Demat of Shares, change of address, to update PAN, Aadhaar, Bank details Mobile No, Email Id etc., were resolved to the satisfaction of the shareholders. Stakeholders are requested to furnish their telephone no. and e-mail addresses to facilitate prompt action. During the year company had received Total 4 complaints and resolved. There were no complaints outstanding as on March 31, 2021.

The Committee's Composition meets with the requirements of Section 178(5) of the Companies Act, 2013 and Clause 20 of (Chapter IV) of the SEBI (LODR) Regulations, 2015.

7) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Board is constituted in compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Annual Report on CSR activities, as per the prescribed format, forms part of the Board report.

The broad functions of the committee are as under:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy;
- Recommend the amount of expenditure to be incurred on CSR activities;
- Review performance of the Company in the areas of CSR;
- Monitor CSR policy from time to time; and
- To carry any other duties as may be required under the Companies Act, 2013

Composition and Meetings

The Corporate Social Responsibility (CSR) Committee comprises of four Directors, viz. Mr. Ashok Kumar Jain, Mr. Akhilesh Rathi, Mr. Sunil Kumar Jain , and Mr. Ashish Maheshwari. Mr. Ashok Kumar Jain is the Chairman of the committee while Mr. Mahesh Pancholi, the Compliance Officer of the Company, acts as the secretary to the committee. The Committee held Two (2) meeting during the financial year 2020-21, on 08-August-2020 and 25-January-2021. The necessary quorum was present for the meeting.

The attendance of member at the Committee Meeting are as given below:

S. No.	Name of the Director	Position	No. of Meetings	
			Held	Attended
1.	Mr. Ashok Kumar Jain	Chairman	2	2
2.	Mr. Akhilesh Rathi	Member	2	1
3.	Mr. Sunil Kumar Jain	Member	2	2
4.	Mr. Ashish Maheshwari	Member	2	2

8) General body meetings

Details of the Annual General Meetings held in the last three years are as under:

Financial Year	Venue	Date	Time
2017 – 2018	Hotel Lemon Tree, R.N.T. Marg, Indore (MP)	25/09/2018	12:30 P.M.
2018 – 2019	Hotel Lemon Tree, R.N.T. Marg, Indore (MP)	05/08/2019	12:30 P.M
2019 – 2020	Meeting held through Video Conferencing ("VC")/ other Audio- Visual Means("OAVM")	26/09/2020	12.30 P.M.

Special resolution/ Postal ballot

a) The details of the last three Annual General Meeting(s) of the Company and the Special resolution passed thereat are given below :

2018

1. Increasing the Borrowing Limits U/S 180(1) (c) of The Companies Act, 2013
2. Creation of Charge/Mortgage etc. on Company's movable or immovable Properties in terms of Section 180 (1) (a) of the Companies Act, 2013
3. To Sale or Transfer the whole of a company specified under Sub- Clause (a) of Sub-Section (1) of Section 180.

2019

1. To re- appoint Mr. Akhilesh Rathi as an Independent Director for second term.
2. To re- appoint Mr. Parag Rameshbhai Shah as an Independent Director for second term.
3. To appoint Mr. Ashish Maheshwari as an Independent Director.

2020

1. To re-appoint Mrs. Anita Surendra Gandhi (DIN: 02864338) as a Whole Time Director.
2. To make Investment in Electrum Investment Managers Private Limited ("EIML") upto 49% of share capital through Postal Ballot.
3. To Sale or Transfer the whole of a company specified under Sub- Clause (a) of Sub-Section (1) of Section 180 through Postal Ballot.

b) **Person who conducted the postal ballot exercise**
The Board appointed Mr. Virendra G. Bhatt, Practicing Company Secretary as Scrutinizer to conduct the postal ballot voting process in a fair and transparent manner.

c) **Procedure for Postal Ballot**
The Company followed the procedure for postal ballot as per Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The scrutinizer submitted his report to the Chairman stating that the resolution has been duly passed by the Members with the requisite majority.

9) General shareholder information:

Details required to be provided in this segment is presenting by us as a Separate Section "General Shareholder Information" on page number 59 in the Annual Report.

10) Means of Communication

The quarterly, half-yearly and annual results of the Company are put up on the Company's website (www.arihantcapital.com) and are being published in English (Economic Times and Free Press) and Hindi language (Choutha Sansar). The auditors' observations/suggestions/qualifications, if any, have been adequately explained wherever in the appropriate notes to accounts and are self explanatory.

11) Other Disclosures

I. The Company does not have any material related parties transactions which have potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in Note No. 47 of the annual accounts of the Company forming part of the annual report. The policy on dealing with related party transactions is available on the website of the Company www.arihantcapital.com as well as disclosed half yearly/annually on Consolidated Basis on BSE.

ii. **Shareholders' Rights:** As the quarterly and half yearly, financial results are published in the newspapers and are also posted on the Company's website, the same are not being sent separately to the shareholders.

iii. The Company's financial statements for the financial year 2020-21 do not contain any audit qualification

iv. The Internal Auditors of the Company make presentation to the Audit Committee on their reports as per the approved audit programmes by the Audit Committee at the beginning of the year on a quarterly basis..

v. The Company has complied with the requirements of Stock Exchanges, Securities and Exchange Board of India and other statutory authorities/regulatory on matter relating to capital markets during the last three years and consequently no penalties have been imposed on the Company by these authorities on matter relating to capital markets.

vi. The Company has implemented the mandatory requirements of corporate governance as set out in the listing agreement with stock exchanges. In respect of compliance with the non-mandatory requirements, the Company has constituted a Nomination and Remuneration committee, details where of are given under the heading of Nomination and Remuneration committee.

vii. The Board of Directors has approved the vigil mechanism/Whistle blower policy of the Company which provides a framework to promote a responsible and secure whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company. It provides for a vigil mechanism to channelize reporting of such instances/ complaints/ grievances to ensure proper governance. The Audit Committee oversees the vigil mechanism.

viii. The Company has formulated a policy on materiality of Related Party Transactions and on dealing with Related Party Transactions. The said Policy is available on the website of the Company www.arihantcapital.com

ix. The Annual tentative calendar of the Board meetings is circulated to the members of the Board, well in advance. The Agenda and other related information on the items in the agenda also provided on time, to enable Board members to take informed decision. The Agenda and related information are circulated in electronic form.

x. The Company has not raised any fund through preferential allotment or qualified institutions placement, hence the disclosure of details of utilization of the fund as specified under Regulation 32(7A) of the Listing Regulations is not applicable.

xi. The Company has obtained a Certificate from Mr. Virendra G. Bhatt Company Secretaries in practice certifying that none of the Directors on the Board of the Company for the year ended on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/Ministry of Corporate Affairs or any such Statutory Authority

xii. The Board also review the declarations made by the Managing Director & CEO, CFO and the Company Secretary regarding compliance with all applicable laws and reviews the related compliance reports, on quarterly basis.

xiii. During the year ended 31st March, 2021, the Board had accepted all the recommendations of the Committees, which are mandatorily required.

xiv. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to M/s. Dinesh Ajmera & Associates , the Statutory Auditor of the Company for the year ended 31st March, 2021, is as follows:

Fees for audit and related services paid to M/s. Dinesh Ajmera & Associates	10,80,098
Other fees paid to M/s. Dinesh Ajmera & Associates	93,000

xv. Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- No. of Complaints on Sexual Harassment received during year : NIL

- No. of Complaints disposed off during the Year : Not Applicable
- No. of cases pending as on end of the Financial Year : Not Applicable

xvi. Disclosure of the Compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations are given below:

Regulation	Particulars of Regulation	Compliance Status
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders relationship committee	Yes
21	Risk Management Committee	Not applicable
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
25	Obligation with respect to Independent Directors	Yes
26	Obligations with respect to employee including Senior Management , key managerial persons, directors and promoters	Yes
27	Other Corporate Governance Requirements	Yes

12) Code for prevention of insider-trading practices

This policy includes policy and procedures for inquiry in case of leak of Unpublished Price Sensitive Information (UPSI) or suspected leak of UPSI.

The Company has instituted a comprehensive code for prevention of Insider Trading, for its directors and designated employees, in compliance with SEBI (Prohibition of insider Trading) Regulations, 2015, as amended from time to time.

13) Code of conduct for Directors and Senior Management

Regulation 17(5) of the SEBI Listing Regulations, requires listed companies to lay down a code of conduct for its directors and senior management, incorporating duties of directors as laid down in the Act. The Code requires the Directors and employees to act honestly, ethically and with integrity and in a professional and respectful manner. The code of conduct is available on the website of the Company at *www.arihantcapital.com.*

All Directors and Senior Management Personnel have affirmed compliance with the Code of conduct. A declaration to this effect signed by the Chairman & Managing Director is given in this Annual Report.

14) CEO / CFO certification

This Certificate Certifies that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs.
As required under Regulation 17 (8) and Regulation 33 (2) (a) of the SEBI (LODR) Regulations, 2015 with the BSE, the CEO/CFO certificate for the financial year 2020-21 signed by Mr. Ashok Kumar Jain, Managing Director & CEO and Mr. Tarun Goyal, CFO was placed before the Board of Directors at their meeting held on 14th June, 2021.

15) Subsidiary And Material Subsidiary Companies

- **Subsidiary Companies**

All the subsidiary companies of the Company are managed by their Boards having the rights and obligations to manage these companies in the best interest of respective stakeholders. The Company nominates its representatives on the Board of material subsidiary companies and monitors performance of such companies, inter alia, by reviewing:

a) Financial statements, the investment made by the unlisted subsidiary companies, statement containing all significant transactions and arrangements entered by the unlisted subsidiary companies forming part of the financials being reviewed by the Audit, Risk and Compliance Committee of the Company on a quarterly basis.
b) Minutes of the meetings of the unlisted subsidiary companies, if any, are placed before the Company's Board regularly.
c) Providing necessary guarantees, letter of comfort and other support for their day-to-day operations from time-to-time.

- **Material Subsidiary Companies**

As required under Regulations 16(1) (c) and 46 of the Listing Regulations, the Board of Directors has approved the Policy on Determination of Material Subsidiaries ("Policy"). The said policy is available on the website of the Company at www.arihantcapital.com Accordingly, Arihant Futures and Commodities Limited (AFCL) and Arihant Lifespace Infra Developers Limited (ALIDL) are material subsidiaries of the Company.

16) Whistle Blower/Vigil Mechanism

The Whistle Blower Policy/Vigil mechanism provides a mechanism for the director/employee to report without fear of victimisation, any unethical behaviour, suspected or actual fraud, violation of the Code of Conduct and instances of leak of Unpublished Price Sensitive Information, which are detrimental to the organisation's interest. The mechanism protects whistle blower from any kind of discrimination, harassment, victimisation or any other unfair employment practice. The Company affirms that no employee has been denied access to the Audit Committee.

17) Compliance certificate

Certificate from the practicing company secretary confirming the compliance with all the conditions of corporate governance as stipulated in Schedule V (E) of the SEBI (LODR) Regulation, 2015 is enclosed along with this report.

18) Declaration Affirming Compliance of Code of Conduct

As provided under Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and senior management personnel have confirmed compliance with the code of conduct for the year ended March 31st, 2021.

For Arihant Capital Markets Ltd

Ashok Kumar Jain
Managing Director

Date: 14.06.2021
Place: Indore

GENERAL SHAREHOLDER'S INFORMATION

1	**Date and Time of 29th AGM**	September 25th , 2021, 12:30 P.M.
2	**Venue of Annual General Meeting (AGM)**	The 29th Annual General Meeting (AGM) of the Company will be held on Saturday, the September 25th , 2021 at 12:30 p.m. The Company is conducting AGM through VC/OAVM in compliance with the applicable provisions of the Companies Act, 2013 and MCA General Circular No. 14/2020, dated 08th April, 2020, MCA General Circular No. 17/2020, dated 13th April, 2020, MCA General Circular No. 20/2020, dated 5th May, 2020, MCA General Circular No. 02/2021 and as such there is no requirement to have a venue for the AGM
3	**Date(s) of Book Closure**	19.09.2021 to 25.09.2021 (both days inclusive)
4	**Financial Calendar** **Financial Results for* -** Quarter ending June 30th, 2021 Quarter ending September 30th, 2021 Quarter ending December 31st, 2021 Year ending March 31st, 2022 *tentative dates	 Second week of August, 2021 Second week of November, 2021 Second week of February, 2022 Last week of May, 2022
5	**Financial Year**	1st April 2021 to 31st March 2022
6	**Dividend Payment Date**	On or after 5th October, 2021
7	**Listing of Equity Shares on the Stock Exchange at**	**The BSE Limited** P.J. Towers, Dalal Street, Mumbai-400001 **National Stock Exchange of India Ltd.** (Listed on NSE w.e.f. **15/06/2021)** Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Bandra (E) Mumbai - 400 051. The Annual Listing Fees as applicable have been paid.
8	**CIN of the Company**	L67120MP1992PLC007182
9	**Security Code / Symbol**	511605 (BSE) ARIHANTCAP (NSE)
10	**ISIN**	INE420B01028
11	**Stock Market Data:**	Monthly high and low stock price along with volumes of equity shares traded on BSE for the FY2020-21 is given below:

Month	High (₹)	Low (₹)	Volume (No)
April 2020	43.85	26.60	48,200
May 2020	34.75	24.20	65,948
June 2020	49.45	31.20	85,479
July 2020	53.00	40.30	92,009
August 2020	58.00	38.00	98,356
September 2020	71.40	46.20	3,57,933
October 2020	72.50	51.20	2,13,619
November 2020	80.40	60.20	3,32,615
December 2020	86.90	66.60	5,23,112
January 2021	89.80	74.00	4,07,348
February 2021	91.80	76.00	3,51,759
March 2021	88.80	63.50	1,42,985

12 Distribution schedule as on March 31st, 2021

Shareholding of Nominal Value of ₹	₹	Shares-holders No.	% of Total holders	Share Amount in Rs.	% of Total Equity
UPTO	1000	2632	54.59	955385	0.92
1001	2000	685	14.21	1032715	0.99
2001	3000	301	6.24	760135	0.73
3001	4000	456	9.46	1497000	1.44
4001	5000	215	4.46	1031100	0.99
5001	10000	249	5.16	1855400	1.78
10001	20000	135	2.80	1941500	1.86
20001	30000	48	1.00	1156695	1.11
30001	40000	33	0.68	1119470	1.08
40001	50000	9	0.19	404290	0.39
50001	100000	24	0.50	1721155	1.65
100000	ABOVE	34	0.71	90637955	87.06
Total		**4821**	**100.00**	**104112800**	**100.00**

13 Dematerialization of Shares — About 98.42 per cent of Company's paid up equity share capital has been dematerialized up to March 31st, 2021

14 Dematerialized at NSDL & CDSL — 20493416
Physical — 329144

15 Shareholding Pattern as on March 31, 2021:

Category	No. of Shares Held	% of Shareholding
Promoters & Promoters Group	15528348	74.57
Mutual Funds & Institutional Investors	NIL	NIL
Corporate Bodies	168972	0.81
Indian Public	5029077	24.16
NRI / OCB	87297	0.42
Others – Clearing Members	8866	0.04
TOTAL	**20822560**	**100.00**

16 Share Transfer System & Dematerialization

Shares received for transfer in physical form are processed and the share certificates are returned within 7 days from the date of receipt, subject to documents being valid and complete in all respects. In case no response is received within 15 days of lodging the transfer request, the lodger should write to the Company or the registrar with the full details, so that necessary action can be taken to safeguard the interest of the investor. The Company also obtains a certificate of compliance with the share transfer and other related formalities within the stipulated time period, from a Practicing Company Secretary, as required under Regulation 40(9) of the SEBI Listing Regulations and files a copy of the same on half yearly basis with the Bombay Stock Exchange and National Stock Exchange of India Limited.

A summary of all the transfers, transmissions, issue of duplicate share certificate requests, deletion requests, etc. are placed at every board meeting/ stakeholders Relationship Committee from time to time for their review.

Shareholders who wish to get their physical shares dematerialized should approach to their Depository Participant (DP) where they have a demat account. On receipt of demat request form (DRF) and share certificates by the Company/registrar, the dematerialization request is processed and the shares are, thereafter, credited in demat account of the shareholder.

17 Investor Correspondence/Query

A Investor Correspondence	For transfer / dematerialization of shares, payment of dividend, for shares held in physical form and any other query relating to the shares of the Company please contact: **Registrar and Share Transfer Agent:** Ankit Consultancy Private Limited, Plot No. 60, Electronic Complex, Pardeshipura, Indore (M.P.) T. +91-731-2551745-46 F. +91-731-4065798
For shares held in demat form	To the depository participant
B Any other matters and unsolved complaints	Company Secretary Arihant Capital Markets Limited 6, Lad Colony YN Road, Indore - 452001, (M.P.) Telephone No. : 731- 4217261 Fax No. : 731-4217199 Email: mahesh.pancholi@arihantcapital.com

Notes :

I. Annual listing fee for the Year 2021-22 has been paid to the BSE Limited and NSE Limited, Mumbai.

II. Annual Custody Fee for the Year 2021-22 has been paid to NSDL and CDSL.

III. Distribution schedule and Shareholding Pattern as on March 31st, 2021.

IV. During the Financial Year 2020-21, the Company has credited Rs. 4,03,476/- lying unpaid /unclaimed in the dividend account (2012-13) to the Investor Education & Protection Fund pursuant to Section 125(1) of the Companies Act, 2013. The Company shall be transferring the unclaimed/unpaid dividend amount for the financial year 2013-14, to the Investor Education and Protection Fund in term of the provisions of the Companies Act, 2013.

V. The Company has also uploaded the details of unpaid/unclaimed amounts lying with the company as on September 26, 2020 (date of last Annual General Meeting) on the MCA website under the provision of IEPF (uploading of information regarding unpaid and unclaimed amount lying with the companies) Rules, 2012.

VI. In term of Schedule V (F) of the SEBI (LODR) Regulation,2015 the Company has opened Unclaimed Suspense Account, namely "Arihant Capital Markets Ltd. - Unclaimed Suspense Account" and the unclaimed shares lying with the registrar of the Company have been dematerialized and credited to "Arihant Capital Markets Ltd. - Unclaimed Suspense Account". As per Schedule V (F) of the SEBI (LODR) Regulation,2015, the details of the shares in the Suspense Account are as follows:

Particulars	Number of Shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1st, 2020	179	77800
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	0	0
Number of shareholders and aggregate number of shares transferred to the Unclaimed Suspense account during the year	0	0
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31st, 2021	179	77800

The voting rights on the shares in the suspense accounts as on March 31st, 2021 shall remain frozen till the rightful owners of such shares claim the shares.

VII. Nomination: Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s).Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

VIII. Electronic Clearing Service: The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividends. Dividend will be credited to the Member's bank account through NECS wherever complete core banking details are available with the company. In cases where the core banking details are not available, dividend warrants will be issued to the Members

with bank details printed thereon as available in the Company's records. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. The Company complies with the SEBI requirement. NECS form is attached to the Notice, if not provided.

IX. The Company's financial results and official press releases are displayed on the Company's website www.arihantcapital.com.

X. The financial statements, shareholding pattern, quarterly compliances and other relevant corporate communication are filed with Bombay Stock Exchange Limited electronically through BSE Listing Centre.

XI. SEBI has mandated submission of Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in electronic form are, therefore, requested to furnish their PAN details to their DP, if not already provided. Members holding shares in physical form are required to mandatory submit the copy of their PAN, if not already provided to registrar and Share Transfer Agent.

XII. In case of loss /misplacement of share certificates, investors should immediately lodge a FIR/Complaint with the police and inform the Company /Registrar and Share Transfer Agent along with a copy of FIR /acknowledge copy of complaint.

XIII. We solicit suggestion for improving our investor services.

CERTIFICATE ON COMPLIANCE WITH CORPORATE GOVERNANCE

To
The Members
Arihant Capital Markets Limited

We have examined the relevant records of Arihant Capital Markets Limited, for the purpose of certifying compliance with the conditions of Corporate Governance for the year ended 31st March 2021, as stipulated in the SEBI (LODR) Regulation, 2015. ("Listing Regulation"). We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination has been limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Listing Regulations. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For Ajit Jain & Co.
Company Secretary

Date: 14/06/2021
Place: Indore

Sd/-
CS Ajit Jain
Proprietor
FCS: 3933
COP: 2876
UDIN:F003933C000458354

CEO/CFO CERTIFICATE

To
The Board of Directors,
Arihant Capital Markets Ltd
Indore (M.P.)

Dear Sirs

(a) We have reviewed the balance sheet, profit and loss account and all its schedules and notes on accounts, as well as the cash flow statement as at March 31st, 2021 and that to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- 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 certify that, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting. 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. We have taken necessary steps or propose to take necessary actions to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee that there is:
- No significant change in internal control over financial reporting during the year.
- No significant change in accounting policies during the year under review and
- No instance of any fraud in the Company in which the management has any role.

Place: Indore
Date: June 14, 2021

Tarun Goyal
CFO

Ashok Kumar Jain
MD

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Arihant Capital Markets Limited
6, Lad Colony, Y. N. Road, Indore,
Madhya Pradesh - 452001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of the **Arihant Capital Markets Limited** having CIN: L67120MP1992PLC007182 and having registered office at 6, Lad Colony, Y. N. Road, Indore, Madhya Pradesh - 452001 (hereinafter referred to as "the Company"), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its Officers. I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March, 2021 have been disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs.

Sr. No.	Name of Director	DIN	Date of Appointment at current Designation	Original Date of Appointment
1.	Ashok Kumar Jain	00184729	25/06/1992	25/06/1992
2.	Sunil Kumar Jain	00184860	25/06/1992	25/06/1992
3.	Ashish Maheshwari	00185949	09/09/2017	01/12/2006
4.	Parag Rameshbhai Shah	00512469	09/09/2010	30/01/2010
5.	Akhilesh Rathi	02002322	22/01/1994	22/01/1994
6.	Anita Surendra Gandhi	02864338	01/02/2010	30/01/2010
7.	Arpit Jain	06544441	25/01/2021	25/01/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 20th April, 2021
Place: Mumbai

Virendra G. Bhatt
Practicing Company Secretary
ACS No.: 1157 / COP No.: 124
UDIN: A001157C000136050

Note: Due to prevailing conditions owing to COVID-19, I am unable to verify the information physically, therefore I rely on the information as provided by the Company in electronic mode.

INDEPENDENT AUDITORS' REPORT

To the Members of
ARIHANT CAPITAL MARKETS LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **ARIHANT CAPITAL MARKETS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, (including the statement of Other Comprehensive Income), Statement of Changes in Equity and statement of Cash Flows for the year then ended, and notes to the standalone Ind AS financial statements, including, a summary of significant accounting policies and other explanatory information. (Hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act"), in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the act read with the companies (Indian Accounting Standards) rules,2015 as amended, ("Ind AS") and other principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its Profit, and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Ind AS financial statements section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Impact of Covid-19 on Audit

Due to outbreak of second wave of COVID -19 pandemic has peaked in most states in India. Consequent state wide lockdown enforced by the Government of Madhya Pradesh, we could not carry out normal audit procedures by visiting the office and audit was carried out using "Work from Home" approach. This is considered as Key Audit Matter, since alternate audit procedures were performed for carrying out the audit.

Due to "work from home" approach adopted, we performed following alternative audit procedures:

- Remote Access to financial accounting and taxation software on laptops of team members.
- Various data and confirmation were received either electronically through email or through data sharing on drive.

- For various audit procedures, reliance was placed on scanned copies of original documents shared with us electronically.

Information Other than the standalone Ind AS financial statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Based on the work we have performed, we conclude that there is no material misstatement of this other information.

Management's Responsibility for the Standalone Ind AS financial statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, Profit/Loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133. 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 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management and Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the standalone Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 "A", a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. Further, 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 purposes 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, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Statement of Changes in Equity and the statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.

f) With respect to the adequacy of the internal financial control over financial reporting of the company with reference to these Standalone Ind AS financial statements and the operating effectiveness of such control, refer to our separate report in Annexure "B".

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act

h) 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, as detailed in note 42 to the Standalone Ind AS financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg. No:011970C

CA Dinesh Ajmera
Partner
Membership No. : 402629
UDIN : 21402629AAAABN3474
Indore, June 14, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of ARIHANT CAPITAL MARKETS LIMITED on the accounts for the year ended 31st March, 2021)

1. In respect of the Company's fixed assets:

   a The Company has maintained proper records to show full particulars, including quantitative details and situation of its fixed assets.
   b The fixed assets of the Company are physically verified by the management at regular intervals. During the year, as informed to us, no discrepancies have been noticed on such verification.
   c According to the information and explanations given to us and the records examined by us, we report that the title deeds, comprising all the immovable properties are held in the Company's name as at the balance sheet date.

2. The securities held as stock in trade have been verified by the Management with the statement of holdings provided by depository participants and brokers at reasonable intervals. In our opinion, the frequency of verification is reasonable and no material discrepancies between the book records and the statement of holdings provided by NSDL, other depository participants and brokers have been noticed.

3. The company has granted unsecured loan to companies covered in the register maintained under section 189 of the Companies Act, 2013.

   a The rate of interest and other terms and conditions on which the loan had been granted to the body corporate listed in the register maintained under section 189 of the Act are not prejudicial to the interest of the company.
   b There are no stipulations for the repayment schedule however the rate of interest is stipulated for the loan granted to the body corporate listed in the register maintained under section 189 of the Act. The borrower has been regular in the payment of interest.
   c As per records of the Company and according to the information and explanation given to us, no amount of principal and interest is overdue.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given.

