

Date: 01st July, 2022

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
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Sub. : Submission of Annual Report for the year 2021-22 pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref.: ISIN - INE420B01036

Dear Sir/ Madam,

This is to inform you that 30th Annual General Meeting of the Company is scheduled to be held on **Saturday, July 23, 2022 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 2021-22 along with the Notice of 30th Annual General Meeting of the Company.

The same is also available on the website of the Company at www.arihantcapital.com

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 LTD.

Member of NSE, BSE, NSDL, CDSL

Reg. Office : 6 Lad Colony, Y. N. Road, Indore-452 003 T: +91-731-4217100

Corp. Office: #1011, Solitaire Corporate Park, Building No. 10, 1st Floor, Andheri Ghatkopar Link Road, Chakala, Andheri (E), Mumbai-400093

T: +91-22-67114800, +91-22-42254800

CIN: L67120MP1992PLC007182

W: www.arihantcapital.com E: contactus@arihantcapital.com

Annual Report 2021-22

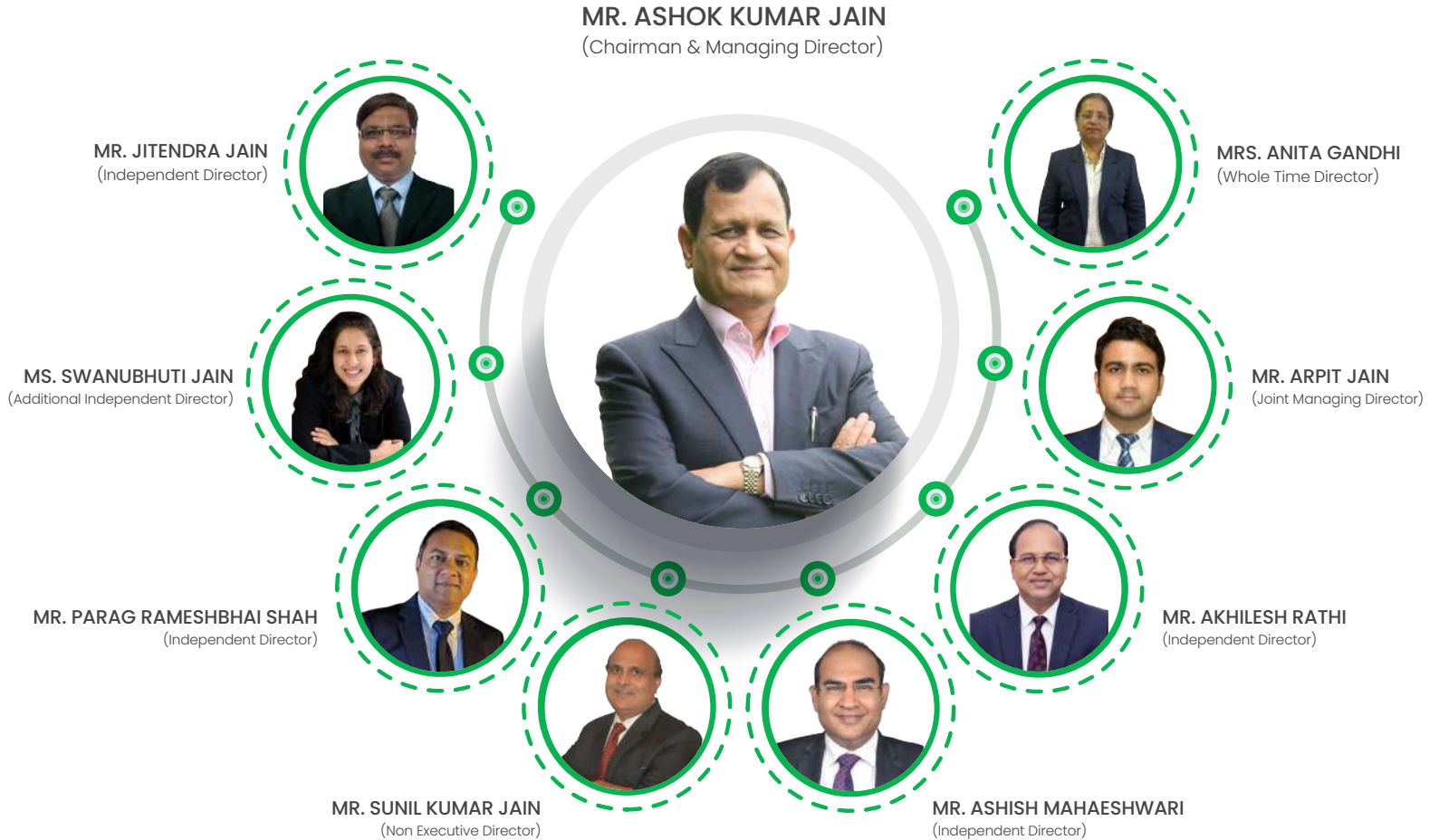
3



Years of trust

Corporate Information

BOARD OF DIRECTORS



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,
Chakala, Andheri (East),
Mumbai – 400093
T. 022-42254800

AUDITOR

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

SECRETRIAL AUDITOR

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

REGISTRAR & TRANSFER AGENT

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

CHIEF FINANCIAL OFFICER

MR. TARUN GOYAL

COMPANY SECRETARY

MR. MAHESH PANCHOLI

Consolidated Financial Performance Highlights