5. According to the information and explanation given to us, the company has not accepted deposits from the public within the meaning of the directives issued by the Reserve Bank of India, under provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

6. According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 in respect of the activities carried by the company.

7. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

   According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2021, for a period of more than six months from the date they became payable.

   b) According to the information and explanations given to us, the has no dues outstanding of income tax that have not been deposited by the Company on account of disputes:

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks, financial institutions or government and there are no dues to debenture holders during the year.

9. In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

10. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

13. In our opinion and according to the information and explanation given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in standalone Ind AS financial statements as required by the applicable Indian accounting standards.

14. According to the information and explanation given to us and based on our examination of the records of the Company, During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

16. According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg. No:011970C

CA Dinesh Ajmera
Partner
Membership No. : 402629
UDIN : 21402629AAAABN3474
Indore, June 14, 2021

ANNEXURE "B"

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report even date to the Members of ARIHANT CAPITAL MARKETS LIMITED on the accounts for the year ended 31st March, 2021)

Report on the Internal Financial Controls with reference to the aforesaid standalone Ind AS financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls with reference to Standalone Ind AS financial statements of **Arihant Capital Markets Limited** ("the Company") as of 31 March 2021 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone Ind AS financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone Ind AS financial statements 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 (the "Guidance Note").

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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 with reference to these standalone Ind AS financial statements were 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 with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements, 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 judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 Company's internal financial controls system over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to Standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS 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 standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial with reference to financial statement, 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 with reference to Standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg. No:011970C

CA Dinesh AjmeraPartner
Membership No. : 402629
UDIN : 21402629AAAABN3474
Indore, June 14, 2021

Standalone Balance sheet as at 31st March, 2021

		Particulars	Note No.	31st March, 2021 (₹)	31st March, 2020 (₹)
		ASSETS			
1		**Financial assets**			
	a.	Cash and cash equivalents	4	24,47,98,069	50,95,76,271
	b.	Bank balance other than (a) above	5	76,12,06,806	105,02,18,213
	c.	Securities for trade	6	9,87,10,870	9,64,88,092
	d.	Receivables			
		Trade receivables	7	144,58,76,550	64,32,58,261
	e.	Loans	8	11,19,11,966	16,30,67,706
	f.	Investments	9	22,83,23,213	21,28,04,900
	g.	Other financial assets	10	116,41,86,199	17,69,39,175
				405,50,13,673	**285,23,52,618**
2		**Non financial assets**			
	a.	Current tax assets (net)	11	-	22,37,212
	b.	Property, plant and equipment	12	8,32,83,058	8,79,42,948
	c.	Other intangible assets	13	56,85,336	60,42,517
	d.	Other non financial assets	14	3,29,04,711	1,97,52,267
				12,18,73,105	**11,59,74,944**
3		**Assets held for sale**	15	4,40,02,829	-
				4,40,02,829	**-**
		Total Assets		**422,08,89,607**	**296,83,27,562**
		LIABILITIES & EQUITY			
		LIABILITIES			
1		**Financial Liabilities**			
	a.	Derivative financial instruments	16	8,42,817	1,96,010
	b.	Payables			
		I) Trade Payables	17		
		i) Total outstanding dues of micro & small enterprises		14,19,254	-
		ii) Total outstanding dues of creditors other than micro & small enterprises		156,81,78,647	112,28,91,446
	c.	Borrowings	18	48,05,29,334	34,79,06,416
	d.	Other financial Liabilities	19	48,13,84,406	20,38,57,371
				253,23,54,459	**167,48,51,243**
2		**Non Financial Liabilities**			
	a.	Current Tax Liabilities (net)	20	79,98,300	-
	b.	Provisions	21	2,77,86,003	2,09,11,760
	c.	Deferred Tax Liabilities (net)	22	38,80,686	45,25,704
	d.	Other non financial liabilities	23	7,73,30,655	2,26,70,732
				11,69,95,643	**4,81,08,196**
3		**Equity**			
	a.	Equity share capital	24	10,41,12,800	10,41,12,800
	b.	Other equity	25	146,74,26,705	114,12,55,324
				157,15,39,505	**124,53,68,124**
		Total Liabilities & Equity		**422,08,89,607**	**296,83,27,562**

Significant Accounting Policies and Notes on Financial Statements 1 to 56

As per our report of even date
For Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg No:011970C

CA. Dinesh Ajmera
Partner
Membership No. : 402629
UDIN : 21402629AAAABN3474
Indore, 14th June, 2021

For and on behalf of the Board

Ashok Kumar Jain (Managing Director) DIN-00184729	**Anita S Gandhi** (Whole Time Director) DIN-02864338	**Mahesh Pancholi** (Company Secretary)	**Tarun Goyal** (CFO)

Standalone Statement of Profit and Loss for the year ended 31st March 2021

	Particulars	Note No.	31st March, 2021 (₹)	31st March, 2020 (₹)
	Income			
I	**Revenue from Operations**			
	Interest Income	26	24,09,33,888	27,28,68,273
	Dividend Income	27	7,82,525	76,34,524
	Fees & Commission Income	28	66,89,13,384	46,01,79,671
	Net Gain on fair value changes	29	18,27,36,927	4,97,97,797
	Others Operating Income	30	4,13,470	9,13,146
II	Other Income	31	46,08,012	11,96,511
III	**Total Income**		**109,83,88,205**	**79,25,89,922**
IV	**Expenses**			
	Finance costs	32	3,20,09,413	7,71,76,029
	Fees and commission expense	33	33,83,23,621	23,18,72,296
	Impairment on financial instruments	34	11,10,562	50,41,392
	Employee Benefits Expenses	35	16,26,91,681	14,40,63,586
	Depreciation and Amortization Expenses	36	1,16,89,638	1,15,34,422
	Other Expenses	37	11,10,80,275	9,00,21,953
	Total		**65,69,05,190**	**55,97,09,679**
V	**Profit Before Exceptional Items and Tax**		**44,14,83,016**	**23,28,80,243**
VI	Exceptional items		-	-
VII	**Profit Before Tax**		**44,14,83,016**	**23,28,80,243**
VIII	Tax Expenses	39		
	Current Tax		9,44,02,605	5,54,56,848
	Deferred Tax		-4,60,917	-1,82,456
	Total Tax Expenses		**9,39,41,688**	**5,52,74,392**
IX	**Profit/(loss) for the year**		**34,75,41,328**	**17,76,05,850**
X	**Other Comprehensive Income**			
(A)	**Items that will not be reclassified to profit & loss**			
	Remeasurements of the defined benefit plans		-7,31,487	-13,309
	Tax effect relating to above item		1,84,101	3,350
		(A)	**-5,47,386**	**-9,959**
(B)	**Items that will be reclassified to profit & loss**		**-**	**-**
	Tax effect relating to above item		**-**	**-**
		(B)	**-**	**-**
	Total Other Comprehensive Income		**-5,47,386**	**-9,959**
XI	**Total Comprehensive Income for the period**		**34,69,93,941**	**17,75,95,891**
XII	Earnings per Share	40		
	Equity Shares of ₹5 each			
	Basic		**16.69**	**8.53**
	Diluted		**16.69**	**8.53**

Significant Accounting Policies and Notes on Financial Statements 1 to 56

As per our report of even date
For Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg No:011970C

CA. Dinesh Ajmera
Partner
Membership No. : 402629
UDIN : 21402629AAAABN3474
Indore, 14th June, 2021

For and on behalf of the Board

Ashok Kumar Jain	**Anita S Gandhi**	**Mahesh Pancholi**	**Tarun Goyal**
(Managing Director)	(Whole Time Director)	(Company Secretary)	(CFO)
DIN-00184729	DIN-02864338		

Standalone Cash Flow Statement for the year ended 31st March, 2021

Particulars		31st March, 2021 (₹)	31st March, 2020 (₹)
A	**Cash flow (used in) / generated from operating activities**		
	Profit before tax	**44,14,83,016**	**23,28,80,243**
	Add / (less) : Adjustments		
	Unrealised (gain)/loss on Fair value changes of Securities for trade	15,34,910	-70,43,939
	(Profit) / Loss on sale of fixed assets	22,58,959	-13,489
	(Profit) / Loss on sale of Investments	-2,44,90,345	35,77,438
	Depreciation / amortisation	1,16,89,638	1,15,34,422
	Interest paid on borrowings	2,32,90,377	6,85,21,403
	Dividend income	-7,82,525	-76,34,524
	Operating profit before working capital changes	**45,49,84,029**	**30,18,21,554**
	Adjustments for changes in working capital:		
	-(Increase)/Decrease in Other bank balance	28,90,11,407	-26,55,47,416
	-(Increase)/Decrease in Securities for Trade	-37,57,688	51,04,394
	-(Increase)/Decrease in Trade receivables	-80,26,18,289	63,63,84,062
	-(Increase)/Decrease in Loans	5,11,55,740	-8,50,67,706
	-(Increase)/Decrease in Other financial assets	-98,72,47,024	-5,00,27,485
	-(Increase)/Decrease in Other non financial assets	-45,48,452	76,04,293
	-Increase/(Decrease) in Derivative financial instruments	6,46,807	1,96,010
	-Increase/(Decrease) in Trade payables	44,67,06,455	73,69,12,340
	-Increase/(Decrease) in Other financial liabilities	27,75,27,035	-6,32,97,949
	-Increase/(Decrease) in Other non financial liabilities	5,46,59,923	27,01,544
	-Increase/(Decrease) in Provisions	61,42,756	34,00,757
	Cash generated from operations	**-21,73,37,299**	**123,01,84,398**
	Income tax paid (net)	-9,27,71,086	-6,09,10,562
	Net cash (used in) / generated from operating activities (A)	**-31,01,08,385**	**116,92,73,836**
B	**Cash flow (used in) / generated from Investing activities**		
	- (Purchase) / Proceeds from sale of property, plant and equipment	-89,31,527	-85,73,523
	- (Purchase) / Proceeds from sale of investments	-3,50,30,796	-2,16,01,058
	- Dividend income received	7,82,524.80	76,34,524
	Net cash (used in)/ generated from investing activities(B)	**-4,31,79,798**	**-2,25,40,057**
C	**Cash flow (used in) / generated from Financing activities**		
	- Dividend paid	-2,08,22,560	-1,56,16,920
	- Dividend distribution tax paid	-	-17,68,173
	- Interest paid	-2,32,90,377	-6,85,21,403
	- Increase/ (Decrease) in Borrowings	13,26,22,918	-62,91,17,811
	Net cash (used in) / generated from financing activities (C)	**8,85,09,981**	**-71,50,24,307**
	Net increase in cash and cash equivalents (A+B+C)	**-26,47,78,202**	**43,17,09,472**
	Cash and cash equivalents at the beginning of the period	50,95,76,271	7,78,66,799
	Cash and cash equivalents at the end of the period	**24,47,98,069**	**50,95,76,271**
	Cash and cash equivalents comprise of		
	Cash and cheques in hand	6,13,626	9,36,433
	Balances with scheduled banks	24,41,84,443	50,86,39,838
	Total	**24,47,98,069**	**50,95,76,271**

Notes:

i) The above cash flow statement has been prepared under the "Indirect method" as set out on the Indian Accounting Standard (Ind AS-7) Statement of Cash Flow

ii) Figures in Negative indicate cash outflows.

Significant Accounting Policies and Notes on Financial Statements 1 to 56

As per our report of even date
For Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg No:011970C

CA. Dinesh Ajmera
Partner
Membership No. : 402629
UDIN : 21402629AAAABN3474
Indore, 14th June, 2021

For and on behalf of the Board

Ashok Kumar Jain (Managing Director) DIN-00184729	**Anita S Gandhi** (Whole Time Director) DIN-02864338	**Mahesh Pancholi** (Company Secretary)	**Tarun Goyal** (CFO)

Statement of Changes in Equity For the year ended 31st March, 2021

A. EQUITY SHARE CAPITAL

(Amount in ₹)

Particular			Amount
Balance as at 31-March-2020			**10,41,12,800**
Changes in equity share capital during the year			-
Balance as at 31-March-2021			**10,41,12,800**

(Amount in ₹)

B.OTHER EQUITY			
Particulars	**Reserve & Surplus**		**Total Equity**
	Retained Earnings	**General Reserve**	
Balance as on 31, March 2020	**13,09,13,184**	**101,03,42,139**	**114,12,55,323**
Profit for the period	34,75,41,328	-	34,75,41,328
Other comprehensive income	-5,47,386	-	-5,47,386
Transfer to General Reserve	-20,00,00,000	20,00,00,000	-
Equity Dividend	-2,08,22,560	-	-2,08,22,560
Balance as on 31, March 2021	**25,70,84,565**	**121,03,42,139**	**146,74,26,705**

As per our report of even date
For Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg No:011970C

CA. Dinesh Ajmera
Partner
Membership No. : 402629
UDIN : 21402629AAAABN3474
Indore, 14th June, 2021

For and on behalf of the Board

Ashok Kumar Jain (Managing Director) DIN-00184729	**Anita S Gandhi** (Whole Time Director) DIN-02864338	**Mahesh Pancholi** (Company Secretary)	**Tarun Goyal** (CFO)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1: CORPORATE INFORMATION

Arihant Capital Markets Limited (referred to as "ACML" or 'the Company') is a public limited company and incorporated on 25th June 1992 having CIN: L67120MP1992PLC007182 under the provisions of Companies Act. The Company is domiciled in India having its registered office at 6, Lad Colony, YN Road Indore, Madhya Pradesh.

The Company is registered with Securities and Exchange Board of India ('SEBI') under the Stock brokers and sub-brokers Regulations, 1992 and is a member of Bombay Stock Exchange Limited, National Stock Exchange of India Limited, Multi Commodity Exchange of India Ltd. and National Commodity and Derivatives Exchange Limited. The Company acts as a stock broker and commodities broker to execute proprietary trades and also trades on behalf of its clients which include retail customers (including high net worth individuals), mutual funds, financial institutions and corporate clients. It is registered with Central Depository Services (India) Limited and National Securities Depository Limited in the capacity of Depository Participant and also registered with SEBI in capacity of Research Analyst and Merchant Banker. Company is also AMFI registered Mutual Fund distributor.

The Board of Directors approved the standalone financial statements for the year ended March 31, 2021 and authorised for issue on June 14, 2021.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Basis of preparation

The financial statement for the year ended 31 March 2021 has been prepared in accordance with Indian Accounting Standard ('Ind AS'). The Company is covered under the definition of NBFC. These Financial Statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). These Financial Statements of the Company are presented in Indian Rupees ("INR"), which is also the Company's functional currency and all values are rounded to nearest rupees.
The financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources. The outbreak of COVID-19 has not affected the going concern assumption of the Company.

2.1 Income Recognition

The Company recognizes revenue from contracts with customers based on a five-step model asset out in Ind AS 115, Revenue from Contracts with Customers, to determine when to recognize revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognized when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) the Company satisfies a performance obligation by transferring a promised service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;

- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

(i) Brokerage income
It is recognized on settlement date basis and is exclusive of goods and service tax and securities transaction tax (STT) wherever applicable.

(ii) Fee & Commission income
Fees based income on services is recognized as earned on a pro-rata basis over the term of the contract. Commissions from distribution of financial products are recognized upon allotment of the securities to the applicant or as the case may be.

(iii) Depository income
Income from services rendered on behalf of depository is recognized upon rendering of the services, in accordance with the terms of contract.

(iv) Interest income
Interest income is recognized on accrual basis in Statement of profit and loss for all financial instruments measured at amortized cost.

(v) Dividend income
Dividend income is recognized in the statement of profit or loss on the date that the Company's right to receive payment is established.

2.2 Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current Tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.3 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.4 Asset held for sale

Assets are classified as held for sale if their carrying amount will have recovered principally through sale transaction rather than through continuing use and sale is considered highly probable. They are measured at lower of their carrying amount or fair value less cost to sell, except for assets such as deferred tax, assets arising from employee benefit, financials assets and contractual rights under insurance contracts, which are specifically exempted from this requirement. Where the Company is committed to a sale plan involving loss of control of an entity, it classifies investment in the entity and assets & liabilities associated with that entity as held for sale.

2.5 Financial Instruments

(A) Initial recognition and measurement:

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

(B) Fair value of financial instruments:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purpose. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 48.

(a) Financial assets

(i) Classification and subsequent measurement

All recognized financial assets are subsequently measured at either amortized cost or fair value depending on their respective classification.

On initial recognition, a financial asset is classified as - measured at:

- Fair Value Through Profit or Loss (FVTPL);
- Fair Value Through Other Comprehensive Income (FVOCI); or
- Amortized Cost.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortized cost or FVOCI are measured at FVTPL.

Financial assets at amortized cost are subsequently measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain and loss on derecognition are recognized in profit or loss.

Financial assets at FVOCI are subsequently measured at fair value. Interest income is recognized using the Effective Interest (EIR) Method. The impairment losses, if any, are recognized through Statement of Profit and Loss. The loss allowance is recognized in OCI and does not reduce the carrying value of the financial asset. On derecognition, gains and losses accumulated in OCI are reclassified to the Statement of Profit and Loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(ii) Impairment

The Company recognizes impairment allowances using Expected Credit Losses ("ECL") method on all the financial assets that are not measured at FVPTL:

ECL are probability-weighted estimate of credit losses. For trade Receivables Company follows simplified approach which requires expected lifetime losses to be recognized. For other assets, the company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is a significant increase in credit risk full lifetime ECL is used. For ECL all financial assets are classified as follows :

Stage 1: Financials assets that are not credit impaired

Stage 2: Financials assets with significant increase in credit risk but that is non credit impaired.

Stage 3: Financials assets that are credit impaired.

Financial assets are written off / fully provided for when there is no reasonable of recovering a financial asset in its entirety or a portion thereof.

However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial asset is derecognized only when:

The Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in Statement of Profit or loss.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using the EIR method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognized in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

2.6 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition and installation of the assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value:

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013. The Company provides pro-rata depreciation from the date of installation till date the assets are sold or disposed.

Assets	Useful Life
Building	60 years
Furniture and Fixtures	10 years
Office Equipments	5 years
Computers	3 years
Electrical Installations	10 years
Vehicles	8 years

Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit and loss when the asset is derecognized.

2.7 Intangible assets

Measurement at recognition:

Intangible assets are recognized where it is probable that the future economic benefit attributable to the assets will flow

to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment, if any.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Amortization

The Company amortizes intangible assets on a straight-line basis over their estimated useful life. The Company provides pro-rata amortization from the day the asset is put to use.

Assets	Useful Life
Computer Software	6 years

Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit and loss when the asset is derecognized.

2.8 Leases

The company lease asset primarily consists of office premises which are of short-term lease with lease term of twelve months or less and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an expense in the Statement of Profit and Loss on a straight-line basis over the term of lease.

2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.10 Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal /external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of asset is the higher of its fair value or value in use. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects the current market assessment of time value of money and the risks specific to it. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An Impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the assets carrying amount would have been determined, net of depreciation or amortization, had no impairment loss been recognised.

2.11 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108,the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

2.12 Provisions and contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a 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 measured at the best estimate of the expenditure required to settle the present obligation at the reporting date.

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.13 Employee benefits

(i) Short-term obligations

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered. The Company recognises the costs of bonus payments when it has a present obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

(ii) Post-employment obligations

Defined contribution plan:

Contribution paid / payable to the recognised provident fund, which is a defined contribution scheme, is charged to the Statement of Profit and Loss in the period in which they occur.

Defined benefits plan:

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The liability recognized in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognized actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

2.14 Dividend Distribution

Dividends paid (including income tax thereon, if any) is recognized in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

2.15 Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period (excluding other comprehensive income) attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.16 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees.

2.17 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

2.18 Derivative financial instruments

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The resulting gain or loss is recognized in standalone statement of profit and loss immediately.

2.19 Foreign currency translation

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are re-translated using the exchange rate prevailing at the reporting date. Nonmonetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences

All exchange differences are accounted in the Statement of Profit and Loss.

2.20 Investment in subsidiaries

Investment in subsidiaries are recognized at cost and is not adjusted to fair value at the end of each reporting period as allowed by Ind AS 27 'Separate financial statement'. Cost of investment represents amount paid for acquisition of the said investment and a proportionate recognition of the fair value of shares granted to employees of subsidiary under a group share based payment arrangement.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

2.21 Investment in associates

Associates are the entities over which the Group has significant influence. Investment in associates is accounted for using the equity method of accounting, after initially being recognized at cost.

NOTE 3: KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on ongoing basis. Any changes to accounting estimates are recognized prospectively. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

(a) Provision and contingent liability: On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. For Contingencies losses that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

(b) Allowance for impairment of financial asset: Judgements are required in assessing the recoverability of overdue and determining whether a provision against those is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.

(c) Recognition of deferred tax assets: Deferred tax assets are recognised for unused tax-loss carry forwards, deductible temporary differences and unused tax credit to the extent that realisation of the related tax benefit is probable. The assessment of the probability regarding the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.

(d) Defined benefit plans: The cost of defined benefit plans and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

(e) Property, plant and equipment and Intangible Assets: Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation and amortization to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

Notes Forming Part Of Standalone Financial Statement

Particulars	31st March, 2021 (₹)	31st March, 2020 (₹)
4. Cash and Cash Equivalents		
Cash in hand	6,13,626	9,36,433
Balances with banks		
In current accounts	24,41,84,443	50,86,39,838
Total	**24,47,98,069**	**50,95,76,271**
5. Bank Balances other than above		
Earmarked balances (Unpaid dividend account)	24,31,706	24,68,113
Fixed Deposit with banks*	75,87,75,100	104,77,50,100
Total	**76,12,06,806**	**105,02,18,213**
*** Fixed Deposit with bank includes Deposits under the lien of :**		
NSE Clearing Limited	15,92,00,000	20,96,00,000
Axis Bank Ltd for NSEF&O segment	18,20,00,000	65,02,00,000
BSE Limited (ICCL)	25,00,000	-
National Commodity Exchange Limited	2,82,50,000	3,82,50,000
Multi Commodity Exchange of India Limited	5,30,50,000	7,31,50,000
Bank for guarantees issued	33,33,00,100	7,55,50,100
	75,83,00,100	**104,67,50,100**

6. Securities for trade

Particulars	FV ₹	31st March, 2021 Quantity	31st March, 2021 ₹	31st March, 2020 Quantity	31st March, 2020 ₹
Quoted Equity Shares"					
Aditya Birla Fashion and Retail Limited"	10	10000	20,12,500	-	-
Aditya Birla Capital Limited	10	10000	11,93,000	-	-
Avenue Supermarts Limited	2	-	-	6000	1,32,04,200
Axis Bank Limited	10	-	-	25000	94,82,500
Bharat Petroleum Corporation Limited	10	10000	42,79,500	-	-
CG Power and Industrial Solutions Limited	2	50000	33,45,000	-	-
Colgate Palmolive (India) Limited	1	-	-	7104	89,00,957
DFM Foods Limited	2	5000	18,20,750	-	-
Emami Limited	1	20035	97,37,010	-	-
Fortis Healthcare Limited	10	30000	59,74,500	-	-
GlaxoSmithKline Pharmaceuticals Limited	10	-	-	2000	24,90,500
Godrej Consumer Products Limited	1	-	-	1600	8,33,040
HDFC Life Insurance Company Limited	10	-	-	10000	44,16,000
ICICI Prudential Life Insurance Company Limited	10	-	-	20000	71,14,000
ICICI Securities Limited	5	-	-	10000	27,71,000
Kotak Mahindra Bank Limited	5	18000	3,15,54,000	-	-
Oberoi Realty Limited	10	-	-	5000	16,71,000
Pfizer Ltd	10	-	-	1000	40,24,650
Pidilite Industries Limited	10	-	-	200	2,71,320
Procter & Gamble Hygiene and Health Care Limited	10	1800	2,28,22,110	-	-
Sbi Life Insurance Company Ltd	1	-	-	61478	3,94,04,324
Tata Consumer Products Limited	10	25000	1,59,72,500	6156	18,14,789
The Phoenix Mills Limited	2	-	-	157	89,812
Total			**9,87,10,870**		**9,64,88,092**

Notes Forming Part Of Standalone Financial Statement

Particulars	31st March, 2021 (₹)	31st March, 2020 (₹)
7. Trade Receivables		
Considered good- Secured		
Considered good - Unsecured	144,58,76,550	64,32,58,261
Trade Receivables which have significant increase in credit risk		
Trade Receivables - Credit impaired		
	144,58,76,550	64,32,58,261
Less:Impairement loss allowance	-	-
Total	**144,58,76,550**	**64,32,58,261**
Out of which:		
Due from Directors	Nil	Nil
Due from a firm including LLP's and Private Limited Company		
in which a Director of the Company is a Partner or a Director respectively	Nil	Nil
8. Loans		
[A] Loans		
- Amortised Cost		
Loans to related parties (Refer Note No. 47)	11,19,11,966	16,30,67,706
Total (Gross)	**11,19,11,966**	**16,30,67,706**
Less: Impairment Allowance	-	-
Total (Net)	**11,19,11,966**	**16,30,67,706**
[B]		
i) Secured by tangible assets	-	-
ii) Unsecured	11,19,11,966	16,30,67,706
Total (Gross)	**11,19,11,966**	**16,30,67,706**
Less: Impairment Allowance	-	-
Total (Net)	**11,19,11,966**	**16,30,67,706**
[C] Loans in India		
i) Public Sector	-	-
ii) Others	11,19,11,966	16,30,67,706
Total (Gross)	**11,19,11,966**	**16,30,67,706**
Less: Impairment Allowance	-	-
Total (Net)	**11,19,11,966**	**16,30,67,706**
Note: There is no loan asset measured at FVOCI or FVTPL		
Stage wise break up of loans -		
Low credit risk (Stage 1)	11,19,11,966	16,30,67,706
Significant increase in credit risk (Stage 2)		
Credit impaired (Stage 3)		
Total	**11,19,11,966**	**16,30,67,706**

Notes Forming Part Of Standalone Financial Statement

9. Investments

(Amount in ₹)

Particulars	Face Value	31st March, 2021		31st March, 2020	
		No. of Share	Value	No. of Share	Value
Equity Instruments					
(A) At Fair Value though Profit or Loss					
D. P. Abhushan Limited	10	461099	5,41,79,133	208000	1,26,04,800
Nitiraj Engineers Limited	10	432000	2,06,49,600	363600	2,01,61,620
Spectrum Electrical Industries Limited	10	794000	4,52,58,000	784000	4,15,52,000
Saurashtra Kutch Stock Exchange Limited	100	50	5,05,000	50	5,05,000
The Saraswat Co-Operative Bank Limited	10	500	5,000	500	5,000
Quest Global Technologies Limited	10	90000	9,00,000	90000	9,00,000
Sub-Total (A)			**12,14,96,733**		**7,57,28,420**
(B) At cost					
1. Investment in subsidiaries					
Arihant Lifespace Infra Developers Limited	10	450000	4,05,00,000	450000	4,05,00,000
Arihant Future & Commodities Limited	10	355000	79,52,045	355000	79,52,045
Arihant Insurance Broking Services Limited	10	750000	75,00,000	750000	75,00,000
Arihant Financial Services Limited	10	250000	2,06,24,435	250000	2,06,24,435
Arihant Investment Advisors Private Limited (Formerly known as Arihant Financial Planners & Advisors Private Limited)	10	250000	25,00,000	250000	25,00,000
Ahinsa Lifespace Infraheight Limited*	10	-	-	1900000	1,90,00,000
Arihant Capital (IFSC) Limited	10	1400000	1,40,00,000	1400000	1,40,00,000
Electrum Portfolio Managers Limited (Formerly Arihant Asset Management Limited)*	10	-	-	2500000	2,50,00,000
2. Investment in Associate					
Electrum Capital Private Limited** (Formerly known as Electrum Investment Managers Private Limited)	10	1375000	1,37,50,000	-	-
Sub-Total (B)			**10,68,26,480**		**13,70,76,480**
Total (A+B)			**22,83,23,213**		**21,28,04,900**
i) Investments in India			22,83,23,213		21,28,04,900
ii) Investments outside India			-		-
Total			**22,83,23,213**		**21,28,04,900**

** During the year ended March 31st, 2021, the company has planned to divest its whole investment in subsidiaries Ahinsa Lifespace Infraheight Ltd and Electrum Portfolio Managers Limited (Formerly Arihant Asset Management Limited).This investment does not consititue major component of the company and hence not classified as discontinued operations. (Refer note no 15).*

*** During the year the company has made investment of ₹137.5 Lakhs (1375000 shares of FV of ₹10) in Equity Shares of Electrum Capital Private Limited (Formerly known as Electrum Investment Managers Private Limited). The Company has recognised its investment in associate at cost in accordance with paragraphs 38-43 of Ind AS 27.*

Particulars	31st March, 2021 (₹)	31st March, 2020 (₹)
10. Other Financial Assets		
Deposits with Exchanges / Depositories	2,92,65,103	13,33,10,000
Deposit with Related parties (Refer Note No.47)	30,75,000	1,60,75,000
Fixed Deposit with banks having maturity more than 12 months (Refer Note Below)	112,15,75,000	2,19,00,000
Accrued Interest on Fixed Deposit	45,18,477	22,62,315
Other Deposits	16,46,742	17,80,742
Other Advances	41,05,876	16,11,117
Total	**116,41,86,199**	**17,69,39,175**
Note:		
Fixed Deposit with bank includes Deposits under the lien of :		
NSE Clearing Limited	7,96,00,000	-
Axis Bank Ltd for NSEF&O segment	67,75,00,000	-
National Commodity Exchange Limited	2,00,00,000	-
Multi Commodity Exchange of India Limited	2,00,00,000	-
Bank for guarantees issued	32,24,75,000	1,99,00,000
Pension Fund Regulatory and Development Authotriy.	20,00,000	20,00,000
Total	**112,15,75,000**	**2,19,00,000**
*Fixed deposits are pledged with exchange and banks for meeting margin requirements and for obtaining bank gaurantee respectively		
11. Current tax Assets (net)		
Advance Income Tax {Net of Provision for Income tax for 2020 of ₹ 579 Lakhs}	-	22,37,212
Total	**-**	**22,37,212**

Notes Forming Part Of Standalone Financial Statement

12. Property,Plant & Equipment

(Amount in ₹)

Particulars	Building	Furniture & Fixtures	Office Equipment's	Computers	Electrical Installations	Motor Vehicles	Total
Gross carrying Amount							
Balance as at 31st March, 2020	**5,77,89,180**	**90,85,699**	**54,16,863**	**1,98,44,909**	**12,49,879**	**1,47,61,469**	**10,81,48,000**
Additions	-	3,64,139	16,73,402	35,49,680	-	18,00,000	73,87,221
Disposals	-	11,76,758	5,80,343	30,17,465	71,102	-	48,45,666
Balance as at 31st March, 2021	**5,77,89,180**	**82,73,081**	**65,09,923**	**2,03,77,124**	**11,78,778**	**1,65,61,469**	**11,06,89,554**
Accumulated Depreciation							
Balance as at 31st March, 2020	**20,65,090**	**22,48,961**	**20,13,148**	**1,03,44,085**	**3,23,674**	**32,10,095**	**2,02,05,053**
Additions	10,32,545	9,56,974	11,22,758	50,36,571	1,46,149	19,71,256	1,02,66,254
Disposals	-	3,76,719	3,19,687	23,37,831	30,572	-	30,64,810
Balance as at 31st March, 2021	**30,97,636**	**28,29,216**	**28,16,219**	**1,30,42,824**	**4,39,251**	**51,81,350**	**2,74,06,497**
Net Carrying Amount							
Balance as at 31st March, 2020	**5,57,24,089**	**68,36,739**	**34,03,715**	**95,00,824**	**9,26,205**	**1,15,51,375**	**8,79,42,947**
Balance as at 31st March, 2021	**5,46,91,544**	**54,43,865**	**36,93,703**	**73,34,300**	**7,39,527**	**1,13,80,119**	**8,32,83,058**

13. Other Intangible Assets

Particulars	Software	Total
Gross carrying Amount		
Balance as at 31st March, 2020	**86,15,233**	**86,15,233**
Additions	16,25,000	16,25,000
Disposals	5,75,496	5,75,496
Balance as at 31st March, 2021	**96,64,737**	**96,64,737**
Accumulated Depreciation		
Balance as at 31st March, 2020	**25,72,717**	**25,72,717**
Additions	14,23,384	14,23,384
Disposals	16,700	16,700
Balance as at 31st March, 2021	**39,79,401**	**39,79,401**
Net Carrying Amount		
Balance as at 31st March, 2020	**60,42,517**	**60,42,517**
Balance as at 31st March, 2021	**56,85,336**	**56,85,336**

Notes Forming Part Of Standalone Financial Statement

Particulars	31st March, 2021 (₹)	31st March, 2020 (₹)
14. Other Non Financial Assets		
Employee Advance	1,27,818	3,54,475
Prepaid expenses	1,67,83,399	99,97,641
Tax Receivables (IT Department)	1,44,19,242	58,15,250
GST Receivables	13,43,414	20,68,666
Other Advances	2,30,838	15,16,235
Total	**3,29,04,711**	**1,97,52,267**
15. Assets held for sale		
(A) Assets classified as held for sale		
(i) Investment in subsidiaries (Refer Note 15.1)	4,40,00,000	-
(ii) Advances for expenses	68,059	-
Total (A)	**4,40,68,059**	**-**
(B) Liabilities directly associated with assets classified as held for sale		
(i) Payable to subsidiaries	65,230	-
Total (B)	**65,230**	**-**
Net assets held for sale (A-B)		
	4,40,02,829	**-**
15.1 Investment in subsidiaries*		
Investments in Equity Instruments of subsidiaries (fully paid up equity shares of ₹ 10/- each)		
i) Ahinsa Lifespace Infraheight Ltd .	1,90,00,000	-
ii) Electrum Portfolio Managers Limited (Formerly Arihant Asset Management Limited)	2,50,00,000	-
Total	**4,40,00,000**	**-**

* During the year ended March 31st, 2021, the company has planned to divest its whole investment in subsidiaries Ahinsa Lifespace Infraheight Ltd and Electrum Portfolio Managers Limited (Formerly Arihant Asset Management Limited).This investment does not consititue major component of the company and hence not classified as discontinued operations.

16. Derivative Financial Instruments

Particulars	"As at 31st March, 2021"	"As at 31st March, 2020"
(i) Equity linked derivatives	8,42,817	1,96,010
Total	**8,42,817**	**1,96,010**
Notional amounts	**29,49,79,911**	**70,25,070**
Fair value - liabilities	8,42,817	1,96,010

Note : - The derivatives are used for the purpose of trading.

17. Trade Payables

Micro, Small and Medium Enterprises (Refer Note No.44)	14,19,254	-
Other than Micro, Small and Medium Enterprises	156,81,78,647	112,28,91,446
Total	**156,95,97,901**	**112,28,91,446**

Notes Forming Part Of Standalone Financial Statement

Particulars	31st March, 2021 (₹)	31st March, 2020 (₹)
18. Borrowings		
[A] Loans repayable on demand		
- Amortised Cost		
i) from banks	48,05,29,334	34,79,06,416
ii) from others	-	-
Total	**48,05,29,334**	**34,79,06,416**
[B]		
i) Borrowings in India	48,05,29,334	34,79,06,416
ii) Borrowings outside India	-	-
Total	**48,05,29,334**	**34,79,06,416**
[C]		
i) Secured *	48,05,29,334	34,79,06,416
ii) Unsecured	-	-
Total	**48,05,29,334**	**34,79,06,416**
*Secured against pledge of securities, trade receivables and property.		
19. Other Financial Liabilities		
Employee Benefits Payable	2,71,62,675	1,44,94,873
Franchise Deposit	3,99,20,221	3,25,07,679
Margin Deposit	27,67,50,000	4,70,00,000
Other Deposit	8,59,35,048	6,98,62,351
Other Payable(includes payable to vendors)	4,91,84,756	3,75,24,355
Unpaid Dividend*	24,31,706	24,68,113
Total	**48,13,84,406**	**20,38,57,371**
*Out of the above amount, the company is required to credit a sum of ₹399610/- lying in the unpaid/unclaimed dividend account, on or before 30th September, 2021 to the Investor Education & Protection Fund pursuant to Sub -section (1) of Section 125 of The Companies Act, 2013.		
20. Current Tax Liabilities (net)		
Income tax payable {Net of Advance Tax & TDS for 2021 of ₹1040 Lakhs}	79,98,300	-
	79,98,300	**-**
21. Provisions		
Provision for Gratuity (Refer Note No.46)	1,79,87,211	1,22,36,917
Provision for Bonus	19,45,000	19,49,490
Provision for Expenses	78,53,792	67,25,354
Total	**2,77,86,003**	**2,09,11,760**
22. Deferred Tax Liabilities (net)		
Deferred Tax Liabilities (net) (Refer Note No.39)	38,80,686	45,25,704
Total	**38,80,686**	**45,25,704**

Notes Forming Part Of Standalone Financial Statement

Particulars	31st March, 2021 (₹)	31st March, 2020 (₹)
23. Other Non Financial Liabilities		
Statutory Dues Payable (including PF, ESIC, Stamp Duty, TDS, Professional Tax and GST)	2,55,56,517	1,54,70,732
Other Advances	5,17,74,138	72,00,000
Total	**7,73,30,655**	**2,26,70,732**
24. Share Capital		
Authorised		
2,50,00,000 (2,50,00,000) equity share of ₹5/- each	12,50,00,000	12,50,00,000
Issued, Subscribed & Paid up		
2,08,22,560 (2,08,22,560) equity share of ₹5/- each	10,41,12,800	10,41,12,800
Total	**10,41,12,800**	**10,41,12,800**
a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period		
Equity Shares of face value ₹5/-		
Share outstanding at the beginning of the period	2,08,22,560	2,08,22,560
Share outstanding at the end of period	2,08,22,560	2,08,22,560

b. Terms/rights attached to equity shares

The company has one class of equity shares having a par value of ₹ 5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c. List of the Shareholders holding more than 5% of the total number of shares issued by the company

Name of the shareholders		
Ashok Kumar Jain	61,70,336 (29.63%)	60,63,040 (29.12%)
Kiran Jain	47,28,320 (22.71%)	47,28,320 (22.71%)
Sunil Kumar Jain	16,06,656 (7.72%)	16,06,656 (7.72%)
Arpit Jain	11,47,840 (5.51%)	11,47,840 (5.51%)
25. Other Equity		
General Reserve		
Balance at the beginning of the year	101,03,42,139	86,03,42,139
Transfer from Retained Earnings	20,00,00,000	15,00,00,000
Balance as at end of the year	**121,03,42,139**	**101,03,42,139**
Retained Earnings		
Balance at the beginning of the year	13,09,13,184	12,07,02,386
Transfer from Statement of Profit and Loss	34,75,41,328	17,76,05,850
Remeasurement of Defined Benefit Plan (Net of Taxes)	-5,47,386	-9,959
Equity Dividend	-2,08,22,560	-1,56,16,920
Dividend distribution tax	-	-17,68,173
Transfer to General Reserve	-20,00,00,000	-15,00,00,000
Balance as at end of the year	**25,70,84,565**	**13,09,13,184**
Total	**146,74,26,705**	**114,12,55,324**

General Reserve

General reserve represents appropriation of surplus in the profit and loss account and is available for distribution to shareholders as dividend.

Retained Earnings

Surplus in profit or loss account (Retained Earnings) represents surplus/accumulated profit of the company and is available for distribution to shareholders as dividend.

Notes Forming Part Of Standalone Financial Statement

Particulars	31st March, 2021 (₹)	31st March, 2020 (₹)
26. Interest Income		
On financial assets measured at amortised cost-		
Interest on loans	2,78,17,116	1,73,02,923
Interest on deposits with banks	9,39,96,541	7,55,85,791
Interest on Margin funding	11,91,20,231	17,99,79,559
Total	**24,09,33,888**	**27,28,68,273**
27. Dividend Income		
From Securities	7,82,525	5,34,524
From subsidiary companies	-	71,00,000
Total	**7,82,525**	**76,34,524**
28. Fees and commission income		
Commission Received (Net)	1,32,55,495	1,18,96,179
Brokerage Income	61,04,99,919	42,15,70,650
Depository Receipts	2,19,09,973	1,54,80,966
Fees From Merchant Banking	2,32,47,996	1,12,31,876
Total	**66,89,13,384**	**46,01,79,671**
29. Net Gain on fair value changes		
(A) Net gain / (loss) on financial instruments at fair value through profit or loss		
(i) Profit/(loss) on sale of derivatives held for trade (net)	10,43,84,354	4,59,36,527
(ii) Profit/(loss) on securities held for trade	5,38,62,228	74,38,708
(B) Others		
- Profit/(loss) on sale of investments (net) at fair value through profit or loss	2,44,90,345	-35,77,438
Total	**18,27,36,927**	**4,97,97,797**
Fair value changes		
Realised gain	17,59,81,259	5,44,32,036
Unrealised gain	67,55,668	-46,34,239
Total	**18,27,36,927**	**4,97,97,797**
30. Other operating income		
Others Income	4,13,470	9,13,146
Total	**4,13,470**	**9,13,146**
31. Other Income		
Interest Income on Income Tax Refund	5,35,669	2,96,578
Income from Rent	1,80,000	-
Bad debts recovered	14,10,635	21,975
Profit on Sale of Fixed Assets	-	13,489
Miscellaneous income	24,81,709	8,64,469
Total	**46,08,012**	**11,96,511**
32. Finance Costs		
On financial liabilities measured at amortised cost-		
Interest on Borrowings	2,32,90,377	6,85,21,403
Interest paid on Margin Money	85,12,618	85,57,001
Other Interest expenses	2,06,419	97,625
Total	**3,20,09,413**	**7,71,76,029**
33. Fees and Commission Expense		
Sub Brokerage/Referral Fees	26,30,93,029	18,67,14,707
Depository charges	1,01,07,247	60,49,120
Exchange Transaction Charges	6,02,51,567	3,61,96,279
Clearing Charges	24,32,903	16,67,703
Merchant Banking Expenses	24,38,875	12,44,487
Total	**33,83,23,621**	**23,18,72,296**

Notes Forming Part Of Standalone Financial Statement

Particulars	31st March, 2021 (₹)	31st March, 2020 (₹)
34. Impairment on financial instruments		
On financial assets measured at amortised cost-		
Trade Receivable		
Bad Debts written off	11,10,562	50,41,392
Total	**11,10,562**	**50,41,392**
35. Employee Benefits Expenses (Includes Managerial Remuneration)		
Salaries, wages and bonus	15,35,06,174	13,82,11,085
Contribution to provident and other fund (Refer Note No.46)	18,44,641	18,04,810
Gratuity expense (Refer Note No.46)	54,96,819	16,44,231
Staff welfare expenses	18,44,047	24,03,460
Total	**16,26,91,681**	**14,40,63,586**
36. Depreciation and amortisation expense		
Depreciation on Property, plant & equipment	1,02,66,254	1,01,86,803
Amortisation on other intangible assets	14,23,384	13,47,620
Total	**1,16,89,638**	**1,15,34,422**
37. Other Expenses		
Advertisement	29,04,131	21,16,017
Auditors' Remuneration (Refer Note No.38)	9,83,000	7,32,500
Bank Charges	76,25,831	43,54,570
Business Development	23,77,846	48,30,956
Corporate Social Responsibility (Refer Note No. 53)	80,85,318	58,03,250
Communication including V-Sat	1,04,90,990	83,65,919
Electricity	50,25,149	51,68,102
Insurance	14,52,938	5,72,997
Legal and Professional	1,19,00,663	73,94,067
Loss On Fixed Assets	22,58,959	-
Membership Fee & Subscription	14,81,856	37,02,451
Miscellaneous	38,69,857	41,03,864
Office Expenses	26,37,982	18,02,808
Rent	1,14,09,798	1,18,50,419
Repairs & Maintenance	74,89,506	74,69,322
Software Maintenance	2,53,52,239	1,50,82,249
Stationery & Printing	5,29,934	12,12,153
Travelling, Conveyance and Motor Car	52,04,279	54,60,309
Total	**11,10,80,275**	**9,00,21,953**
38. Remuneration To Auditors (Exclusive of Taxes)		
As Auditors:		
Statutory audit	7,00,000	5,00,000
Tax audit	1,00,000	1,00,000
Limited review	90,000	75,000
Other services	93,000	57,500
Total	**9,83,000**	**7,32,500**

Notes Forming Part Of Standalone Financial Statement

37. Tax Expense

Particulars	31st March, 2021 (₹)	31st March, 2020 (₹)
I.The major components of income tax expense for the year are as under		
(A) Current tax expense		
Current tax for the year	11,20,02,100	5,71,63,500
Tax adjustment in respect of earlier years	-1,75,99,495	-17,06,652
Total current tax expense (A)	**9,44,02,605**	**5,54,56,848**
(B) Deferred taxes		
Change in deferred tax liabilities	-4,60,917	-1,82,456
Net deferred tax expense (B)	**-4,60,917**	**-1,82,456**
Total(A+B)	**9,39,41,688**	**5,52,74,392**
B. Reconciliation of tax expenses and the accounting profit for the year is as under		
Profit / (loss) before income tax expense	44,14,83,016	23,28,80,243
Tax at the rate of 25.17%	**11,11,12,445**	**5,86,11,299**
Difference due to :		
Tax effect of expense allowed on payment basis	11,95,742	2,86,158
Tax on expense not tax deductible	26,03,448	7,30,281
Tax adjustment relating to fair valuation of equity instrument	-43,90,912	-4,36,555
Tax adjustment of previous years	-1,75,99,495	-17,06,652
Tax effect of different depreciation	-1,06,190	-2,41,037
Tax effect on chapter VI	-1,96,946	-
Tax on income exempt from tax	-	-19,21,457
Tax on income taxable at different rate	7,72,659	1,38,177
Others	10,11,808	-3,367
Current tax expense (A)	**9,44,02,560**	**5,54,56,848**
Deferred tax liability on PPE & Intangible Assets	-4,62,345	-9,19,887
Deferred tax asset on expense allowed on payment basis	-12,62,003	44,353
Deferred tax asset on fair valuation	12,63,431	6,93,078
Deferred tax expense (B)	**-4,60,917**	**-1,82,456**
Total Tax Expense (A+B)	**9,39,41,643**	**5,52,74,392**
Effective Tax Rate	**21.28%**	**23.74%**
The amount of deferred tax income/(expenses) relating to changes in tax rate or the imposition of new taxes:-		
Income due to change in rate	-	**12,66,278**
Expense due to change in rate	-	-8,31,962
Net income for the year	-	4,34,316

C. Movement of deferred tax assets and liabilities

Particulars	As at 1st April, 2020	Year Ended 31st March, 2021 Credit / (Charge) in Profit or Loss	Credit / (Charge) Recognised in OCI	As at 31st March, 2021
Deferred tax liability on account of :				
Timing difference on PPE & Intangible Assets as per books and Income Tax Act, 1961	76,59,303	4,62,345	-	71,96,958
Fair valuation of Securities for Trade as per Ind AS	17,72,819	21,59,125	-	-3,86,306
Total deferred tax liabilities (A)	**94,32,122**	**26,21,470**	**-**	**68,10,652**
Deferred tax assets on account of:				
Expenses allowable u/s. 43B on payment basis				
-Gratuity	30,79,787	12,63,133	1,84,101	45,27,021
-Bonus	4,90,648	-1,130	-	4,89,518
Fair valuation of Equity Instruments as per Ind AS	13,35,984	-34,22,556	-	-20,86,573
Total deferred tax assets (B)	**49,06,418**	**-21,60,553**	**1,84,101**	**29,29,966**
Net deferred tax Liability/(Assets) (A-B)	**45,25,704**	**4,60,917**	**1,84,101**	**38,80,686**

Notes Forming Part Of Standalone Financial Statement

(Amount in ₹)

Particulars	31st March, 2021 (₹)	31st March, 2020 (₹)
40. Earnings Per Equity Share		
A) Profit attributable to Equity holders of Company		
Profit attributable to equity holders	**34,75,41,328**	**17,76,05,850**
B)Weighted average number of ordinary shares		
Number of shares at the beginning of the year	2,08,22,560	2,08,22,560
Weighted average number of shares at the end of the year	**2,08,22,560**	**2,08,22,560**
C)Face value per share	**5.00**	**5.00**
D)Basic and Diluted earnings per share	**16.69**	**8.53**

41. Proposed dividend

The Board of Directors has recommended Equity dividend of ₹ 1.00 per share for the financial year 2020-21.

42. Contingent Liability and Commitment (to the extent not provided for)

Particulars	For the Year ended 31-Mar-21 (₹)	For the Year ended 31-Mar-20 (₹)
Contingent liabilities:		
Bank Guarantees given*	130,92,75,000	18,23,75,000
Demand in respect of income tax matters for which appeal is pending	Nil	2,17,69,432
Claim against the company	39,03,111	Nil
Capital commitments:		
There are no Capital commitment as at the year end.		
*** Bank Guarantees details**		
1.Corporate Guarantees to banks (for subsidiary Arihant Future and Commodities Ltd)	-	1,00,00,000
2.ICCL Bombay Stock Exchange Ltd (under mandatory rules for membership)	1,23,75,000	1,48,75,000
3.Axis Bank Ltd - Clearing Member of company in NSE F&O segment (towards margin requirement)	54,78,00,000	-
4.National Securities Clearing Corporation Ltd (towards additional margin)	70,26,00,000	15,00,00,000
5.National Securities Clearing Corporation Ltd (under mandatory rules for membership)	75,00,000	75,00,000
6.MCXCCL (towards additional margin requirement)	3,90,00,000	-

Notes Forming Part Of Standalone Financial Statement

43. Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Board of Directors and the Company has only one reportable business segment i.e. Broking Business.

Accordingly, the disclosure requirements of Ind AS 108 are not applicable.

Entity wide disclosure details as per Ind AS 108 on Operating segments are given below:

The following table shows the distribution of the Company's operating revenue by geographical location of customers

Particulars	For the Year ended 31-Mar-21 (₹)	For the Year ended 31-Mar-20 (₹)
Revenue from Operations		
India	109,37,80,193	79,13,93,411
Outside India	-	-
Total	**109,37,80,193**	**79,13,93,411**

The following table shows the carrying amounts of non-current segment assets by geographical area in which the assets are located:

Particulars	For the Year ended 31-Mar-21 (₹)	For the Year ended 31-Mar-20 (₹)
Non-Current Assets*		
India	8,89,68,394	9,39,85,464
Outside India	-	-
Total	**8,89,68,394**	**9,39,85,464**

*It includes PPE and Intangible Assets

During the year ended 31st March, 2021 and 2020 respectively, revenues from transactions with a single external customer did not amount to 10 percent or more of the Company's revenues from external customers.

44. Due to Micro, Small, & Medium Enterprises

The Company has sent letters to vendors to confirm whether they are covered under Micro, Small and Medium Enterprise Development Act 2006 as well as they have filed required memorandum with prescribed authority. Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) the relevant particulars as at the year end are furnished below:

Particulars	For the Year ended 31-Mar-21 (₹)	For the Year ended 31-Mar-20 (₹)
The Principal amount remaining unpaid at the year end	14,19,254	-
The Interest amount remaining unpaid at the year end	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
The amount of interest accrued and remaining unpaid at the year end	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-
The balance of MSMED parties as at the year end	14,19,254	-

Notes Forming Part Of Standalone Financial Statement

45. Revenue from Contract with customers

The Company derives revenue primarily from the broking business. Its other major revenue sources is Interest income.

A. Disaggregate revenue information

The table below presents disaggregate revenues from contracts with customers for the year ended 31st March, 2021 and 31st March, 2020. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.

Particulars	For the Year ended 31-Mar-21 (₹)	For the Year ended 31-Mar-20 (₹)
Brokerage Income	61,04,99,919	42,15,70,650
Fees & Commission Income	1,32,55,495	1,18,96,179
Interest Income	24,09,33,888	27,28,68,273
Depository Income	2,19,09,973	1,54,80,966
Total	**88,65,99,276**	**72,18,16,068**

B. Nature and timing of satisfaction of the performance obligation

1. Broking Income - The Company provides trade execution and settlement services to the customers. There is only one performance obligation of execution of the trade and settlement of the transaction which is satisfied at a point in time. The brokerage charged is the transaction price and is recognised as revenue on settlement date basis.

2. Fees & Commission Income - Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract. Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be. Commissions and fees recognised as aforesaid are exclusive of goods and service tax, securities transaction tax, stamp duties and other levies by SEBI and stock exchanges.

3. Interest Income - Interest is earned on delayed payments from clients and amounts funded to them as well as on loans and term deposit with bank. Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable.

4. Depository Income - Income from services rendered on behalf of depository is recognised upon rendering of the services, in accordance with the terms of contract.

46. Employee benefits

A.The Company contributes to the following post-employment defined benefit plans

(i) Defined Contribution Plans:

The Company makes contributions towards Provident Fund and Employees State Insurance Fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The Company recognised ₹14,59,558 (Previous Year ₹13,29,605) for provident fund contributions in the Statement of Profit and Loss.

The Company recognised ₹3,85,083 (Previous Year: ₹4,46,205) for Employees State Insurance Fund contribution in the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

Gratuity

In accordance with Payment of Gratuity Act, the Company provides for gratuity, a defined benefit retirement plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Company subject to maximum of ₹20 lakhs. (Previous Year ₹ 20 lakhs).

Notes Forming Part Of Standalone Financial Statement

The gratuity benefit is provided through unfunded plan and annual contributions are charged to the statement of profit and loss. Under the scheme, the settlement obligation remains with the Company. Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The net present value of the Company's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date.

B.Movement in Defined Benefit Liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Defined Benefit Obligation

Particulars	31st March, 2021 (₹)	31st March, 2020 (₹)
Opening balance	**1,22,36,917**	**1,03,23,417**
Included in profit or loss -		
Current service cost	48,59,276	9,56,692
Interest cost	6,37,543	6,87,540
Total - A	**1,77,33,736**	**1,19,67,649**
Included in OCI -		
Actuarial loss (gain) arising from:		
Demographic assumptions	-	-
Financial assumptions	3,67,409	3,92,662
Experience adjustment	3,64,078	-3,79,353
Total - B	**7,31,487**	**13,309**
Other		
Benefits paid	-7,41,288	-3,78,230
Liability transferred in for Employees joined	2,63,276	6,34,189
Total - C	**-4,78,012**	**2,55,959**
Closing balance (A+B+C)	**1,79,87,211**	**1,22,36,917**

C.Defined Benefit Obligations

(i) Actuarial assumptions: The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	31st March, 2021 (₹)	31st March, 2020 (₹)
Mortality Table	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Retirement age	60,65 & 70 years	60 years
Attrition Rate	29.00% p.a.	29.00% p.a.
Discount rate	5.21% p.a.	6.66% p.a.
Salary escalation rate	5.00% p.a.	5.00% p.a.

(ii) Sensitivity analysis: Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	As at 31-Mar-21		As at 31-Mar-20	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	-3,82,264	4,06,123	-2,74,584	2,92,728
Future salary growth (1% movement)	3,45,374	-3,30,083	2,90,728	-2,77,679
Employee Turnover (1% movement)	-30,628	31,790	-20,967	21,340

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Notes Forming Part Of Standalone Financial Statement

D. Expected Future Cash Flows

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

Maturity profile	As at 31-Mar-21	As at 31-Mar-20
Expected benefits for Year 1	51,93,108	36,62,703
Expected benefits for Year 2	37,87,394	24,60,659
Expected benefits for Year 3	28,52,922	19,44,433
Expected benefits for Year 4	31,17,111	15,19,457
Expected benefits for Year 5	13,30,635	11,45,533
Sum of Years 6 to 10	28,80,163	25,86,905
Sum of Years 11 and above	7,46,747	6,87,001

47. Related Party Disclosure

As per Ind AS 24 - Related Party Disclosures, specified under section 133 of the Companies Act, 2013, read with The Companies (Indian Accounting Standards) Rules, 2015, the name of related party where control exists / able to exercise significant infulence along with the transactions and year end balances with them as identified and certified by the management are as follows:

List of related parties and their relationship

a) Subsidiaries

- Arihant Futures & Commodities Limited
- Arihant Financial Services Limited
- Arihant Lifespace Infra Developers Limited
- Arihant Insurance Broking Services Limited
- Arihant Investment Advisors Private Limited (Formerly Arihant Financial Planners & Advisors Private Limited)
- Ahinsa Lifespace Infraheight Limited
- Electrum Portfolio Managers Limited (Formerly Arihant Asset Management Limited)
- Arihant Capital (IFSC) Limited

b) Associate

- Electrum Capital Private Limited (Formerly known as Electrum Investment Managers Private Limited) (W.e.f 7th October 2020.)

c) Director & Key Management Personnel

Mr. Ashok Kumar Jain	Managing Director
Mrs. Anita S Gandhi	Whole Time Director
Mr. Sunil Kumar Jain	Director
Mr. Akhilesh Rathi	Independent Director
Mr. Parag R. Shah	Independent Director
Mr. Ashish Maheshwari	Independent Director
Mr. Arpit Jain	Additional Director (w.e.f 25.01.2021)
Mr. Tarun Goyal	Chief Financial Officer
Mr. Mahesh Pancholi	Company Secretary

d) Relatives of Key Management Personnel

Ashok Kumar Jain HUF
Arpit Jain
Kiran Jain
Shruti Jain
Swati Jain

e) Enterprises over which Control

Shyam Developers

Notes Forming Part Of Standalone Financial Statement

Amount in ₹

Transactions with related parties

Nature of Transaction	Name of the Related Party	Director & Key Management Personnel		Relatives of Key Management Personnel		Subsidiaries & Associate		Enterprise over which control		Total	
		31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Incomes											
Interest	Arihant Financial Services Limited	-	-	-	-	1,74,02,243	1,18,27,867	-	-	1,74,02,243	1,18,27,867
	Arihant Lifespace Infra Developers Limited	-	-	-	-	1,04,14,873	54,75,056	-	-	1,04,14,873	54,75,056
Total		**-**	**-**	**-**	**-**	**2,78,17,116**	**1,73,02,923**	**-**	**-**	**2,78,17,116**	**1,73,02,923**
Rent	Electrum Portfolio Managers Limited (Formerly Arihant Asset Management Limited)	-	-	-	-	1,80,000	-	-	-	1,80,000	-
Total		**-**	**-**	**-**	**-**	**1,80,000**	**-**	**-**	**-**	**1,80,000**	-
Grand Total		**-**	**-**	**-**	**-**	**2,79,97,116**	**1,73,02,923**	**-**	**-**	**2,79,97,116**	**1,73,02,923**
Expenses											
Salary & Incentive	Ashok Kumar Jain	3,74,51,700	1,91,13,324	-	-	-	-	-	-	3,74,51,700	1,91,13,324
	Anita Gandhi	36,08,331	32,36,660	-	-	-	-	-	-	36,08,331	32,36,660
	Arpit Jain	3,00,000	-	14,72,976	18,42,650	-	-	-	-	17,72,976	18,42,650
	Tarun Goyal	13,47,948	12,82,262	-	-	-	-	-	-	13,47,948	12,82,262
	Mahesh Pancholi	9,89,980	11,72,730	-	-	-	-	-	-	9,89,980	11,72,730
	Shruti Jain	-	-	23,00,000	24,00,000	-	-	-	-	23,00,000	24,00,000
Total		**4,36,97,959**	**2,48,04,976**	**37,72,976**	**42,42,650**	**-**	**-**	**-**	**-**	**4,74,70,935**	**2,90,47,626**

Notes Forming Part Of Standalone Financial Statement

Amount in ₹

Rent	Ashok Kumar Jain	14,62,500	15,00,000	-	-	-	-	-	-	14,62,500	15,00,000
	Kiran Jain	-	-	37,54,128	35,25,000	-	-	-	-	37,54,128	35,25,000
	Ashok Kumar Jain HUF	-	-	4,02,188	4,12,500	-	-	-	-	4,02,188	4,12,500
	Arpit Jain	68,750	-	3,33,438	4,12,500	-	-	-	-	4,02,188	4,12,500
	Shyam Developers	-	-	-	-	-	-	9,80,000	2,52,000	9,80,000	2,52,000
Total		**15,31,250**	**15,00,000**	**44,89,754**	**43,50,000**	**-**	**-**	**9,80,000**	**2,52,000**	**70,01,004**	**61,02,000**
Sitting Fees	Sunil Kumar Jain	1,40,000	1,00,000	-	-	-	-	-	-	1,40,000	1,00,000
	Paragbhai Shah	1,15,000	1,00,000	-	-	-	-	-	-	1,15,000	1,00,000
	Ashish Maheshwari	1,40,000	1,00,000	-	-	-	-	-	-	1,40,000	1,00,000
	Akhilesh Rathi	75,000	1,00,000	-	-	-	-	-	-	75,000	1,00,000
Total		**4,70,000**	**4,00,000**	**-**	**-**	**-**	**-**	**-**	**-**	**4,70,000**	**4,00,000**
Legal & Professional Fees	Swati Jain	19,96,500	-	-	-	-	-	-	-	19,96,500	-
Total		**19,96,500**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**19,96,500**	**-**
Interest	Arihant Financial Services Limited	-	-	-	-	4,797	-	-	-	4,797	-
Total		**-**	**-**	**-**	**-**	**4,797**	**-**	**-**	**-**	**4,797**	-
Commission	Arihant Investment Advisors Pvt. Ltd	-	-	-	-	-	2,09,000	-	-	-	2,09,000
	Arihant Futures & Commodities Ltd	-	-	-	-	30,29,316	-	-	-	30,29,316	-
Total		**-**	**-**	**-**	**-**	**30,29,316**	**2,09,000**	**-**	**-**	**30,29,316**	**2,09,000**
Grand Total		**4,56,99,209**	**2,67,04,976**	**82,62,730**	**85,92,650**	**30,34,113**	**2,09,000**	**9,80,000**	**2,52,000**	**5,79,76,052**	**3,57,58,626**
Expenses Recovered											
	Arihant Futures & Commodities Ltd	-	-	-	-	,	5,06,718	-	-	-	5,06,718
Total		-	-	-	-	-	**5,06,718**	**-**	**-**	**-**	**5,06,718**

Notes Forming Part Of Standalone Financial Statement

Amount in ₹

Nature of Transaction	Name of the Related Party	Director & Key Management Personnel		Relatives of Key Management Personnel		Subsidiaries		Enterprise over which control		Total	
		31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Assets											
Rent Deposits	Ashok Kumar Jain	3,50,000	3,50,000	-	-	-	-	-	-	3,50,000	3,50,000
	Kiran Jain	-	-	20,37,500	20,37,500	-	-	-	-	20,37,500	20,37,500
	Ashok Kumar Jain HUF	-	-	3,43,750	3,43,750	-	-	-	-	3,43,750	3,43,750
	Arpit Jain	3,43,750	-	-	3,43,750	-	-	-	-	3,43,750	3,43,750
	Shyam Developers	-	-	-	-	-	-	-	1,30,00,000	-	1,30,00,000
Total		**6,93,750**	**3,50,000**	**23,81,250**	**27,25,000**	**-**	**-**	**-**	**1,30,00,000**	**30,75,000**	**1,60,75,000**
Loans Given	Arihant Financial Services Limited	-	-	-	-		-5,88,17,212	-	-	-	5,88,17,212
(at year end)	Arihant Lifespace Infra Developers Ltd	-	-	-	-	11,19,11,966	10,42,50,494	-	-	11,19,11,966	10,42,50,494
Total		**-**	**-**	**-**	**-**	**11,19,11,966**	**16,30,67,706**	**-**	**-**	**11,19,11,966**	**16,30,67,706**
Advance for Expenses	Arihant Capital (IFSC) Ltd	-	-	-	-	-	64,630	-	-	-	64,630
	Ahinsa Lifespace Infraheight Limited	-	-	-	-	68,059	40,000	-	-	68,059	40,000
Total		**-**	**-**	**-**	**-**	**68,059**	**1,04,630**	**-**	**-**	**68,059**	**1,04,630**
Liabilities											
Creditor	Electrum Portfolio Managers Limited (Formerly Arihant Asset Management Limited)	-	-	-	-	65,230	-	-	-	65,230	-
Total		**-**	**-**	-	-	**65,230**	**-**	**-**	**-**	**65,230**	**-**
Corporate Guarantee Given											
	Arihant Futures & Commodities Ltd	-	-	-	-	-	1,00,00,000	-	-	-	1,00,00,000
Total		**-**	**-**	**-**	**-**	**-**	**1,00,00,000**	**-**	**-**	**-**	**1,00,00,000**
Maximum Outstanding											
Loans Given	Arihant Financial Services Limited	-	-	-	-	49,79,21,620	38,34,74,766	-	-	49,79,21,620	38,34,74,766
	Arihant Lifespace Infra Developers Ltd	-	-	-	-	20,12,71,757	10,42,50,494	-	-	20,12,71,757	10,42,50,494
Total		**-**	**-**	**-**	**-**	**69,91,93,377**	**48,77,25,260**	**-**	**-**	**69,91,93,377**	**48,77,25,260**
Loans Taken	Arihant Financial Services Limited	-	-	-	-	16,21,319	-	-	-	16,21,319	-
Total		**-**	**-**	**-**	**-**	**16,21,319**	**-**	**-**	**-**	**16,21,319**	**-**

Notes Forming Part Of Standalone Financial Statement

48. Fair value measurement

I. Accounting classification and fair values

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

Amount in ₹

Particulars	Carrying amount				Fair value			
31-Mar-21	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	24,47,98,069	24,47,98,069	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	76,12,06,806	76,12,06,806	-	-	-	-
Securities for trade	9,87,10,870	-	-	9,87,10,870	9,87,10,870	-	-	9,87,10,870
Receivables								
Trade receivables	-	-	144,58,76,550	144,58,76,550	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-
Loans	-	-	11,19,11,966	11,19,11,966	-	-	-	-
Investments	12,14,96,733	-	10,68,26,480	22,83,23,213	12,00,86,733	-	14,10,000	12,14,96,733
Other financial assets	-	-	116,41,86,199	116,41,86,199	-	-	-	-
Total financial assets	**22,02,07,603**	**-**	**383,48,06,070**	**405,50,13,672**	**21,87,97,603**	**-**	**14,10,000**	**22,02,07,603**
Financial liabilities								
Derivative financial instruments	-	-	8,42,817	8,42,817				-
Payables								
Trade Payables								
Total outstanding dues of micro & small enterprises	-	-	14,19,254	14,19,254	-	-	-	-
Total outstanding dues of creditors other than micro & small enterprises	-	-	156,81,78,647	156,81,78,647	-	-	-	-
Borrowings	-	-	48,05,29,334	48,05,29,334	-	-	-	-
Other financial Liabilities	-	-	48,13,84,406	48,13,84,406	-	-	-	-
Total financial liabilities	**-**	**-**	**253,23,54,459**	**253,23,54,459**	**-**	**-**	**-**	**-**

The carrying value and fair value of financial instruments by categories as of 31 March 2020 are as follows:

Particulars	Carrying amount				Fair value			
31-Mar-20	FVPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	50,95,76,271	50,95,76,271	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	105,02,18,213	105,02,18,213	-	-	-	-
Securities for trade	9,64,88,092	-	-	9,64,88,092	9,64,88,092	-	-	9,64,88,092
Receivables								
Trade receivables	-	-	64,32,58,261	64,32,58,261	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-
Loans	-	-	16,30,67,706	16,30,67,706	-	-	-	-
Investments	7,57,28,420	-	13,70,76,480	21,28,04,900	7,43,18,420	-	14,10,000	7,57,28,420
Other financial assets	-	-	17,69,39,175	17,69,39,175	-	-	-	-
Total financial assets	**17,22,16,512**	**-**	**268,01,36,106**	**285,23,52,618**	**17,08,06,512**	**-**	**14,10,000**	**17,22,16,512**
Financial liabilities								
Derivative financial instruments	-	-	1,96,010	1,96,010	-	-	-	-
Payables								
Trade Payables								
Total outstanding dues of micro & small enterprises	-	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro & small enterprises	-	-	112,28,91,446	112,28,91,446	-	-	-	-
Borrowings	-	-	34,79,06,416	34,79,06,416	-	-	-	-
Other financial Liabilities	-	-	20,38,57,371	20,38,57,371	-	-	-	-
Total financial liabilities	**-**	**-**	**167,48,51,243**	**167,48,51,243**	**-**	**-**	**-**	**-**

Notes Forming Part Of Standalone Financial Statement

Level 1: Category include financial assets and liabilities that are measured in whole or significantly part by reference to published quotes in an active market
Level 2: Category include financial assets and liabilities that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions.
Level 3: Category include financial assets and liabilities that are measured using valuation technique based on non-market observable inputs. This means that fair value are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

II. Financial instruments not measured at fair value
Financial assets not measured at fair value includes cash and cash equivalents, bank balance, trade receivables, loans and other financial assets. These are financial assets whose carrying amounts approximate fair value, due to their short-term nature and also fixed deposit with maturity more than 12 months (included in other financial assets) are measured at amortized cost.

Additionally, financial liabilities such as trade payables and other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value, because of their short-term nature.

49. Financial risk management

The company has a risk management framework, appropriate to the size of the Company and environment under which it operates. The objective of its risk management framework is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks and ensure a systematic response in the case of crystallisation of such risks. The board of Directors reviews these policies and processes regularly and is periodically informed about the risk assessment, impact of risk on the business and mitigation plans. The Company is exposed to following risk -

A. Credit risk
Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligation. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relations to such limits.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements. Deposits with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks / financial institutions as approved by the Board of directors. The management has established accounts receivable policy under which customer accounts are regularly monitored.

Expected Credit Loss (ECL):
The Company applies the Ind AS 109 Simplified approach for trade receivables which requires expected lifetime losses to be recognised .For other assets , the Company uses 12 month ECL approach to measuring expected credit losses (ECLs) where there is no significant increase in credit risk of borrower. If there is significant increase in credit risk full lifetime ECL approach is used.

Inputs considered in the ECL model
In assessing the impairment of financial assets under Expected Credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses

Stage 1 : Financial assets for which credit risk has not increased significantly and that are also not credit impaired
Stage 2 : Financial assets for which credit risk has increased significantly but not credit impaired
Stage 3 : Financial assets for which credit risk has increased significantly and are credit impaired

Notes forming Part of Standalone Financial Statement

B. Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation.

Prudent liquidity risk management requires sufficient cash and marketable securities and availability of funds through adequate committed credit facilities to meet obligations when due and to close out market positions.

Ultimate responsibility for liquidity risk management rests with the board of directors, for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities

The table below provide details regarding the contractual maturities of significant financial liabilities as of March 31,2021

Amount in ₹

Particulars	Carrying Amount	Less than 1 year	1-3 year	3-5 year	More than	5 year
Derivative financial instruments	8,42,817	8,42,817				
Trade Payables	156,95,97,901	156,95,97,901				
Borrowings	48,05,29,334	48,05,29,334				
Other financial Liabilities	48,13,84,406	48,13,84,406				

The table below provide details regarding the contractual maturities of significant financial liabilities as of March 31,2020

Amount in ₹

Particulars	Carrying Amount	Less than 1 year	1-3 year	3-5 year	More than	5 year
Derivative financial instruments	1,96,010	1,96,010				
Trade Payables	112,28,91,446	112,28,91,446				
Borrowings	34,79,06,416	34,79,06,416				
Other financial Liabilities	20,38,57,371	20,38,57,371				

C. Market risk

Market Risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the return.

(i) Currency risk

Currency Risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The company's all transactions are denominated in Indian rupees only. Hence, the Company is not significantly exposed to currency rate risk.

(ii) Interest rate risk

Interest Rate Risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate as result of changes in market interest rates. The Company's Loans are primarily in fixed interest rates. Hence, the Company is not significantly exposed to interest rate risk.

(iii) Market price risks

The Company is exposed to market price risk, which arises from FVTPL investments. The management monitors the proportion of these investments in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the appropriate authority.

Notes forming Part of Standalone Financial Statement

50. Capital Management

The company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The company monitors its capital by using gearing ratio, which is net debt to total equity. Net debt includes borrowings net of cash and bank balances and total equity comprises of Equity share capital, general reserve and retained earnings.

	31.Mar.2021	31.Mar.2020
Borrowings	48,05,29,334	34,79,06,416
Less: Cash & bank balances	100,60,04,875	155,97,94,484
Net Debt (A)	**-52,54,75,541**	**-121,18,88,068**
Total Equity(B)	**157,15,39,505**	**124,53,68,124**
Gearing Ratio (A/B)	**-0.33**	**-0.97**

51. Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled

(Amount in ₹)

Particulars	31.Mar.2021			31.Mar.2020		
	Within 12 month	After 12 month	Total	Within 12 month	After 12 month	Total
Assets						
Financial assets						
Cash and cash equivalents	24,47,98,069	-	24,47,98,069	50,95,76,271	-	50,95,76,271
Bank balance other than above	76,12,06,806	-	76,12,06,806	105,02,18,213	-	105,02,18,213
Securities for trade	9,87,10,870	-	9,87,10,870	9,64,88,092	-	9,64,88,092
Trade receivables	144,58,76,550	-	144,58,76,550	64,32,58,261	-	64,32,58,261
Other receivables	-	-	-	-	-	-
Loans	11,19,11,966	-	11,19,11,966	16,30,67,706	-	16,30,67,706
Investments	-	22,83,23,213	22,83,23,213	-	21,28,04,900	21,28,04,900
Other financial assets	1,99,26,199	114,42,60,000	116,41,86,199	13,13,54,175	4,55,85,000	17,69,39,175
	268,24,30,460	**137,25,83,213**	**405,50,13,672**	**259,39,62,718**	**25,83,89,900**	**285,23,52,618**
Non-Financial assets						
Current tax assets (net)	-	-	-	22,37,212	-	22,37,212
Property, plant and equipment	-	8,32,83,058	8,32,83,058	-	8,79,42,948	8,79,42,948
Other intangible assets	-	56,85,336	56,85,336	-	60,42,517	60,42,517
Other non financial assets	3,29,04,711	-	3,29,04,711	1,97,52,267	-	1,97,52,267
	3,29,04,711	**8,89,68,394**	**12,18,73,105**	**2,19,89,480**	**9,39,85,464**	**11,59,74,944**
Assets held for sale	4,40,02,829	-	4,40,02,829	-	-	-
	4,40,02,829	-	**4,40,02,829**	-	-	-
Total Assets	**275,93,38,000**	**146,15,51,606**	**422,08,89,606**	**261,59,52,197**	**35,23,75,364**	**296,83,27,562**

Notes forming Part of Standalone Financial Statement

(Amount in ₹)

Particulars	31.Mar.2021			31.Mar.2020		
	Within 12 month	After 12 month	Total	Within 12 month	After 12 month	Total
Liabilities						
Financial Liabilities						
Derivative financial instruments	8,42,817	-	8,42,817	1,96,010	-	1,96,010
Trade payables	156,95,97,901	-	156,95,97,901	112,28,91,446	-	112,28,91,446
Borrowings	48,05,29,334	-	48,05,29,334	34,79,06,416	-	34,79,06,416
Other financial Liabilities	48,13,84,406	-	48,13,84,406	20,38,57,371	-	20,38,57,371
	253,23,54,459	**-**	**253,23,54,459**	**167,48,51,243**	**-**	**167,48,51,243**
Non-Financial Liabilities						
Current Tax Liabilities (net)	79,98,300	-	79,98,300	-	-	-
Provisions	97,98,792	1,79,87,211	2,77,86,003	86,74,844	1,22,36,917	2,09,11,760
Deferred Tax Liabilities (net)	-	38,80,686	38,80,686	-	45,25,704	45,25,704
Other non financial liabilities	7,73,30,655	-	7,73,30,655	2,26,70,732	-	2,26,70,732
	9,51,27,746	**2,18,67,897**	**11,69,95,643**	**3,13,45,576**	**1,67,62,620**	**4,81,08,196**
Total Liabilities	**262,74,82,206**	**2,18,67,897**	**264,93,50,102**	**170,61,96,818**	**1,67,62,620**	**172,29,59,438**

52. Assets pledged as security

The carrying amounts of assets pledged as security for current borrowings and margin are:

Particulars	As at 31.Mar.2021	As at 31.Mar.2020
Financial assets		
First charge		
(i) Trade receivables	40,00,00,000	
Floating charge		
(i) Securities for trade		
Non-financial assets		
First charge		
(i) Building-PPE	5,06,14,865	5,06,14,865
Total assets pledged as security	**45,06,14,865**	**5,06,14,865**

Notes forming Part of Standalone Financial Statement

53. Corporate social responsibility

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from 1 April 2014. As per the provisions of the said section, the Company has undertaken the following CSR initiatives during the financial year 2020-21. CSR initiatives majorly includes supporting under privileged in education, medical treatments, etc. and various other charitable and noble aids.

A) Gross amount required to be spent by the Group during the year ` 50,61,327 (Previous year ` 50,13,196)
B) Amount spent during the year ended 31 March 2021 on:

Particulars	Year ended 31-Mar-21			Year ended 31-Mar-20		
	Amount Paid	Yet to be paid	Total	Amount Paid	Yet to be paid	Total
Construction/acquisition of any asset	-	-	-	-	-	-
On purposes other than (a) above	80,85,318	-	80,85,318	58,03,250	-	58,03,250
Total	**80,85,318**	**-**	**80,85,318**	**58,03,250**	**-**	**58,03,250**

In case of S. 135(5) unspent amount

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months		Amount required to be spent during the year		Amount spent during the year		Closing Balance
30,23,991	Nil		50,61,327		80,85,318		Nil

54. Covid-19

As per the current reports the Second wave of COVID-19 pandemic has peaked in most states in India. The Company is closely monitoring the impact due to COVID-19 on various aspects of its business including its customers / vendors / employees and other business partners. The Company will continue to monitor for any material changes to future economic conditions and as of March 31, 2021 based on the facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern. In management view, the Company's capital and liquidity position stands strong as on reporting date.

55. Events after Reporting Date

There have been no events after the reporting date that require disclosure in these financial statements.

56. Approval of Financial Statements

The financial statements are approved for issue by the Board of Directors in their meeting held on 14th June, 2021

As per our report of even date
For Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg No:011970C

CA. Dinesh Ajmera
Partner
Membership No. : 402629
UDIN : 21402629AAAABN3474
Indore, 14th June, 2021

For and on behalf of the Board

Ashok Kumar Jain
(Managing Director)
DIN-00184729

Anita S Gandhi
(Whole Time Director)
DIN-02864338

Mahesh Pancholi
(Company Secretary)

Tarun Goyal
(CFO)

INDEPENDENT AUDITORS' REPORT

To The Members of
ARIHANT CAPITAL MARKETS LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **ARIHANT CAPITAL MARKETS LIMITED** ("the Holding Company"), and its subsidiaries (the Company and its Subsidiaries together referred to as the "Group") which includes the Group's share of profit in its associate, which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) and the Consolidated Cash Flow Statement for the year then ended, the Consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information . (Hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statements of its associate referred to in the Other Matter paragraph below, the aforesaid consolidated Ind As financial statements give the information required by the Companies Act, 2013 ("the Act"), in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the act read with the companies (Indian Accounting Standards) rules,2015 as amended, ("Ind AS") and other principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2021, and their consolidated profit (including other comprehensive income) and consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Ind AS financial statements' section of our report. We are independent of the Group and its associate in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

1. Revenue Recognition

Recognition of revenue at a point in time based on satisfaction of performance obligation requires estimates and judgements regarding timing of satisfaction of performance obligation, allocation of cost incurred to units and the estimated cost for completion of some final pending works. Due to judgement and estimates involved, revenue recognition is considered as key audit matter.

Our audit procedures on revenue recognition included the following:

- Evaluated that the Group's revenue recognition policy is in accordance with Ind AS 115 and other applicable Indian accounting standards;
- Verified the calculation of adjustment to retained earnings on adoption of Ind AS 115;

- Verified performance obligations satisfied by the Group;
- Verified calculation of revenue to be recognised and matching of related cost;
- Tested buyer agreements/sale deeds, project completion, possession letters to test transfer of controls;
- Verified estimates of cost yet to be incurred before final possession of units.

2. Impact of Covid-19 on Audit

Due to outbreak of second wave COVID -19 pandemic has peaked in most states in India. Consequent state wide lockdown enforced by Government of Madhya Pradesh, we could not carry out normal audit procedures by visiting the office and audit was carried out using "Work from Home" approach. This is considered as Key Audit Matter, since alternate audit procedures were performed for carrying out the audit.

Due to "work from home" approach adopted, we performed following alternative audit procedures:

- Remote Access to financial accounting and taxation software on laptops of team members.
- Various data and confirmation were received either electronically through email or through data sharing on drive.
- For various audit procedures, reliance was placed on scanned copies of original documents shared with us electronically.

Information Other than the Ind AS financial statements and Auditor's Report Thereon

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated Ind AS financial statements, standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the associate audited by the other auditors, to the extent it related to this entity and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Other information so far as it relates to the associate is traced from their financial statements audited by the other auditor.

If, based on the work we have performed, we conclude that there is no material misstatement of this other information.

Management's Responsibility for the Consolidated Ind AS Financial Statements.

The Holding 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 consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133.This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; selection and application of the 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.

In preparing the consolidated Ind AS financial statements, the respective Management and Board of Directors of the

companies included in the Group and its associate are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Management and Boards of Directors of the companies included in the Group and its associate are also responsible for overseeing the financial reporting process of the Group and its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the

audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated financial statements also include the Group's share of net profit of Rs. 45.78 lacs for the year ended 31st March, 2021, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, 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 certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditor on the separate financial statement of the associate referred to in the Other Matters paragraph above we report, to the extent applicable 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 purposes of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the group so far as it appears from our examination of those books.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant 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 Ind AS specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors of the holding company as on 31st March 2021 taken on record by the Board of Directors of the holding company, the report of the subsidiary companies and the reports of the statutory auditor of its associates company, none of the directors of Group Companies and its associate is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013

   (f) With respect to the adequacy of the internal financial control over financial reporting and the operating effectiveness of such control, refer to our separate report in Annexure "A" which is based on the auditor's report of the Group and its associates. Our report expresses an unmodified opinion on adequacy and operating effectiveness of the internal financial control over financial reporting of those companies.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) 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 Group and its associate, as detailed in note 47 to the consolidated financial statements, has disclosed the impact of pending litigations on its consolidated financial position of the Group as at 31 March 2021

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, subsidiary companies and its associate company.

For Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg. No:011970C

CA Dinesh Ajmera
Partner
Membership No. : 402629
UDIN : 21402629AAAABO5950
Indore, June 14, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (REFERRED TO IN PARAGRAPH 1 (f) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT TO THE MEMBERS OF ARIHANT CAPITAL MARKETS LIMITED OF EVEN DATE)

Report on the Internal Financial Controls with reference to the aforesaid consolidated Ind AS financial statements 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 Ind AS financial statements of the Group and its associate as of and for the year ended 31 March 2021, we have audited the internal financial controls over financial reporting of A**rihant Capital Market Limited** ("the Holding Company") its subsidiary companies and its associates, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Management and Board of Directors of the holding company, its subsidiaries companies and its associate company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group 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 group'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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's and its associate'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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both 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 judgment, 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 and the audit evidence obtained by the other auditors of its associate, in terms of their reports referred to in the in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Group's and its associate's internal financial controls system over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial with reference to financial statements 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 authorizations of management and directors of the company;
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with reference to financial statement, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Group and its associate, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2021, based on criteria established by the Group and its associate 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 (the "Guidance Note").

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to its one associate company, is based solely on the corresponding reports of the auditors of such company.

Our opinion is not modified in respect of the above matters.

For Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg. No:011970C

CA Dinesh AjmeraPartner
Membership No. : 402629
UDIN : 21402629AAAABO5950
Indore, June 14, 2021

Consolidated Balance sheet as at 31st March, 2021

	Particulars	Note No.	31st March, 2021 (₹)	31st March, 2020 (₹)
	ASSETS			
1	**Financial assets**			
	a. Cash and cash equivalents	4	24,77,99,129	53,06,29,775
	b. Bank balance other than (a) above	5	77,41,76,505	105,48,32,356
	c. Securities for trade	6	9,87,10,870	9,64,88,092
	d. Receivables			
	(i) Trade receivables	7	152,05,66,007	75,23,67,388
	e. Loans	8	9,64,07,488	11,98,62,342
	f. Investments	9	16,18,64,554	7,57,28,420
	g. Other financial assets	10	118,09,35,563	19,38,96,366
			408,04,60,117	**282,38,04,739**
2	**Non financial assets**			
	a. Inventories	11	26,49,83,743	28,47,01,188
	b. Current tax assets (net)	12	1,45,303	35,26,112
	c. Deferred tax assets (net)	13	1,17,04,414	47,36,248
	d. Investment Property	14	1,85,27,180	1,85,27,180
	e. Property, plant and equipment	15	17,47,03,094	18,26,23,682
	f. Other intangible assets	16	67,20,533	70,87,733
	g. Intangible assets under development	16	2,00,000	-
	h. Other non financial assets	17	5,72,38,638	3,40,20,725
			53,42,22,905	**53,52,22,868**
	Total Assets		**461,46,83,022**	**335,90,27,608**
	LIABILITIES & EQUITY			
	LIABILITIES			
1	**Financial Liabilities**			
	a. Derivative financial instruments	18	8,42,817	1,96,010
	b. Payables			
	I) Trade Payables	19		
	i) Total outstanding dues of micro & small enterprises		14,19,254	-
	ii) Total outstanding dues of creditors other than micro & small enterprises		156,92,91,043	112,33,19,827
	c. Borrowings	20	56,25,79,334	41,40,31,997
	d. Other financial Liabilities	21	48,29,74,087	20,51,16,597
			261,71,06,536	**174,26,64,431**
2	**Non Financial Liabilities**			
	a. Current Tax Liabilities (net)	22	1,07,24,591	9,58,956
	b. Provisions	23	2,82,52,826	2,26,47,892
	c. Deferred Tax Liabilities (net)	24	40,26,144	45,25,704
	d. Other non financial liabilities	25	13,34,24,784	9,21,17,764
			17,64,28,345	12,02,50,316
3	**Equity**			
	a. Equity share capital	26	10,41,12,800	10,41,12,800
	b. Other equity	27	171,70,35,342	139,20,00,061
			182,11,48,142	149,61,12,861
	Total Liabilities & Equity		**461,46,83,022**	**335,90,27,608**

Significant Accounting Policies and Notes on Financial Statements 1 to 64

As per our report of even date
For Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg No:011970C

CA. Dinesh Ajmera
Partner
Membership No. : 402629
UDIN : 21402629AAAABN3474
Indore, 14th June, 2021

For and on behalf of the Board

Ashok Kumar Jain	**Anita S Gandhi**	**Mahesh Pancholi**	**Tarun Goyal**
(Managing Director)	(Whole Time Director)	(Company Secretary)	(CFO)
DIN-00184729	DIN-02864338		

Consolidated Statement of Profit and Loss for the year ended 31st March, 2021

	Particulars	Note No.	31st March, 2021 (₹)	31st March, 2020 (₹)
	Income			
I	**Revenue from Operations**			
	Interest Income	28	24,83,15,877	29,23,70,693
	Dividend Income	29	7,83,384	76,58,524
	Fees & Commission Income	30	67,32,87,029	49,30,07,072
	Net Gain on fair value changes	31	18,33,69,301	4,91,82,732
	Sale of products	32	5,04,48,438	6,38,71,584
	Others Operating Income	33	4,13,470	9,13,146
II	Other Income	34	50,05,708	17,60,164
III	**Total Income**		**116,16,23,207**	**90,87,63,915**
IV	**Expenses**			
	Finance costs	35	3,43,91,089	8,07,55,734
	Fees and commission expense	36	34,26,15,815	25,85,75,096
	Impairment on financial instruments	37	3,09,15,958	3,03,54,505
	Cost of Sale	38	2,18,78,023	3,63,19,036
	Employee Benefits Expenses	39	17,01,26,724	15,75,52,335
	Depreciation and Amortization Expenses	40	1,26,55,721	1,28,06,883
	Other Expenses	41	11,61,57,263	10,31,75,239
	Total		**72,87,40,594**	**67,95,38,829**
V	**Profit Before Share of Profit / (Loss) of Associates, Exceptional Items and Tax (III-IV)**		**43,28,82,613**	**22,92,25,086**
VI	Share of Profit / (Loss) of Associates (Net of Tax)		14,79,716	-
VII	**Profit Before Exceptional Items and Tax (V-VI)**		**43,43,62,329**	**22,92,25,086**
VIII	Exceptional items	43	30,98,879	-
IX	**Profit Before Tax**		**43,74,61,208**	**22,92,25,086**
X	Tax Expenses	44		
	Current Tax		9,79,98,016	5,87,64,546
	Deferred Tax		-72,83,626	-44,17,243
	Total Tax Expenses		**9,07,14,390**	**5,43,47,303**
XI	**Profit/(loss) for the year**		**34,67,46,818**	**17,48,77,783**
XII	**Other Comprehensive Income**			
(A)	Items that will not be reclassified to profit & loss			
	Remeasurements of the defined benefit plans		-7,31,487	4,78,539
	Tax effect relating to above item		1,84,101	-1,20,439
		(A)	**-5,47,386**	**3,58,100**
(B)	Items that will be reclassified to profit & loss			
	Foreign Currency Translation Reserve		-3,41,590	11,72,876
	Tax effect relating to above item		-	-
		(B)	**-3,41,590**	**11,72,876**
	Total Other Comprehensive Income		**-8,88,977**	**15,30,976**
XIII	**Total Comprehensive Income for the period**		**34,58,57,841**	**17,64,08,758**
XIV	Earnings per Share	45		
	Equity Shares of `5 each			
	Basic		16.65	8.40
	Diluted		16.65	8.40

Significant Accounting Policies and Notes on Financial Statements 1 to 64

As per our report of even date
For Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg No:011970C

CA. Dinesh Ajmera
Partner
Membership No. : 402629
UDIN : 21402629AAAABN3474
Indore, 14th June, 2021

For and on behalf of the Board

Ashok Kumar Jain	**Anita S Gandhi**	**Mahesh Pancholi**	**Tarun Goyal**
(Managing Director)	(Whole Time Director)	(Company Secretary)	(CFO)
DIN-00184729	DIN-02864338		

Consolidated Cash Flow Statement for the year ended 31st March, 2021

Particulars	31st March, 2021 (₹)	31st March, 2020 (₹)
A Cash flow (used in) / generated from operating activities		
Profit before tax	**43,74,61,208**	**22,92,25,086**
Add / (less) : Adjustments		
Net (gain)/loss on Fair value changes of Securities for trade	15,34,910	-70,43,939
(Profit) / Loss on sale of fixed assets	26,28,943	-13,489
(Profit) / Loss on sale of Investments	-2,44,90,345	35,77,438
Depreciation / amortisation	1,26,55,721	1,28,06,883
Interest paid on borrowings	2,56,33,646	7,10,89,609
Dividend income	-7,83,384	-76,58,524
Foreign Currency Translation Reserve	-3,41,590	11,72,876
Operating profit before working capital changes	**45,42,99,110**	**30,31,55,940**
Adjustments for changes in working capital:		
-Increase/(Decrease) in Other bank balance	28,06,55,851	-7,67,90,635
-Increase/(Decrease) in Securities for Trade	-37,57,688	51,04,394
-Increase/(Decrease) in Trade and other receivables	-76,81,98,620	53,47,85,070
-Increase/(Decrease) in Inventories	1,97,17,445	3,48,99,141
-Increase/(Decrease) in Loans	2,34,54,853	3,64,67,007
-Increase/(Decrease) in Other financial assets	-98,70,39,198	-5,34,83,653
-Increase/(Decrease) in Other non financial assets	-1,75,10,320	69,702
-Increase/(Decrease) in Derivative financial instruments	646,807	1,96,010
-Increase/(Decrease) in Trade payables	44,73,90,470	54,39,40,235
-Increase/(Decrease) in Other financial liabilities	27,78,57,490	-8,73,62,533
-Increase/(Decrease) in Other non financial liabilities	4,14,81,498	61,80,259
-Increase/(Decrease) in Provisions	48,73,447	15,36,792
Cash generated from operations	**-22,61,28,854**	**124,86,97,729**
Income tax paid (net)	-9,07,33,642	-6,56,29,660
Net cash (used in) / generated from operating activities (A)	**-31,68,62,497**	**118,30,68,069**
B Cash flow (used in) / generated from Investing activities		
- (Purchase) / Proceeds from sale of property, plant and equipment	-71,96,877	-1,05,09,777
- (Purchase) / Proceeds from sale of investments	-6,16,45,788	-2,16,01,058
- Dividend income received	7,83,384	76,58,524
Net cash (used in)/ generated from investing activities(B)	**-6,80,59,282**	**-2,44,52,311**
C Cash flow (used in) / generated from Financing activities		
- Dividend paid	-2,08,22,560	-2,27,16,920
- Dividend distribution tax paid	-	-32,27,600
- Interest paid	-2,56,33,646	-7,10,89,609
- Increase/ (Decrease) in borrowings	14,85,47,337	-67,76,11,769
Net cash (used in) / generated from financing activities (C)	**10,20,91,131**	**-77,46,45,898**
Net increase in cash and cash equivalents (A+B+C)	**-28,28,30,647**	**38,39,69,860**
Cash and cash equivalents at the beginning of the period	53,06,29,775	14,66,59,915
Cash and cash equivalents at the end of the period	**24,77,99,129**	**53,06,29,775**
Cash and cash equivalents comprise of		
Cash and cheques in hand	**11,83,505**	**14,91,778**
Balances with scheduled banks	**24,66,15,624**	**52,91,37,997**
Total	**24,77,99,129**	**53,06,29,775**

Notes:

i) The above cash flow statement has been prepared under the "Indirect method" as set out on the Indian Accounting Standard (Ind AS-7) Statement of Cash Flow

ii) Figures in brackets indicate cash outflows.

Significant Accounting Policies and Notes on Financial Statements 1 to 64

As per our report of even date
For Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg No:011970C

CA. Dinesh Ajmera
Partner
Membership No. : 402629
UDIN : 21402629AAAABN3474
Indore, 14th June, 2021

For and on behalf of the Board

Ashok Kumar Jain (Managing Director) DIN-00184729	**Anita S Gandhi** (Whole Time Director) DIN-02864338	**Mahesh Pancholi** (Company Secretary)	**Tarun Goyal** (CFO)

Statement of Changes in Equity For the year ended 31 March, 2021

A. EQUITY SHARE CAPITAL

(Amount in ₹)

Particular	Amount
Balance as at 31-March-2020	**10,41,12,800**
Changes in equity share capital during the year	-
Balance as at 31-March-2021	**10,41,12,800**

B. OTHER EQUITY

(Amount in ₹)

Particulars	Reserve & Surplus					Total Equity
	Retained Earnings	Consolidated Reserve	Statutory Reserve	Foreign Currency Translation Reserve	General Reserve	
Balance as on 31, March 2020	**14,49,72,169**	**35,14,559**	**1,17,07,000**	**15,44,368**	**123,02,61,965**	**139,20,00,061**
Profit for the period	34,67,46,818	-	-	-	-	34,67,46,818
Other comprehensive income	-5,47,386	-	-	-3,41,590	-	-8,88,977
Total comprehensive income	**49,11,71,601**	**35,14,559**	**1,17,07,000**	**12,02,778**	**123,02,61,965**	**173,78,57,902**
Equity Dividend	-2,08,22,560	-	-	-	-	-2,08,22,560
Transfer to Statutory Reserve	-21,16,000	-	21,16,000	-	-	-
Transfer to General Reserve	-20,25,00,000	-	-	-	20,25,00,000	-
Balance as on 31, March 2021	**26,57,33,041**	**35,14,559**	**1,38,23,000**	**12,02,778**	**143,27,61,965**	**171,70,35,342**

As per our report of even date
For Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg No:011970C

CA. Dinesh Ajmera
Partner
Membership No. : 402629
UDIN : 21402629AAAABN3474
Indore, 14th June, 2021

For and on behalf of the Board

Ashok Kumar Jain (Managing Director) DIN-00184729	**Anita S Gandhi** (Whole Time Director) DIN-02864338	**Mahesh Pancholi** (Company Secretary)	**Tarun Goyal** (CFO)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1: CORPORATE INFORMATION

Arihant Capital Markets Limited ("ACML" or 'the Holding Company') is a public limited company and incorporated on 25th June, 1992 under the provisions of Companies Act. The Company is domiciled in India having its registered office at 6, Lad Colony, YN Road Indore, Madhya Pradesh.

The Holding Company is registered with Securities and Exchange Board of India ('SEBI') under the Stock brokers and sub-brokers Regulations, 1992 and is a member of Bombay Stock Exchange Limited, National Stock Exchange of India Limited, Multi Commodity Exchange of India Limited and National Commodity and Derivatives Exchange Limited.

Arihant Capital Markets Limited and its subsidiaries (collectively, the Group) are engaged in Stock Broking , Commodities Broking, Portfolio Management Services, Financial Services, Real Estate, Insurance Broking and other related activities.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Basis of Preparation

The financial statement for the year ended 31 March 2021 has been prepared in accordance with Indian Accounting Standard ('Ind AS'). The Company is covered under the definition of NBFC. These Financial Statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). These Financial Statements of the Company are presented in Indian Rupees ("INR"), which is also the Company's functional currency and all values are rounded to nearest rupees.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources. The outbreak of COVID-19 has not affected the going concern assumption of the Company.

Preparation of Consolidated financial statements

The Holding Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division III of Schedule III to the Companies Act, 2013 on 11 October 2013, the Holding Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 55.

2.1. Principles of Consolidation with Subsidiaries

The consolidated financial statements have comprised financial statements of the Company and its subsidiaries, subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions within the Group are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.2. Revenue Recognition

The Group recognizes revenue from contracts with customers based on a five-step model as set out in Ind AS 115, Revenue from Contracts with Customers, to determine when to recognize revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the Group recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

- The Group applies the five-step approach for recognition of revenue:
- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

(i) Brokerage income

It is recognized on settlement date basis and is exclusive of goods and service tax, securities transaction tax (STT) and commodity transaction tax (CTT) wherever applicable.

(ii) Fee & Commission income

Fees based income on services are recognised as earned on a pro-rata basis over the term of the contract. Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be.

(iii) Depository income

Income from services rendered on behalf of depository is recognised upon rendering of the services, in accordance with the terms of contract.

(iv) Interest income

Interest income is recognized on accrual basis in Statement of profit and loss for all financial instruments measured at amortised cost.

(v) Dividend income

Dividend income is recognized in the statement of profit or loss on the date that the Group's right to receive payment is established.

(vi) Revenue from Sale of Land and other rights

Revenue from Sale of land and other rights is generally a single performance obligation and the Group has determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers, which generally are with the firmity of the sale contracts / agreements

(vii) Portfolio Management and Advisory Services

The Group provides portfolio management services and advisory services to its clients wherein a separate agreement is entered into with each client. The Group earns management fees which is generally charged as a percent of the Assets Under Management (AUM) and is recognised on accrual basis. The Group, in certain instances also has a right to charge performance fee to the clients if the portfolio achieves a particular level of performance as mentioned in the agreement with the client to the extent permissible under applicable regulations. Generally, no upfront fee is charged to the clients

(viii) Insurance Commission

Insurance commission is recognized on receiving details of the policy issued by the insurance company or receipt of brokerage whichever is earlier.

(ix) Advisory Fees

Revenue from advisory services are recognized over the tenure of service as per terms of contract. Advisory fees related to successful completion of a milestone is recognised as revenue only when such milestone is achieved.

2.3. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current Tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Group.

Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.4. Assets held for sale

Assets are classified as held for sale if their carrying amount will have recovered principally through sale transaction rather than through continuing use and sale is considered highly probable. They are measured at lower of their carrying amount or fair value less cost to sell, except for assets such as deferred tax, assets arising from employee benefit, financials assets and contractual rights under insurance contracts, which are specifically exempted from this requirement. Where the Company is committed to a sale plan involving loss of control of an entity, it classifies investment in the entity and assets & liabilities associated with that entity as held for sale.

2.5. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three

months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.6. Financial Instruments
Initial recognition and measurement:

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Fair value of financial instruments:

Some of the Group's assets and liabilities are measured at fair value for financial reporting purpose. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 52.

(A) Financial assets

(i) Classification and subsequent measurement

All recognised financial assets are subsequently measured at either amortised cost or fair value depending on their respective classification.

On initial recognition, a financial asset is classified as - measured at:
- Fair Value Through Profit or Loss (FVTPL);
- Fair Value Through Other Comprehensive Income (FVOCI); or
- Amortised Cost.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain and loss on derecognition are recognised in profit or loss.

Financial assets at FVTOCI are subsequently measured at fair value. Interest income is recognised using the Effective Interest (EIR) Method. The impairment losses, if any, are recognized through Statement of Profit and Loss. The loss allowance is recognized in OCI and does not reduce the carrying value of the financial asset. On derecognition, gains and losses accumulated in OCI are reclassified to the Statement of Profit and Loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

(ii) Impairment

The Group recognizes impairment allowances using Expected Credit Losses ("ECL") method on all the financial assets that are not measured at FVPTL:

ECL are probability-weighted estimate of credit losses. For trade receivables Group follows simplified approach which requires expected lifetime losses to be recognised. For other assets, the Group uses 12 month ECL to

provide for impairment loss where there is no significant increase in credit risk. If there is a significant increase in credit risk full lifetime ECL is used. For ECL all financial assets are classified as follows

Stage 1: Financials assets that are not credit impaired
Stage 2: Financials assets with significant increase in credit risk but that are not credit impaired.
Stage 3: Financials assets that are credit impaired.

Financial assets are written off / fully provided for when there is no reasonable of recovering a financial asset in its entirety or a portion thereof.

However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial asset is derecognised only when:

The Group has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(B) Financial liabilities

(I) Initial recognition and measurement

Financial liabilities are classified at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in Statement of Profit or loss.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.7. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition and installation of the assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item

can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value:

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013. The Group provides pro-rata depreciation from the date of installation till date the assets are sold or disposed.

Assets	Useful Life
Building	60 years
Furniture and Fixtures	10 years
Office Equipment's	5 years
Computers	3 years
Electrical Installations	10 years
Vehicles	8 years
Leasehold Premises	30 years

Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit and loss when the asset is derecognized.

2.8. Intangible assets

Measurement at recognition:

Intangible assets are recognized where it is probable that the future economic benefit attributable to the assets will flow to the Group and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably.

Amortization

The Group amortizes intangible assets on a straight-line basis over their estimated useful life. The Group provides pro-rata amortization from the day the asset is put to use.

Assets	Useful Life
Computer Software	6 years
Operating Right*	3 years

* This contain insurance broking right and Portfolio management rights which is amortized over the period from the date of IRDA and SEBI Certificate for providing Insurance Broking and Portfolio Management Services respectively, which is the period over which it is estimated that benefits will flow to the Group.

Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit and loss when the asset is derecognized.

2.9. Investment Property

Investment Property are property held to earn rentals and for capital appreciation. Investment Property are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are measured in

accordance with Ind AS16's requirements for cost model. An Investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which property is derecognised.

For transition to Ind AS, the Group has elected to continue with carrying value of its investment property recognised as of April1, 2018 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.10. Leases

The Group's lease asset primarily consists of office premises which are of short-term lease with lease term of twelve months or less and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an expense in the Statement of Profit and Loss on a straight-line basis over the term of lease.

2.11. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counter party.

2.12. Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication based on internal / external factors, that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount of asset is the higher of its fair value or value in use. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects the current market assessment of time value of money and the risks specific to it. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An Impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the assets carrying amount would have been determined, net of depreciation or amortization, had no impairment loss been recognised.

2.13. Provisions and contingencies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a 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 measured at the best estimate of the expenditure required to settle the present obligation at the reporting date.

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.14. Employee benefits

(i) Short-term obligations

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered. The Group recognises the costs of bonus payments when it

has a present obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

(ii) Post-employment obligations

Defined contribution plan:
Contribution paid / payable to the recognised provident fund, which is a defined contribution scheme, is charged to the Statement of Profit and Loss in the period in which they occur.

Defined benefits plan:
Gratuity is post-employment benefit and is in the nature of defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognised actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

2.15. Foreign currency transactions and translation

Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of the transaction. Exchange differences arising on settlement of revenue transactions are recognised in the statement of profit and loss. Monetary assets and liabilities contracted in foreign currencies are restated at the rate of exchange ruling at the Balance Sheet date. Non monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

2.16. Dividends

Dividends paid (including income tax thereon, if any) is recognized in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

2.17. Earnings per share

a) Basic earnings per share
Basic earnings per share is calculated by dividing the net profit for the period (excluding other comprehensive income) attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share
Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.18. Rounding of amounts

All amounts disclosed in the Consolidated financial statements and notes have been rounded off to the nearest rupees.

2.19. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the Consolidated financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

2.20. Derivative financial instruments

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. The resulting gain or loss is recognized in standalone statement of profit and loss immediately.

2.21. Investment in subsidiaries

Investment in subsidiaries are recognized at cost and is not adjusted to fair value at the end of each reporting period as allowed by Ind AS 27 'Separate financial statement'. Cost of investment represents amount paid for acquisition of the said investment and a proportionate recognition of the fair value of shares granted to employees of subsidiary under a group share based payment arrangement.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

2.22. Investment in associates

Associates are the entities over which the Group has significant influence. Investment in associates is accounted for using the equity method of accounting, after initially being recognized at cost.

NOTE 3: KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of Consolidated financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on ongoing basis. Any changes to accounting estimates are recognized prospectively. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect on the amounts recognised in the Consolidated financial statements are included in the following notes:

(a) Provision and contingent liability: On an ongoing basis, Group reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in Consolidated financial statements. For Contingencies losses that are considered possible are not provided for but disclosed as Contingent liabilities in the Consolidated financial statements. Contingencies the likelihood of which is remote are not disclosed in the Consolidated financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

(b) Allowance for impairment of financial asset: Judgments are required in assessing the recoverability of overdue and determining whether a provision against those is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.

(c) Recognition of deferred tax assets: Deferred tax assets are recognised for unused tax-loss carry forwards, deductible temporary differences and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.

(d) Defined benefit plans: The cost of defined benefit plans and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long – term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

(e) Property, plant and equipment and Intangible Assets: Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation and amortization to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Group's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

(f) Inventories: Inventories comprising of construction-work-in progress are valued at lower of cost and net realisable value. Net Realisable value is based upon the estimates of the management. The effect of changes, if any, to the estimates is recognised in the Consolidated financial statements for the period in which such changes are determined.

(g) Satisfaction of performance obligation: Determination of revenue under the satisfaction of performance obligation at a point in time method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the timing of satisfaction of performance obligation, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The Group recognises revenue when the Group satisfies its performance obligation.

Consolidated Notes Forming Part Of Financial Statement

Particulars	31st March, 2021 (₹)	31st March, 2020 (₹)
4. Cash and Cash Equivalents		
Cash on hand	11,83,505	14,91,778
Balances with banks		
In current accounts	24,66,15,624	52,26,37,997
Fixed Deposit with banks (Maturity within 3 months)	-	65,00,000
Total	**24,77,99,129**	**53,06,29,776**
5. Bank Balances other than above		
Earmarked balances (Unpaid dividend account)	24,31,706	24,68,113
Fixed Deposit with banks *	77,17,44,799	105,23,64,243
Total	**77,41,76,505**	**105,48,32,356**
Note:		
*** Fixed Deposit with bank includes Deposits under the lien of :**		
NSE Clearing Limited	15,92,00,000	20,96,00,000
Axis Bank Ltd for NSEF&O segment	18,20,00,000	65,02,00,000
BSE Limited (ICCL)	25,00,000	-
National Commodity Exchange Limited	2,90,00,000	3,82,50,000
Multi Commodity Exchange of India Limited	5,30,50,000	7,31,50,000
Bank for guarantees issued	33,33,00,100	7,88,00,100
	75,90,50,100	**105,00,00,100**

6. Securities for trade

Particulars	FV ₹	31st March, 2021 Quantity	31st March, 2021 ₹	31st March, 2020 Quantity	31st March, 2020 ₹
Quoted Equity Shares"					
Aditya Birla Fashion and Retail Limited"	10	10000	2012500	-	-
Aditya Birla Capital Limited	10	10000	1193000	-	-
Avenue Supermarts Limited	2	-	-	6000	1,32,04,200
Axis Bank Limited	10	-	-	25000	9482500
Bharat Petroleum Corporation Limited	10	10000	42,79,500	-	-
CG Power and Industrial Solutions Limited	2	50000	33,45,000	-	-
Colgate Palmolive (India) Limited	1	-	-	7104	89,00,957
DFM Foods Limited	2	5000	18,20,750	-	-
Emami Limited	1	20035	97,37,010	-	-
Fortis Healthcare Limited	10	30000	59,74,500	-	-
GlaxoSmithKline Pharmaceuticals Limited	10	-	-	2000	24,90,500
Godrej Consumer Products Limited	1	-	-	1600	8,33,040
HDFC Life Insurance Company Limited	10	-	-	10000	44,16,000
ICICI Prudential Life Insurance Company Limited	10	-	-	20000	71,14,000
ICICI Securities Limited	5	-	-	10000	27,71,000
Kotak Mahindra Bank Limited	5	18000	3,15,54,000	-	-
Oberoi Realty Limited	10	-	-	5000	16,71,000
Pfizer Ltd	10	-	-	1000	40,24,650
Pidilite Industries Limited	10	-	-	200	271320
Procter & Gamble Hygiene and Health Care Limited	10	1800	2,28,22,110	-	-
Sbi Life Insurance Company Ltd	1	-	-	61478	3,94,04,324
Tata Consumer Products Limited	10	25000	1,59,72,500	6156	18,14,789
The Phoenix Mills Limited	2	-	-	157	89,812
	Total		**9,87,10,870**		**9,64,88,092**

Consolidated Notes Forming Part Of Financial Statement

Particulars	31st March, 2021 (₹)	31st March, 2020 (₹)
7.Trade Receivables		
Considered good- Secured	-	-
Considered good - Unsecured	145,05,27,321	64,83,90,474
Trade Receivables which have significant increase in credit risk	11,16,08,257	11,55,29,903
Trade Receivables - Credit impaired	-	-
	156,21,35,577	76,39,20,378
Less: Impairment loss allowance	-4,15,69,570	-1,15,52,990
Total	**152,05,66,007**	**75,23,67,388**
Out of which:		
Due from Directors	Nil	Nil
Due from a firm including LLP's and Private Limited Company in which a Director of the Company is a Partner or a Director respectively	Nil	Nil
8. Loans		
[A]		
- At Amortised Cost		
Loans repayable on demand	9,66,86,714	12,03,52,752
Total (Gross)	**9,66,86,714**	**12,03,52,752**
Less: Impairment Allowance	-2,79,226	-4,90,410
Total (Net)	**9,64,07,488**	**11,98,62,342**
[B]		
i) Secured by tangible assets	8,49,48,922	42,05,405
ii) Unsecured	1,17,37,792	11,61,47,347
Total (Gross)	**9,66,86,714**	**12,03,52,752**
Less: Impairment Allowance	-2,79,226	-4,90,410
Total (Net)	**9,64,07,488**	**11,98,62,342**
[C] Loans in India		
i) Public Sector		
ii) Others	9,66,86,714	12,03,52,752
Total (Gross)	**9,66,86,714**	**12,03,52,752**
Less: Impairment Allowance	-2,79,226	-4,90,410
Total (Net)	**9,64,07,488**	**11,98,62,342**

Note: There is no loan asset measured at FVOCI or FVTPL

9. Investments

(Amount in ₹)

Particulars	Face Value	31st March, 2021		31st March, 2020	
		No. of Share	Value	No. of Share	Value
(A) Equity Instruments					
- At Fair Value though Profit or Loss					
Balaji Amines Limited	2	1,075	18,91,248	-	-
Care Ratings Limited	10	290	1,19,190	-	-
D. P. Abhushan Limited	10	4,61,099	5,41,79,133	2,08,000	1,26,04,800
Nitiraj Engineers Limited	10	4,32,000	2,06,49,600	3,63,600	2,01,61,620
Spectrum Electrical Industries Limited	10	7,94,000	4,52,58,000	7,84,000	4,15,52,000
Saurashtra Kutch Stock Exchange Limited	100	50	5,05,000	50	5,05,000
The Saraswat Co-Operative Bank Limited	10	500	5,000	500	5,000
Quest Global Technologies Limited	10	90,000	9,00,000	90,000	9,00,000
Total			**12,35,07,170**		**7,57,28,420**
- As per equity method					
Electrum Investment Manager Pvt Ltd*(refer note no. 56)	10	13,75,000	1,83,28,595	-	-
Total			**1,83,28,595**		
Total (A)			**14,18,35,765**		

Consolidated Notes Forming Part Of Financial Statement

(B) Mutual funds					
- At Fair Value though Profit or Loss					
Axis Liquid Fund	2285	8,766	2,00,28,790	-	-
Total (B)			**2,00,28,790**		**-**
Total (A+B)			**16,18,64,554**		**7,57,28,420**
i) Investments in India			16,18,64,554		7,57,28,420
ii) Investments outside India			-		-
Total			**16,18,64,554**		**7,57,28,420**

* During the year the company has made investment of ₹ 137.5 Lakhs (13,75,000 shares of FV of ₹10) in Equity Shares of Electrum Capital Private Limited (Formerly known as Electrum Investment Managers Private Limited). The Company has recognised its investment in associate as per equity method and it include Goodwill of ₹ 7,62,568 and its has not been presented separately.

Particulars	31st March, 2021 (₹)	31st March, 2020 (₹)
10. Other Financial Assets		
Deposits with Exchanges / Depositories	3,46,01,777	14,16,94,648
Deposit with Related parties (Refer Note No.51)	36,37,500	1,66,37,500
Fixed Deposit with banks having maturity more than 12 months (Refer Note Below)	112,33,25,000	2,29,00,000
Accrued Interest on Fixed Deposit	48,16,100	23,45,084
Arihant Asset Management Axis (PMS) A/c	79,99,457	-
Other Deposits	24,11,385	57,66,610
Other Advances	41,44,344	45,52,523
Total	**118,09,35,563**	**19,38,96,365**
Note:		
Fixed Deposit with bank includes Deposits under the lien of :		
NSE Clearing Limited	7,96,00,000	-
Axis Bank Ltd for NSE FNO segment	67,75,00,000	-
National Commodity Exchange Limited	2,00,00,000	-
Multi Commodity Exchange of India Limited	2,07,50,000	-
Bank for guarantees issued	32,24,75,000	1,99,00,000
Pension Fund Regulatory and Development Authority.	20,00,000	20,00,000
Insurance Regulatory and Development Authority of India (IRDA)	10,00,000	10,00,000
Total	**112,33,25,000**	**2,29,00,000**

*Fixed deposits are pledged with exchange and banks for meeting margin requirements and for obtaining bank guarantee respectively

11. Inventories		
Land and Development Cost (WIP)	26,49,83,743	28,47,01,188
Total	**26,49,83,743**	**28,47,01,188**
12. Current tax Assets (net)		
Advance Income Tax Receivable (Net of Provision for Tax)	1,45,303	35,26,112
Total	**1,45,303**	**35,26,112**
13. Deferred Tax Assets		
Deferred Tax Assets (Refer Note No.44)	1,17,04,414	47,36,248
Total	**1,17,04,414**	**47,36,248**
14. Investment Property		
Freehold Land	1,85,27,180	1,85,27,180
Total	**1,85,27,180**	**1,85,27,180**

Consolidated Notes Forming Part Of Financial Statement

Property, Plant & Equipment

(Amount in ₹)

Particulars	Building	Land	Leasehold Premises	Furniture & Fixtures	Office Equipments	Computers	Electrical Installations	Motor Vehicles	Total
Gross carrying Amount									
Balance as at 31.03.2020	**5,77,89,180**	**8,81,26,900**	**30,34,022**	**93,89,515**	**54,69,275**	**2,02,58,575**	**12,49,879**	**1,89,97,833**	**20,43,15,180**
Additions	-	-	-	3,64,139	16,73,402	37,25,472	-	18,00,000	75,63,013
Disposals	-	-	-	11,76,758	5,80,343	30,17,465	71,102	42,36,364	90,82,030
Reclassification as held for sale	-	-	-	-	-	-	-	-	-
Currency Fluctuation	-	-	-75,712	-6,702	-	-3,362	-	-	-85,775
Balance as at 31-03-2021	**5,77,89,180**	**8,81,26,900**	**29,58,311**	**85,70,194**	**65,62,335**	**2,09,63,220**	**11,78,778**	**1,65,61,469**	**20,27,10,387**
Accumulated Depreciation									
Balance as at 31.03.2020	**20,65,090**	-	**1,33,275**	**22,91,488**	**20,31,230**	**1,04,77,933**	**3,23,674**	**43,68,807**	**2,16,91,498**
Additions	10,32,545	-	99,577	9,91,637	11,31,799	51,72,750	1,46,149	22,52,861	1,08,27,318
Disposals	-	-	-	3,76,719	3,19,687	23,37,831	30,572	14,40,318	45,05,127
Reclassification as held for sale	-	-	-	-	-	-	-	-	-
Currency Fluctuation	-	-	-4,292	-,783	-	-1,321	-	-	-6,396
Balance as at 31-03-2021	**30,97,636**	**-**	**2,28,560**	**29,05,624**	**28,43,342**	**1,33,11,531**	**4,39,251**	**51,81,350**	**2,80,07,293**
Net Carrying Amount									
Balance as at 31.03.2020	**5,57,24,089**	**8,81,26,900**	**29,00,747**	**70,98,026**	**34,38,046**	**97,80,641**	**9,26,205**	**1,46,29,027**	**18,26,23,682**
Balance as at 31.03.2021	**5,46,93,794**	**8,81,26,900**	**27,29,751**	**56,64,570**	**37,18,993**	**76,51,689**	**7,39,527**	**1,13,80,120**	**17,47,03,094**

Consolidated Notes Forming Part Of Financial Statement

16. Other Intangible Assets

(Amount in ₹)

Particulars	Software	License	MCX Membership	NCDEX Membership	NSEL Membership	Operating Right	Total
Gross carrying Amount							
Balance as at 31.03.2020	**89,50,329**	**50,000**	**100**	**100**	**100**	**10,00,000**	**1,00,00,629**
Additions	20,20,000	-	-	-	-	-	20,20,000
Disposals	5,75,496	-	-	-	-	-	5,75,496
Reclassification as held for sale	-	-	-	-	-	-	-
Balance as at 31-03-2021	**1,03,94,833**	**50,000**	**100**	**100**	**100**	**10,00,000**	**1,14,45,133**
Accumulated Depreciation							
Balance as at 31.03.2020	**25,82,933**	**6,648**	**-**	**-**	**-**	**3,23,315**	**29,12,897**
Additions	14,78,403	16,667	-	-	-	3,33,333	18,28,403
Disposals	16,700	-	-	-	-	-	16,700
Reclassification as held for sale	-	-	-	-	-	-	-
Balance as at 31-03-2021	**40,44,637**	**23,315**	**-**	**-**	**-**	**6,56,648**	**47,24,600**
Net Carrying Amount							
Balance as at 31.03.2020	**63,67,396**	**43,352**	**100**	**100**	**100**	**6,76,685**	**70,87,733**
Balance as at 31.03.2021	**63,50,196**	**26,685**	**100**	**100**	**100**	**3,43,352**	**67,20,533**

16. Intangible assets under development

Particulars	Intangible assets under development (Software)	Total
Gross carrying Amount		
Balance as at 31st March, 2020	-	-
Additions	2,00,000	2,00,000
Disposals	-	-
Reclassification as held for sale	-	-
Balance as at 31st March, 2021	**2,00,000**	**2,00,000**
Net Carrying Amount		
Balance as at 31st March, 2020	-	-
Balance as at 31st March, 2021	**2,00,000**	**2,00,000**

Consolidated Notes Forming Part Of Financial Statement

Particulars	31st March, 2021 (₹)	31st March, 2020 (₹)
17. Other Non Financial Assets		
Employee Advance	1,28,818	3,67,475
Prepaid expenses	1,68,68,108	1,05,79,525
Tax Receivables (IT Department)	1,49,49,163	92,41,570
GST Receivables	13,60,850	40,81,749
Other Advances	2,39,31,699	97,50,406
Total	**5,72,38,638**	**3,40,20,725**
18. Derivative Financial Instruments		
(i) Equity linked derivatives	8,42,817	1,96,010
Total	**8,42,817**	**1,96,010**
Notional amounts	**29,49,79,911**	**70,25,070**
Fair value - liabilities	**8,42,817**	**1,96,010**
Note : - The derivatives are used for the purpose of trading.		
19. Trade Payables		
Micro, Small and Medium Enterprises (Refer Note No.48)	14,19,254	-
Other than Micro, Small and Medium Enterprises	156,92,91,043	112,33,19,827
Total	**157,07,10,297**	**112,33,19,827**
20. Borrowings		
[A] Loans repayable on demand		
- Amortised Cost		
i) from banks	48,05,29,334	34,79,06,416
ii) from Related Parties (Refer Note No.51)	5,70,50,000	4,01,00,000
iii) from others	2,50,00,000	2,60,25,581
Total	**56,25,79,334**	**41,40,31,997**
[B]		
i) Borrowings in India	56,25,79,334	41,40,31,997
ii) Borrowings outside India	-	-
Total	**56,25,79,334**	**41,40,31,997**
[C]		
i) Secured *	48,05,29,334	34,79,06,416
ii) Unsecured	8,20,50,000	6,61,25,581
Total	**56,25,79,334**	**41,40,31,997**
*Secured against pledge of securities, trade receivables and property.		
21. Other Financial Liabilities		
Employee Benefits Payable	2,79,92,682	1,50,06,313
Franchise Deposit	3,99,20,221	3,25,49,011
Margin Deposit	27,67,50,000	4,70,00,000
Other Deposit	8,59,35,048	6,98,62,351
Other Payable (includes payable to vendors)	4,99,44,430	3,82,30,809
Unpaid Dividend*	24,31,706	24,68,113
Total	**48,29,74,087**	**20,51,16,597**
* Out of the above amount, the company is required to credit a sum of ₹3,99,610/- lying in the unpaid/unclaimed dividend account, on or before 30th September, 2021 to the Investor Education & Protection Fund pursuant to sub -section (1) of Section 125 of The Companies Act, 2013.		
22. Current Tax Liabilities (net)		
Income tax payable (Net of Advance Tax & TDS)	1,07,24,591	9,58,956
	1,07,24,591	9,58,956
23. Provisions		
Provision for Gratuity (Refer Note No.50)	1,81,92,768	1,27,05,750
Provision for Bonus	19,45,000	19,49,490
Provision for Expenses	81,15,058	79,92,653
Total	**2,82,52,826**	**2,26,47,892**
24. Deferred Tax Liabilities (net)		
Deferred Tax Liabilities (net) (Refer Note No.44)	40,26,144	45,25,704
Total	**40,26,144**	**45,25,704**
25. Other Non Financial Liabilities		
Statutory Dues Payable (including PF, ESIC, Stamp Duty, TDS, Professional Tax and GST)	2,70,41,073	1,65,57,205
Advance received from customers	5,46,09,574	6,83,60,559
Advances for Expenses	5,17,74,138	72,00,000
Total	**13,34,24,784**	**9,21,17,764**

Consolidated Notes Forming Part Of Financial Statement

Particulars	31st March, 2021 (₹)	31st March, 2020 (₹)
26. Share Capital		
Authorised		
2,50,00,000 (2,50,00,000) equity share of ₹5/- each	12,50,00,000	12,50,00,000
Issued, Subscribed & Paid up		
2,08,22,560 (2,08,22,560) equity share of ₹5/- each	10,41,12,800	10,41,12,800
Total	**10,41,12,800**	**10,41,12,800**
a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period		
Equity Shares of face value ₹5/-		
Share outstanding at the beginning of the period	2,08,22,560	2,08,22,560
Share outstanding at the end of period	2,08,22,560	2,08,22,560
b. Terms/rights attached to equity shares		
The company has one class of equity shares having a par value of ₹ 5 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.		
c. List of the Shareholders holding more than 5% of the total number of shares issued by the company		
Name of the shareholders		
Ashok Kumar Jain	61,70,336 (29.63%)	60,63,040 (29.12%)
Kiran Jain	47,28,320 (22.71%)	47,28,320 (22.71%)
Sunil Kumar Jain	16,06,656 (7.72%)	16,06,656 (7.72%)
Arpit Jain	11,47,840 (5.51%)	11,47,840 (5.51%)
27. Other Equity		
General Reserve		
Balance at the beginning of the year	123,02,61,965	108,02,61,965
Transfer from Retained Earnings	20,25,00,000	15,00,00,000
Balance as at end of the year	**143,27,61,965**	**123,02,61,965**
Retained Earnings		
Balance at the beginning of the year	14,49,72,169	14,56,80,807
Transfer from Statement of Profit and Loss	34,67,46,818	17,48,77,783
Remeasurement of Defined Benefit Plan (Net of Taxes)	-5,47,386	3,58,100
Equity Dividend	-2,08,22,560	-2,27,16,920
Dividend distribution tax	-	-32,27,600
Transfer to Statutory Reserve	-21,16,000	-
Transfer to General Reserve	-20,25,00,000	-15,00,00,000
Balance as at end of the year	**26,57,33,041**	**14,49,72,169**
Consolidated Reserve		
Balance at the beginning of the year	35,14,559	35,14,559
Transfer from Retained Earnings	-	-
Balance as at end of the year	**35,14,559**	**35,14,559**
Statutory Reserve	1,17,07,000	1,17,07,000
Balance at the beginning of the year	21,16,000	-
Transfer from Retained Earnings		
Balance as at end of the year	**1,38,23,000**	**1,17,07,000**
Foreign Currency Translation Reserve		
Balance at the beginning of the year	15,44,368	3,71,492
Transfer from Statement of Profit and Loss	-3,41,590	11,72,876
Balance as at end of the year	**12,02,778**	**15,44,368**
Total	**171,70,35,342**	**139,20,00,061**

Consolidated Notes Forming Part Of Financial Statement

General Reserve
General reserve represents appropriation of surplus in the profit and loss account and is available for distribution to shareholders as dividend.

Retained Earnings
Surplus in profit or loss account (Retained Earnings) represents surplus/accumulated profit of the company and is available for distribution to shareholders as dividend.

Consolidated Reserve
Consolidated reserve is the excess of net assets taken over cost of consideration paid

Statutory Reserve
Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve as 20% of the profit after tax.

Foreign Currency Translation Reserve
Foreign currency translation reserve is created out of Exchange differences in translating the financial statements having functional currency different from Group functional currency.

Particulars	31st March, 2021 (₹)	31st March, 2020 (₹)
28. Interest Income		
On financial assets measured at amortised cost-		
Interest on loans	3,46,34,008	2,65,84,748
Interest on deposits with banks	9,45,61,639	8,56,79,973
Interest on Margin funding	11,91,20,231	18,01,05,972
Total	**24,83,15,877**	**29,23,70,693**
29. Dividend Income		
From Securities	7,83,384	5,58,524
From subsidiary companies	-	71,00,000
Total	**7,83,384**	**76,58,524**
30. Fees and commission income		
Commission Received (Net)	1,12,41,803	1,37,43,737
Brokerage	61,35,29,236	45,21,08,854
Depository Receipts	2,19,09,973	1,54,80,966
Management Fees	24,21,913	3,42,750
Insurance Commission	9,36,109	98,889
Fees From Merchant Banking	2,32,47,996	1,12,31,876
Total	**67,32,87,029**	**49,30,07,072**
31. Net Gain on fair value changes		
(A) Net gain / (loss) on financial instruments at fair value through profit or loss		
(i) Profit/(loss) on sale of derivatives held for trade (net)	10,43,84,663	4,51,14,785
(ii) Profit/(loss) on securities held for trade	5,44,65,503	76,45,385
(iii) Profit/(loss) on mutual funds	28,790	-
(B) Others		
- Profit/(loss) on sale of investments (net) at fair value through profit or loss	2,44,90,345	-35,77,438
Total	**18,33,69,301**	**4,91,82,732**
Fair value changes		
Realised gain	17,58,49,005	5,38,16,971
Unrealised gain	75,20,297	-46,34,239
Total	**18,33,69,301**	**4,91,82,732**
32. Sale of products		
Sale of Plot	5,04,48,438	6,38,71,584
Total	**5,04,48,438**	**6,38,71,584**
33. Other operating income		
Others Income	4,13,470	9,13,146
Total	**4,13,470**	**9,13,146**

Consolidated Notes Forming Part Of Financial Statement

Particulars	31st March, 2021 (₹)	31st March, 2020 (₹)
34. Other Income		
Bad debts recovered	14,10,635	21,975
Income from Rent	1,80,000	-
Profit on Sale of Fixed Assets	98,458	13,489
Interest on Income tax refund	8,00,139	4,98,511
Miscellaneous income	25,16,476	12,26,189
Total	**50,05,708**	**17,60,164**
35. Finance Costs		
On financial liabilities measured at amortised cost-		
Interest on Borrowings	2,56,33,646	7,10,89,609
Interest paid on Margin Money	85,39,689	94,75,659
Other Interest expenses	2,17,754	1,90,466
Total	**3,43,91,089**	**8,07,55,734**
36. Fees and Commission Expense		
Sub Brokerage/Referral Fees	26,71,32,602	20,62,12,425
Depository charges	1,01,07,247	60,49,120
Exchange Transaction Charges	6,02,51,567	4,33,12,957
Custodian Charges	2,52,622	88,404
Clearing Charges	24,32,903	16,67,703
Merchant Banking Expenses	24,38,875	12,44,487
Total	**34,26,15,815**	**25,85,75,096**
37. Impairment on financial instruments		
On Financial Assets measured at amortised cost-		
Trade Receivables	3,00,16,580	1,15,52,990
Loans	-2,11,185	-72,930
Bad Debts written off	11,10,562	1,88,74,445
Total	**3,09,15,958**	**3,03,54,505**
38. Cost of Sale		
Opening Stock	28,47,01,188	31,96,00,329
Add:-		
Land development cost		
Operating & Project Expenses Incurred During the Year:-		
Preliminaries & Site Expenses	9,59,616	8,82,636
Civil, Electrical, Contracting etc.	12,00,962	-
Electricity	-	37,259
Payment to Local Agencies & Permission Charges	-	5,00,000
Total	**28,68,61,766**	**32,10,20,224**
Less : Closing Stock	26,49,83,743	28,47,01,188
	2,18,78,023	**3,63,19,036**
39. Employee Benefits Expenses (Includes Managerial Remuneration)		
Salaries, wages and bonus	16,09,11,576	15,11,94,735
Contribution to provident and other fund (Refer Note No.50)	18,44,641	19,32,429
Gratuity expense (Refer Note No.50)	54,96,819	19,06,142
Staff welfare expenses	18,73,687	25,19,029
Total	**17,01,26,724**	**15,75,52,335**
40. Depreciation and amortisation expense		
Depreciation on Property, plant & equipment	1,08,27,318	1,11,25,802
Amortisation on other intangible assets	18,28,403	16,81,081
Total	**1,26,55,721**	**1,28,06,883**

Consolidated Notes Forming Part Of Financial Statement

Particulars		31st March, 2021 (₹)	31st March, 2020 (₹)
41. Other Expenses			
Advertisement		30,25,820	39,60,507
Auditors' Remuneration (Refer Note No.42)		11,73,098	9,10,904
Bank Charges		76,78,337	53,53,088
Business Development		23,96,794	48,34,236
Corporate Social Responsibility (Refer Note No.60)		80,85,318	58,03,250
Communication including V-Sat		1,05,60,012	94,35,521
Digital Marketing		28,500	-
Electricity		51,49,413	56,62,963
Foreign Exchange Loss (Net)		-	82,169
Insurance		15,42,624	7,06,916
Legal and Professional		1,32,08,367	97,10,056
Loss on sale of Fixed Assets		27,27,401	-
Membership Fee & Subscription		20,95,452	44,40,243
Miscellaneous		41,42,653	45,56,361
Office Expenses		26,40,088	20,93,342
Rent		1,23,93,126	1,31,20,881
Repairs & Maintenance		75,15,837	75,25,244
Software Maintenance		2,58,28,425	1,73,42,229
Stationery & Printing		5,35,361	12,72,776
Travelling, Conveyance and Motor Car		54,30,638	63,64,552
	Total	**11,61,57,263**	**10,31,75,239**
42. Remuneration To Auditors (Exclusive of Taxes)			
As Auditors:			
Statutory audit		8,85,098	6,50,904
Tax audit		1,05,000	1,27,500
Limited review		90,000	75,000
Other services		93,000	57,500
Total		**11,73,098**	**9,10,904**
43. Exceptional Item			
Gain on deemed disposal of associate		30,98,879	-
	Total	**30,98,879**	**-**

44. Tax Expense

A. The major components of income tax expense for the year are as under

Particulars	For the Year ended 31-Mar-21 ₹	For the Year ended 31-Mar-20 ₹
(A) Current tax expense		
Current tax for the year	11,62,95,370	6,07,35,200
Tax adjustment in respect of earlier years	-1,82,97,354	-19,70,654
Total current tax expense (A)	**9,79,98,016**	**5,87,64,546**
(B) Deferred tax expense		
Change in deferred tax	-72,83,626	-44,17,243
Net deferred tax expense (B)	**-72,83,626**	**-44,17,243**
Total(A+B)	**9,07,14,390**	**5,43,47,303**

Consolidated Notes Forming Part Of Financial Statement

B. Reconciliation of tax expenses and the accounting profit for the year is as under

Particulars	For the Year ended 31-Mar-21 ₹	For the Year ended 31-Mar-20 ₹
Profit / (loss) before income tax expense	43,28,82,613	22,92,25,086
Tax at the rate of 25.17%	**10,89,47,896**	**5,76,91,370**
Difference due to :		
Tax effect of expense allowed on payment basis	11,95,742	2,43,104
Tax on expense not tax deductible	26,95,176	7,07,559
Tax adjustment relating to fair valuation of equity instrument	-45,83,353	-4,36,555
Tax impact of Expense Deductible for tax purpose	-17,988	-17,988
Tax effect of Impairment Loss	75,54,573	29,07,657
Tax impact of Carried forward losses	-6,61,966	16,24,027
Tax effect of different depreciation	-41,230	-2,50,271
Tax effect on chapter VI	-1,96,946	-
Tax adjustment on Profit already taxed of previous years	-4,52,107	-
Tax adjustment of previous years	-1,82,97,354	-19,70,654
Tax on income exempt from tax	-6,895	-19,21,457
Tax on income taxable at different rate	7,72,659	1,23,839
Others	10,89,807	63,916
Current tax expense (A)	**9,79,98,015**	**5,87,64,546**
Change in deferred tax liabilities	28,21,117	-1,82,456
Change in deferred tax assets	-1,01,04,742	-42,34,787
Deferred tax expense (B)	**-72,83,625**	**-44,17,243**
Total Tax Expense (A+B)	**9,07,14,390**	**5,43,47,304**
Effective Tax Rate	**20.96%**	**23.71%**
The amount of deferred tax income/(expenses) relating to changes in tax rate or the imposition of new taxes:-		
Income due to change in rate	-	-
Expense due to change in rate	-	-
Net income for the year	-	-

C. Movement of deferred tax assets and liabilities

Particulars	31st March, 2020 ₹	Credit/(Charge) in Profit or Loss	Recognised in OCI	31st March, 2021 ₹
		Year Ended 31st March, 2021		
Deferred tax liability on account of :				
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	76,59,303	3,02,719	-	73,56,585
Fair valuation of Securities for trade as per Ind AS	17,72,819	21,59,125	-	-3,86,306
Expenses allowable u/s. 43B on payment basis				
-Gratuity	-30,79,787	-32,63,888	1,84,101	-
-Bonus	-4,90,648	-4,90,648	-	-
Fair valuation of Mutual Funds held for investment as per Ind AS	-	-7,246	-	7,246
Fair valuation of Equity Instruments as per Ind AS	-13,35,984	-15,21,180	-	1,85,196
Total deferred tax liabilities (A)	**45,25,704**	**-28,21,117**	**1,84,101**	**71,62,720**
Deferred tax assets on account of:				
Expenses allowable u/s. 43B on payment basis				
-Gratuity	1,17,996	44,60,760	-	45,78,756
-Bonus	-	4,89,518	-	4,89,518
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	-86,054	1,34,593	-	48,538
Preliminary Expense	17,988	-17,988	-	-
Loss carried forward	17,78,663	-4,30,141	-	13,48,522
Fair valuation of Equity Instruments as per Ind AS	-	-20,86,573	-	-20,86,573
Impairment of Trade Receivable	29,07,657	75,54,573	-	1,04,62,229
Total deferred tax assets (B)	**47,36,248**	**1,01,04,742**	**-**	**1,48,40,990**
Net deferred tax Liability / (Assets) (A-B)	**-2,10,545**	**72,83,625**	**1,84,101**	**-76,78,270**

Consolidated Notes Forming Part Of Financial Statement

C. Movement of deferred tax assets and liabilities

Particulars	Year Ended 31st March, 2020			
	31st March, 2019 ₹	Credit/(Charge) in Profit or Loss (₹)	Recognised in OCI ₹	31st March, 2020 ₹
Deferred tax liability on account of :				
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	85,79,190	9,19,887	-	76,59,303
Fair valuation of Securities for trade as per Ind AS	7,51,281	-10,21,537	-	17,72,819
Expenses allowable u/s. 43B on payment basis				
-Gratuity	-30,06,179	70,258	3,350	-30,79,787
-Bonus	-6,05,259	-1,14,612	-	-4,90,648
Fair valuation of Equity Instruments as per Ind AS	-10,07,524	3,28,460	-	-13,35,984
Total deferred tax liabilities (A)	**47,11,509**	**1,82,456**	**3,350**	**45,25,704**
Deferred tax assets on account of:				
Expenses allowable u/s. 43B on payment basis				
-Gratuity	4,40,652	-1,98,868	-1,23,788	1,17,996
-Bonus	50,632	-50,632	-	-
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	-61,150	-24,904	-	-86,054
Preliminary Expense	35,976	-17,988	-	17,988
Loss carried forward	1,59,140	16,19,523	-	17,78,663
Impairment of Trade Receivable	-	29,07,657	-	29,07,657
Total deferred tax assets (B)	**6,25,250**	**42,34,787**	**-1,23,788**	**47,36,248**
Net deferred tax Liability / (Assets) (A-B)	**40,86,260**	**44,17,243**	**-1,20,438**	**-210,545**

Particulars	31st March, 2021 (₹)	31st March, 2020 (₹)
45. Earnings Per Equity Share		
A) Profit attributable to Equity holders of Company		
Profit attributable to equity holders	**34,67,46,818**	**17,48,77,783**
B) Weighted average number of ordinary shares		
Number of shares at the beginning of the year	2,08,22,560	2,08,22,560
Weighted average number of shares at the end of the year	**2,08,22,560**	**2,08,22,560**
C) Face value per share	**5.00**	**5.00**
D) Basic and Diluted earnings per share	**16.65**	**8.40**

Consolidated Notes Forming Part Of Financial Statement

46. Proposed dividend

The Board of Directors has recommended Equity dividend of ₹ 1.00 per share for the financial year 2020-21.

47. Contingent Liability and Commitment (to the extent not provided for)

Particulars	For the year ended 31st March 2021 (₹)	For the year ended 31st March 2020 (₹)
Contingent liabilities:		
Bank Guarantees given*	130,92,75,000	18,88,75,000
Demand in respect of income tax matters for which appeal is pending	-	3,60,31,082
Claim against the Group	39,03,111	-
Capital commitments:		
There are no Capital commitment as at the year end.		
*** Bank Guarantees details**		
1. Corporate Guarantees to banks (for subsidiary Arihant Future and Commodities Ltd)	-	1,00,00,000
2. ICCL Bombay Stock Exchange Ltd (under mandatory rules for membership)	1,23,75,000	1,48,75,000
3. ICCL Bombay Stock Exchange Ltd (towards additional margin)	54,78,00,000	-
4. National Securities Clearing Corporation Ltd (towards additional margin)	70,26,00,000	15,00,00,000
5. National Securities Clearing Corporation Ltd (under mandatory rules for membership)	75,00,000	75,00,000
6. National Commodity Clearing Corporation Limited (under the mandatory rules for membership and towards additional margin)	-	32,50,000
7. Multi Commodity Exchange of India Ltd (under the mandatory rules for membership and towards additional margin)	-	32,50,000
8. Metropolian Stock Exchange India Ltd (under mandatory rules for membership)	3,90,00,000	-

48. Due to Micro, Small, & Medium Enterprises

The Group has sent letters to vendors to confirm whether they are covered under Micro, Small and Medium Enterprise Development Act 2006 as well as they have filed required memorandum with prescribed authority. Based on and to the extent of the information received by the Group from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at the year end are furnished below:

Particulars	For the year ended 31st March 2021 (₹)	For the year ended 31st March 2020 (₹)
The Principal amount remaining unpaid at the year end	14,19,254	-
The Interest amount remaining unpaid at the year end	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
The amount of interest accrued and remaining unpaid at the year end	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-
The balance of MSMED parties as at the year end	14,19,254	-

Consolidated Notes Forming Part Of Financial Statement

49. Revenue from Contract with customers

The Group derives revenue primarily from the broking and related business. Its other major revenue sources is Interest income, Sale of plots and Asset management & Advisory fees.

A. Disaggregate revenue information

The table below presents disaggregate revenues from contracts with customers for the year ended 31st March, 2021 and 31st March, 2020. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.

Particulars	For the year ended 31st March 2021 (₹)	For the year ended 31st March 2020 (₹)
Broking & Related Income	67,00,55,025	49,24,07,235
Interest Income	24,83,15,877	29,23,70,693
Sale of plots	5,04,48,438	6,38,71,584
Asset Management & Advisory fees	32,32,005	5,99,837
Total	**97,20,51,344**	**84,92,49,349**

B. Nature and timing of satisfaction of the performance obligation

1. Broking & Related Income - Income from services rendered as a broker is recognised upon rendering of the services. Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be, on issue of the insurance policy to the applicant. Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract, and are over the period in nature. Income from services rendered on behalf of depository is recognised upon rendering of the services, in accordance with the terms of contract.

2. Interest Income - Interest is earned on delayed payments from clients and amounts funded to them as well as on loans and term deposit with bank. Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable.

3. Revenue from Sale of Plots - Revenue from Sale of plots and other rights is generally a single performance obligation and the Company has determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers.

4. Asset Management & Advisory Fees - Performance obligation of fee from portfolio management services are completed as per the terms and conditions of the asset management agreement. Income from advisory services is recognised upon rendering of the services.

50. Employee benefits

A. The Group contributes to the following post-employment defined benefit plans

(i) Defined Contribution Plans:

The Group makes contributions towards Provident Fund and Employees State Insurance Fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

The Group recognised ₹14,59,558(Previous Year ₹14,18,762) for provident fund contributions in the Statement of Profit and Loss.

The Group recognised ₹ 3,85,083(Previous Year ₹ 4,84,667) for Employees State Insurance Fund contribution in the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

Gratuity

In accordance with Payment of Gratuity Act, the Group provides for gratuity, a defined benefit retirement plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Group subject to maximum of ₹20 lakhs. (Previous Year ₹ 20 lakhs).

Consolidated Notes Forming Part Of Financial Statement

50. Employee benefits

The gratuity benefit is provided through unfunded plan and annual contributions are charged to the statement of profit and loss. Under the scheme, the settlement obligation remains with the Group. Group accounts for the liability for future gratuity benefits based on an actuarial valuation. The net present value of the Group's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date.

B. Movement in Defined Benefit Liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	Defined Benefit Obligation	
	As at 31st March 2021 (₹)	As at 31st March 2020 (₹)
Opening balance	**1,27,05,751**	**1,19,07,356**
Included in profit or loss -		
Current service cost	48,59,276	11,08,361
Interest cost	6,37,543	7,97,782
Total - A	**1,82,02,570**	**1,38,13,499**
Included in OCI -		
Actuarial loss (gain) arising from:		
Demographic assumptions		
Financial assumptions	3,67,409	4,13,698
Experience adjustment	3,64,078	-8,92,237
Total - B	**7,31,487**	**-4,78,539**
Other		
Benefits paid	-7,41,288	-6,29,209
Liability transferred in for Employees joined		
Total - C	**-7,41,288**	**-6,29,209**
Closing balance (A+B+C)	**1,81,92,769**	**1,27,05,751**

C. Defined Benefit Obligations

(i) Actuarial assumptions: The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	As at 31-Mar-21	As at 31-Mar-20
Mortality Table	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Retirement age	60, 65 and 70 years	60 years
Attrition Rate	29.00% p.a.	29.00% p.a.
Discount rate	4.25% p.a.	5.21% p.a.
Salary escalation rate	5.00% p.a.	5.00% p.a.

(ii) Sensitivity analysis : Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	As at 31-Mar-21		As at 31-Mar-20	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	-3,82,264	4,06,123	-2,88,801	3,08,185
Future salary growth (1% movement)	3,45,374	-3,30,083	3,06,101	-2,92,086
Employee Turnover (1% movement)	-30,628	31,790	-21,142	21,494

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

D. Expected Future Cash Flows

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

Maturity profile	As at 31-Mar-21	As at 31-Mar-20
Expected benefits for Year 1	51,93,108	37,92,438
Expected benefits for Year 2	37,87,394	25,35,885
Expected benefits for Year 3	28,52,922	20,06,730
Expected benefits for Year 4	31,17,111	15,73,090
Expected benefits for Year 5	13,30,635	11,89,926
Sum of Years 6 to 10	28,80,163	27,17,142
Sum of Years 11 and above	7,46,747	7,64,345

Consolidated Notes Forming Part Of Financial Statement

51. Related Party Disclosure

As per Ind AS 24 - Related Party Disclosures, specified under section 133 of the Companies Act, 2013, read with The Companies (Indian Accounting Standards) Rules, 2015, the name of related party where control exists / able to exercise significant influence along with the transactions and year end balances with them as identified and certified by the management are as follows:

List of Related Parties and their relationship

a) Key Management Personnel

Mr. Ashok Kumar Jain	Managing Director
Mrs. Anita S Gandhi	Whole Time Director
Mr. Sunil Kumar Jain	Director
Mr. Akhilesh Rathi	Independent Director
Mr. Parag R. Shah	Independent Director
Mr. Ashish Maheshwari	Independent Director
Mr. Arpit Jain	Additional Director (w.e.f 25.01.2021)
Mr. Tarun Goyal	Chief Financial Officer
Mr. Mahesh Pancholi	Company Secretary

b) Relatives of Key Management Personnel

Arpit Jain
Ashok Kumar Jain HUF
Mohini Doshi
Kiran Jain
Shruti Jain
Swati Jain

c) Enterprises over which Control

Shyam Developers

Transactions with related parties

(Amount in ₹)

Nature of Transaction	Name of the Related Party	Key Management Personnel		Relatives of Key Management Personnel		Enterprise over which control		Total	
		31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Expenses									
Salary & Incentive	Ashok Kumar Jain	4,01,51,700	1,91,13,324	-	-	-	-	4,01,51,700	1,91,13,324
	Anita Gandhi	36,08,331	32,36,660	-	-	-	-	36,08,331	32,36,660
	Arpit Jain	3,00,000	-	14,72,976	18,42,650	-	-	17,72,976	18,42,650
	Kiran Jain	-	-	-	3,75,000	-	-	-	3,75,000
	Mahesh Pancholi	9,89,980	11,72,730	-	-	-	-	9,89,980	11,72,730
	Mohini Doshi	-	-	5,94,992	6,19,992	-	-	5,94,992	6,19,992
	Swati Jain	-	-	-	14,82,650	-	-	-	14,82,650
	Shruti Jain	-	-	23,00,000	24,00,000	-	-	23,00,000	24,00,000
	Tarun Goyal	13,47,948	12,82,262	-	-	-	-	13,47,948	12,82,262
	Total	**4,63,97,959**	**2,48,04,976**	**43,67,968**	**67,20,292**	-	-	**5,07,65,927**	**3,15,25,268**

Expenses									
Rent	Ashok Kumar Jain	14,62,500	15,00,000	-	-	-	-	14,62,500	15,00,000
	Kiran Jain	-	-	41,37,051	38,72,850	-	-	41,37,051	38,72,850
	Ashok Kumar Jain HUF	-	-	5,80,776	5,96,256	-	-	5,80,776	5,96,256
	Arpit Jain	99,376	-	4,81,412	5,96,244	-	-	5,80,788	5,96,244
	Shyam Developers	-	-	-	-	9,80,000	2,52,000	9,80,000	2,52,000
	Total	**15,61,876**	**15,00,000**	**51,99,239**	**50,65,350**	**9,80,000**	**2,52,000**	**77,41,115**	**68,17,350**
Sitting Fees	Sunil Kumar Jain	1,40,000	1,00,000	-	-	-	-	1,40,000	1,00,000
	Paragbhai Shah	1,15,000	1,00,000	-	-	-	-	1,15,000	1,00,000
	Ashish Maheshwari	2,20,000	1,00,000	-	-	-	-	2,20,000	1,00,000
	Akhilesh Rathi	75,000	1,00,000	-	-	-	-	75,000	1,00,000
	Total	**5,50,000**	**4,00,000**	**-**	**-**	**-**	**-**	**5,50,000**	**4,00,000**
Legal & Professional Fees	Swati Jain	-	-	19,96,500	-	-	-	19,96,500	-
	Total	**-**	**-**	**19,96,500**	**-**	**-**	**-**	**19,96,500**	**-**
	Grand Total	**4,85,09,835**	**2,67,04,976**	**95,67,207**	**1,17,85,642**	**9,80,000**	**2,52,000**	**5,90,57,042**	**3,87,42,618**
Assets									
Rent Deposits	Ashok Kumar Jain	3,50,000	3,50,000	-	-	-	-	3,50,000	3,50,000
	Kiran Jain	-	-	23,43,750	23,43,750	-	-	23,43,750	23,43,750
	Ashok Kumar Jain HUF	-	-	4,96,875	4,96,875	-	-	4,96,875	4,96,875
	Arpit Jain	4,96,875	-	-	4,96,875	-	-	4,96,875	4,96,875
	Shyam Developers	-	-	-	-	-	1,30,00,000	-	1,30,00,000
	Total	**8,46,875**	**3,50,000**	**28,40,625**	**33,37,500**	**-**	**1,30,00,000**	**36,87,500**	**1,66,87,500**
Liabilities									
Loan Taken	Ashok Kumar Jain	5,70,50,000	4,01,00,000	-	-	-	-	5,70,50,000	4,01,00,000
	Total	**5,70,50,000**	**4,01,00,000**	**-**	**-**	**-**	**-**	**5,70,50,000**	**4,01,00,000**

Consolidated Notes Forming Part Of Financial Statement

52. Fair value measurement

(Amount in ₹)

I. Accounting classification and fair values

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

Particulars	Carrying amount				Fair value			
31-Mar-21	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	24,77,99,129	24,77,99,129	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	77,41,76,505	77,41,76,505	-	-	-	-
Securities for trade	9,87,10,870	-	-	9,87,10,870	9,87,10,870	-	-	9,87,10,870
Receivables								
Trade receivables	-	-	152,05,66,007	152,05,66,007	-	-	-	-
Loans	-	-	9,64,07,488	9,64,07,488	-	-	-	-
Investments	16,18,64,554	-	-	16,18,64,554	16,04,54,554	-	14,10,000	16,18,64,554
Other financial assets	-	-	118,09,35,563	118,09,35,563	-	-	-	-
Total financial assets	**26,05,75,424**	**-**	**381,98,84,693**	**408,04,60,117**	**25,91,65,424**	**-**	**14,10,000**	**26,05,75,424**
Financial liabilities								
Derivative financial instruments	-	-	8,42,817	8,42,817	-	-	-	-
Payables								
I) Trade Payables								
Total outstanding dues of micro & small enterprises	-	-	14,19,254	14,19,254	-	-	-	-
Total outstanding dues of creditors other than micro & small enterprises	-	-	156,92,91,043	156,92,91,043	-	-	-	-
Borrowings	-	-	56,25,79,334	56,25,79,334	-	-	-	-
Other financial Liabilities	-	-	48,29,74,087	48,29,74,087	-	-	-	-
Total financial liabilities	**-**	**-**	**261,71,06,536**	**261,71,06,536**	**-**	**-**	**-**	**-**

The carrying value and fair value of financial instruments by categories as of 31 March 2020 are as follows:

31-Mar-20	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	53,06,29,775	53,06,29,775	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	105,48,32,356	105,48,32,356	-	-	-	-
Securities for trade	9,64,88,092	-	-	9,64,88,092	9,64,88,092	-	-	9,64,88,092
Receivables								
Trade receivables	-	-	75,23,67,388	75,23,67,388	-	-	-	-
Loans	-	-	11,98,62,342	11,98,62,342	-	-	-	-
Investments	7,57,28,420	-		7,57,28,420	7,43,18,420	-	14,10,000	7,57,28,420
Other financial assets	-	-	19,38,96,366	19,38,96,366	-	-	-	-
Total financial assets	**17,22,16,512**	**-**	**265,15,88,226**	**282,38,04,739**	**17,08,06,512**	**-**	**14,10,000**	**17,22,16,512**
Financial liabilities								
Derivative financial instruments	-	-	1,96,010	1,96,010	-	-	-	-
Payables								
I) Trade Payables								
Total outstanding dues of micro & small enterprises	-	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro & small enterprises	-	-	112,33,19,827	112,33,19,827	-	-	-	-
Borrowings	-	-	41,40,31,997	41,40,31,997	-	-	-	-
Other financial Liabilities	-	-	20,51,16,597	20,51,16,597	-	-	-	-
Total financial liabilities	**-**	**-**	**174,26,64,431**	**174,26,64,431**	**-**	**-**	**-**	**-**

Level 1: Category include financial assets and liabilities that are measured in whole or significantly part by reference to published quotes in an active market
Level 2: Category include financial assets and liabilities that are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions.
Level 3: Category include financial assets and liabilities that are measured using valuation technique based on non-market observable inputs. This means that fair value are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

II. Financial instruments not measured at fair value
Financial assets not measured at fair value includes cash and cash equivalents, bank balance, trade receivables, loans and other financial assets. These are financial assets whose carrying amounts approximate fair value, due to their short-term nature and also fixed deposit with maturity more than 12 months (included in other financial assets) are measured at amortized cost.

Additionally, financial liabilities such as trade payables and other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value, because of their short-term nature.

53. Financial risk management

The Group has a risk management framework, appropriate to the size of the Group and environment under which it operates. The objective of its risk management framework is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks and ensure a systematic response in the case of crystallisation of such risks. The board of Directors reviews these policies and processes regularly and is periodically informed about the risk assessment, impact of risk on the business and mitigation plans. The Company is exposed to following risk -

A. Credit risk
Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligation. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relations to such limits.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements.

Deposits with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks / financial institutions as approved by the Board of directors.
The management has established accounts receivable policy under which customer accounts are regularly monitored.

Expected Credit Loss (ECL):

The Group applies the Ind AS 109 Simplified approach for trade receivables which requires expected lifetime losses to be recognised .For other assets , the Company uses 12 month ECL approach to measuring expected credit losses (ECLs) where there is no significant increase in credit risk of borrower. If there is significant increase in credit risk full lifetime ECL approach is used.

Inputs considered in the ECL model

In assessing the impairment of financial assets under Expected Credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses

Stage 1 : Financial assets for which credit risk has not increased significantly and that are also not credit impaired
Stage 2 : Financial assets for which credit risk has increased significantly but not credit impaired
Stage 3 : Financial assets for which credit risk has increased significantly and are credit impaired

Following table provides information about exposure to credit risk and ECL on Financial Assets

(Amount in ₹)

Particulars	31.Mar.2021			31.Mar.2020		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross Trade Receivables	145,05,27,321	11,16,08,257	-	64,83,90,474	11,55,29,903	-
Impairment loss	-	-4,15,69,570	-	-	-1,15,52,990	-
Net Trade Receivables	**145,05,27,321**	**7,00,38,687**	**-**	**64,83,90,474**	**10,39,76,913**	**-**
Gross Loans	9,66,86,714		-	11,92,80,666	10,72,086	-
Impairment loss	-2,79,226		-	-3,83,202	-1,07,209	-
Net Loans	**9,64,07,488**	**-**	**-**	**11,88,97,465**	**9,64,877**	**-**

Movements in the allowances for impairment in respect is as follows: (Amount in ₹)

Particulars	Carrying Amount				Carrying Amount			
	31.Mar.2021				31.Mar.2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening Balance	**3,83,202**	**1,16,60,199**	**-**	**1,20,43,400**	**4,73,482**	**89,859**	**-**	**5,63,340**
Impairment loss recognised during the year	-1,03,976	2,99,09,371	-	2,98,05,395	-90,280	1,15,70,340	-	1,14,80,060
Closing Balance	**2,79,226**	**4,15,69,570**	**-**	**4,18,48,796**	**3,83,202**	**1,16,60,199**	**-**	**1,20,43,400**

B. Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation.

Prudent liquidity risk management requires sufficient cash and marketable securities and availability of funds through adequate committed credit facilities to meet obligations when due and to close out market positions.

Ultimate responsibility for liquidity risk management rests with the board of directors, for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities

The table below provide details regarding the contractual maturities of significant financial liabilities as of March 31,2021 (Amount in ₹)

Particulars	Carrying Amount	Less than 1 year	1-3 year	3-5 year	More than 5 year
Derivative financial instruments	8,42,817	8,42,817			
Trade Payables	157,07,10,297	157,07,10,297			
Borrowings	56,25,79,334	56,25,79,334			
Other financial Liabilities	48,29,74,087	48,29,74,087			

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The table below provide details regarding the contractual maturities of significant financial liabilities as of March 31,2020

(Amount in ₹)

Particulars	Carrying Amount	Less than 1 year	1-3 year	3-5 year	More than 5 year
Derivative financial instruments	1,96,010	1,96,010			
Trade Payables	112,33,19,827	112,33,19,827			
Borrowings	41,40,31,997	41,40,31,997			
Other financial Liabilities	20,51,16,597	20,51,16,597			

C. Market risk

Market Risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximising the return.

(i) Currency risk

Currency Risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's majority transactions are denominated in Indian rupees only. Hence, the Group is not significantly exposed to currency rate risk.

(ii) Interest rate risk

Interest Rate Risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate as result of changes in market interest rates. The Group's Loans are primarily in fixed interest rates. Hence, the Group is not significantly exposed to interest rate risk.

(iii) Market price risks

The Group is exposed to market price risk, which arises from FVTPL investments. The management monitors the proportion of these investments in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the appropriate authority.

54. Capital Management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The Group monitors its capital by using gearing ratio, which is net debt to total equity. Net debt includes borrowings net of cash and bank balances and total equity comprises of Equity share capital, general reserve and retained earnings.

	31.Mar.2021	31.Mar.2020
Borrowings	56,25,79,334	41,40,31,997
Less: Cash & bank balances	102,19,75,634	158,54,62,131
Net Debt (A)	**-45,93,96,299**	**-117,14,30,134**
Total Equity(B)	**182,11,48,142**	**149,61,12,861**
Gearing Ratio (A/B)	**-.25**	**-.78**

Consolidated Notes Forming Part Of Financial Statement

55. Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled

(Amount in ₹)

Particulars	31.Mar.2021			31.Mar.2020		
	Within 12 month	After 12 month	Total	Within 12 month	After 12 month	Total
Assets						
Financial assets						
Cash and cash equivalents	24,77,99,129	-	24,77,99,129	53,06,29,775	-	53,06,29,775
Bank balance other than above	77,41,76,505	-	77,41,76,505	105,48,32,356	-	105,48,32,356
Securities for trade	9,87,10,870	-	9,87,10,870	9,64,88,092	-	9,64,88,092
Trade receivables	152,05,66,007	-	152,05,66,007	75,23,67,388	-	75,23,67,388
Loans	9,64,07,488	-	9,64,07,488	11,98,62,342	-	11,98,62,342
Investments	2,20,39,227	13,98,25,327	16,18,64,554	-	7,57,28,420	7,57,28,420
Other financial assets	118,09,35,563	-	1,18,09,35,563	14,14,26,718	5,24,69,648	19,38,96,366
	394,06,34,790	**13,98,25,327**	**408,04,60,117**	**269,56,06,670**	**12,81,98,068**	**282,38,04,738**
Non-Financial assets						
Inventories	26,49,83,743	-	26,49,83,743	28,47,01,188	-	28,47,01,188
Current tax assets (net)	1,45,303	-	1,45,303	35,26,112	-	35,26,112
Deferred tax assets (net)	1,17,04,414	-	1,17,04,414	47,36,248	-	47,36,248
Investment Property	-	1,85,27,180	1,85,27,180	-	1,85,27,180	1,85,27,180
Property, plant and equipment	-	17,47,03,094	17,47,03,094	-	18,26,23,682	18,26,23,682
Other intangible assets	-	67,20,533	67,20,533	-	70,87,733	70,87,733
Intangible assets under development	2,00,000	-	2,00,000	-	-	-
Other non financial assets	5,72,38,638	-	5,72,38,638	3,39,62,541	58,184	3,40,20,725
	33,42,72,098	**19,99,50,807**	**53,42,22,905**	**32,69,26,090**	**20,82,96,779**	**53,52,22,868**
Total Assets	**427,49,06,888**	**33,97,76,134**	**461,46,83,022**	**302,25,32,760**	**33,64,94,847**	**335,90,27,607**
Liabilities						
Financial Liabilities						
Derivative financial instruments	8,42,817	-	8,42,817	1,96,010	-	1,96,010
Trade payables	157,07,10,297	-	157,07,10,297	112,33,19,827	-	112,33,19,827
Borrowings	56,25,79,334	-	56,25,79,334	41,40,31,997	-	41,40,31,997
Other financial Liabilities	48,29,74,087	-	48,29,74,087	20,51,16,597	-	20,51,16,597
	261,71,06,536	-	**261,71,06,536**	**174,26,64,431**	-	**174,26,64,431**
Non-Financial Liabilities						
Current Tax Liabilities (net)	1,07,24,591	-	1,07,24,591	9,58,956	-	9,58,956
Provisions	1,00,60,058	1,81,92,768	2,82,52,826	99,42,143	1,27,05,750	2,26,47,892
Deferred Tax Liabilities (net)	-	40,26,144	40,26,144	-	45,25,704	45,25,704
Other non financial liabilities	13,34,24,784	-	13,34,24,784	9,21,17,764	-	9,21,17,764
	15,42,09,433	2,22,18,912	17,64,28,345	10,30,18,862	1,72,31,453	12,02,50,316
Total Liabilities	**277,13,15,969**	**2,22,18,912**	**279,35,34,881**	**184,56,83,293**	**1,72,31,453**	**186,29,14,746**

Consolidated Notes Forming Part Of Financial Statement

56. Investments in associate (accounted for using the equity method)

The Company has made investment in associates during the year. The aggregate summarized financial information in respect of the Company's associates that are accounted for using the equity method is set forth below:

Particulars	As at March 31, 2021	As at March 31, 2020
Carrying amount of the Company's interest in associates accounted for using the equity method	1,83,28,595	-

Particulars	For the year ended March 31 2021	2020
Company's share of net profit/(loss) of associates accounted for using the equity method in consolidated statement of profit and loss	14,79,716	-

The Company has 27.23% stake in Electrum Capital Private Limited (Formerly known as Electrum Investment Managers Private Limited), making it an associate enterprise of Arihant Capital Markets Limited.

57. Assets pledged as security

The carrying amounts of assets pledged as security for current borrowings and margin are:

Particulars	As at 31.Mar.2021	As at 31.Mar.2020
Financial assets		
First charge		
(i) Trade receivables	40,00,00,000	-
Floating charge		
(i) Securities for trade	-	-
Non-financial assets		
First charge		
(i) Building-PPE	5,06,14,865	5,06,14,865
Total assets pledged as security	**45,06,14,865**	**5,06,14,865**

58. Principles and assumptions used for consolidated financial statements and proforma adjustments:

The Consolidated Financial Statements have been prepared by applying the principles laid in the Indian Accounting Standard(Ind AS) - 110 "Consolidated Financial Statements" for the purposes of these Consolidated Balance Sheet and Consolidated Statement of Profit and Loss, together referred to in as 'Consolidated Financial Statements.'

The list of subsidiaries in the consolidated financial statement are as under :-

Arihant Capital Markets Limited ('the Company' or 'the holding company') shareholding in the following companies as on 31 March, 2021 and 31 March, 2020 is as under:

Name of the Entities	Country of incorporation	Proportion of ownership interest As at 31 Mar 21	As at 31 Mar 20
Name of the Subsidiary Companies			
Arihant Financial Services Limited	India	100.00%	100.00%
Arihant Futures & Commodities Limited	India	100.00%	100.00%
Arihant Lifespace Infra Developers Limited	India	100.00%	100.00%
Arihant Insurance Broking Services Limited	India	100.00%	100.00%
Arihant Investment Advisers Private Limited (Formerly known as Arihant Financial Planners & Advisers Private Limited)	India	100.00%	100.00%
Electrum Portfolio Managers Limited (Formerly Arihant Asset Management Limited)	India	100.00%	100.00%
Ahinsa Lifespace Infraheight Limited	India	100.00%	100.00%
Arihant Capital (IFSC) Limited	India	100.00%	100.00%
Name of the Associate Company			
Electrum Capital Private Limited (Formerly known as Electrum Investment Managers Private Limited)	India	27.23%	Nil

Consolidated Notes Forming Part Of Financial Statement

59. Additional Disclosure pertaining to Subsidiaries as per division III of Companies Act, 2013

(Amount in ₹)

Name of the entity	Net Assets (i.e. Total Assets - Total Liabilities)		Share in Profit & (Loss)		Share in other comprehensive income		Share in Total comprehensive income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit /(Loss)	Amount	As % of Consolidated OCI	Amount	As % of Total Consolidated Income	Amount
Parent								
Arihant Capital Markets Limited	80.30%	155,77,89,505	100.23%	34,75,41,328	61.57%	-5,47,386	100.33%	34,69,93,941
Subsidiaries								
Arihant Financial Services Limited	4.19%	8,13,44,759	3.05%	1,05,79,628	0.00%	-	3.06%	1,05,79,628
Arihant Futures & Commodities Limited	5.57%	10,81,44,782	-6.39%	-2,21,53,045	0.00%	-	-6.41%	-2,21,53,045
Arihant Lifespace Infra Developers Limited	5.99%	11,61,48,250	1.40%	48,41,370	0.00%	-	1.40%	48,41,370
Arihant Insurance Broking Services Limited	0.40%	77,65,671	-0.17%	-5,76,059	0.00%		-0.17%	-5,76,059
Arihant Investment Advisers Private Limited (Formerly known as Arihant Financial Planners & Advisors Private Limited)	0.26%	49,49,570	0.19%	6,62,701	0.00%	-	0.19%	6,62,701
Electrum Portfolio Managers Limited (Formerly Arihant Asset Management Limited)	1.63%	3,17,16,293	0.48%	16,80,810	0.00%	-	0.49%	16,80,810
Ahinsa Lifespace Infraheight Limited	0.96%	1,86,17,052	0.00%	-,12,521	0.00%	-	0.00%	-,12,521
Arihant Capital (IFSC) Limited	0.69%	1,34,20,143	-0.11%	-3,95,991	38.43%	-3,41,590	-0.21%	-7,37,581
Sub Total	**100.00%**	**193,98,96,025**	**98.68%**	**34,21,68,222**	**100.00%**	**-8,88,977**	**98.68%**	**34,12,79,245**
Associate								
Electrum Capital Private Limited (Formerly known as Electrum Investment Managers Private Limited)		1,83,28,595	1.32%	45,78,595	-	-	-	45,78,595
Sub Total		**1,83,28,595**	**1.32%**	**45,78,595**	**0.0%**	**-**	**1.32%**	**45,78,595**
TOTAL		**195,82,24,619**	**100.00%**	**34,67,46,816**	**100.00%**	**-8,88,977**	**100.00%**	**34,58,57,840**
Less-Intercompany Elimination and Consolidation Adjustments		-13,70,76,477						
Total		**182,11,48,142**						

Consolidated Notes Forming Part Of Financial Statement

60. Corporate social responsibility

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from 1 April 2014. As per the provisions of the said section, the Group has undertaken the following CSR initiatives during the financial year 2019-20. CSR initiatives majorly includes supporting under privileged in education, medical treatments, etc. and various other charitable and noble aids.

A) Gross amount required to be spent by the Group during the year ₹ 50,61,327 (Previous year ₹ 50,13,196)
B) Amount spent during the year ended 31 March 2021 on:

(Amount in ₹)

Particulars	Year ended 31-Mar-21			Year ended 31-Mar-20		
	Amount Paid	Yet to be paid	Total	Amount Paid	Yet to be paid	Total
Construction/acquisition of any asset	-	-	-	-	-	-
On purposes other than (a) above	80,85,318	-	80,85,318	58,03,250	-	58,03,250
Total	**80,85,318**	**-**	**80,85,318**	**58,03,250**	**-**	**58,03,250**

In case of S. 135(5) unspent amount

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
30,23,991	Nil	50,61,327	80,85,318	Nil

61. Asset held for sale*

Investments in Equity Instruments of subsidiaries (fully paid up equity shares of ₹ 10/- each)

Particulars	31-Mar-21	31-Mar-20
i) Ahinsa Lifespace Infraheight Ltd .	1,90,00,000	-
ii) Electrum Portfolio Managers Limited (Formerly Arihant Asset Management Limited)	2,50,00,000	-
Total	**4,40,00,000**	**-**

* During the year ended March 31st, 2021, the company has planned to divest its whole investment in subsidiaries Ahinsa Lifespace Infraheight Ltd and Electrum Portfolio Managers Limited (Formerly Arihant Asset Management Limited).This investment does not consititue major component of the company and hence not classified as discontinued operations.

62. Covid-19

As per the current reports the Second wave of COVID-19 pandemic has peaked in most states in India. The Company is closely monitoring the impact due to COVID-19 on various aspects of its business including its customers / vendors / employees and other business partners. The Company will continue to monitor for any material changes to future economic conditions and as of March 31, 2021 based on the facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern. In management view, the Company's capital and liquidity position stands strong as on reporting date.

63. Events after Reporting Date

There have been no events after the reporting date that require disclosure in these financial statements

64. Approval of Financial Statements

The consolidated financial statements are approved for issue by the Board of Directors of parent Company in their meeting held on 14th June, 2021

For and on behalf of the Board

As per our report of even date
For Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg No:011970C

CA. Dinesh Ajmera
Partner
Membership No. : 402629
UDIN : 21402629AAAABN3474
Indore, 14th June, 2021

Ashok Kumar Jain
(Managing Director)
DIN-00184729

Anita S Gandhi
(Whole Time Director)
DIN-02864338

Mahesh Pancholi
(Company Secretary)

Tarun Goyal
(CFO)

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST March, 2021
[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,
ARIHANT FUTURES AND COMMODITIES LIMITED
(CIN: U51225MP2002PLC015401)
E-5 Ratlam Kothi Area,
Indore (M.P.) 452001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 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 **Arihant Futures and Commodities Limited** 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 31st March, 2021 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:

We have examined the books, papers, minutes' books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

(1) The Companies Act, 2013 ('the Act') and the rules made thereunder;
(2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(4) 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;
(5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; [presently: The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015]
  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [Presently: the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018]
  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; [Presently: The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014]
  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; [Presently: the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018]
(6) Having regard to the products, processes and locations of the Company as also having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, **on test check basis, we further report that** the Company has materially complied all the laws applicable to the Company:

We have also examined compliance with the applicable clauses of the following:
(i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(ii) The Listing Agreement entered into by the Company with the Stock Exchanges, if applicable.
[including Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We further report that
The Board of Directors of the Company was duly constituted. 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, if any, 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 (by way of information) that during the audit period:

(a) The Company has not entered into any Listing Agreement.

(b) Since the Company is unlisted during the year under review:

- The Securities Contracts (Regulation) Act and the Rules framed there under;
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, and;
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018,

were not applicable during the period under review.

Date :14-06-2021
Place : Indore

For Ajit Jain & Co.
(Company Secretary)

Ajit jain (Proprietor)
FCS No. : 3933 **| Cp no. : 2876**
UDIN : F003933C000458607

Note: This Report is to be read with our letter of even date which is annexed as Annexure -1 and forms an integral part of this Report.

Annexure 1 to Secretarial Audit Report

To,
The Members,
ARIHANT FUTURES AND COMMODITIES LIMITED
(CIN: U51225MP2002PLC015401)
E-5 Ratlam Kothi Area, Indore (M.P.) 452001

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

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our Audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of these Secretarial Records. The verification was done on a test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and the practices we followed provided reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the Financial Records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the Compliance of Laws, Rules, Regulations, and happenings of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards, is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Date :14-06-2021
Place : Indore

For Ajit Jain & Co.
(Company Secretary)

Ajit jain (Proprietor)
FCS No. : 3933 **| Cp no. : 2876**
UDIN : F003933C000458607

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST March, 2021
[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,
ARIHANT LIFESPACE INFRA DEVELOPERS LIMITED
(CIN: U70100MP2008PLC020730)
E-5 Ratlam Kothi Area,
Indore (M.P.) 452001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 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 **Arihant Lifespace Infra Developers Limited** books, papers, minute books, forms and returns filed and other records maintained by the Companyand 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 31st March, 2021 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:

We have examined the books, papers, minutes' books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

(1) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(4) 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;

(5) Real Estate (Regulation & Development) Act, 2016

(6) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; [presently: The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015]

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [Presently: the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018]

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; [Presently: The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014]

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; [Presently: the

Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018]

(7) Having regard to the products, processes and locations of the Company as also having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, **on test check basis, we further report that** the Company has materially complied all the laws applicable to the Company:

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreement entered into by the Company with the Stock Exchanges, if applicable.
[including Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We further report that

The Board of Directors of the Company was duly constituted. 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, if any, 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 (by way of information) that during the audit period:

(a) The Company has not entered into any Listing Agreement.

(b) Since the Company is unlisted during the year under review:

- The Securities Contracts (Regulation) Act and the Rules framed there under;
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, and;
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018,

were not applicable during the period under review.

Date :14-06-2021
Place : Indore

For Ajit Jain & Co.
(Company Secretary)

Ajit jain (Proprietor)
FCS No. : 3933
Cp no. : 2876
UDIN : F003933C000458651

Note: This Report is to be read with our letter of even date which is annexed as annexure -1 and forms an integral part of this Report.

Annexure 1 to Secretarial Audit Report

To,
The Members,
ARIHANT LIFESPACE INFRA DEVELOPERS LIMITED
(CIN: U70100MP2008PLC020730)
E-5 Ratlam Kothi Area,
Indore (M.P.) 452001

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

1. Maintenance of Secretarial Records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our Audit.

2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of these Secretarial Records. The verification was done on a test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and the practices we followed provided reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of the Financial Records and Books of Accounts.

4. Wherever required, we have obtained the Management Representation about the Compliance of Laws, Rules, Regulations, and happenings of events, etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards, is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.

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

Date:14-06-2021
Place: Indore

For Ajit Jain & Co.
(Company Secretary)

Ajit jain (Proprietor)
FCS No. : 3933
Cp no. : 2876
UDIN : F003933C000458651

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SEBI Registration number for BSE/NSE (Stock Broker) - INZ000180939; NSDL - IN-DP-127-2015 DP ID - IN301983; CDSL DP ID - 43000; NCDEX - 00080; MCX - 10525; AMFI - ARN 15114; SEBI Merchant Banking Regn. No. - MB INM 000011070; SEBI Research Analyst Regn. No. - INH000002764 and SEBI PMS Regn. No. - INP000006660.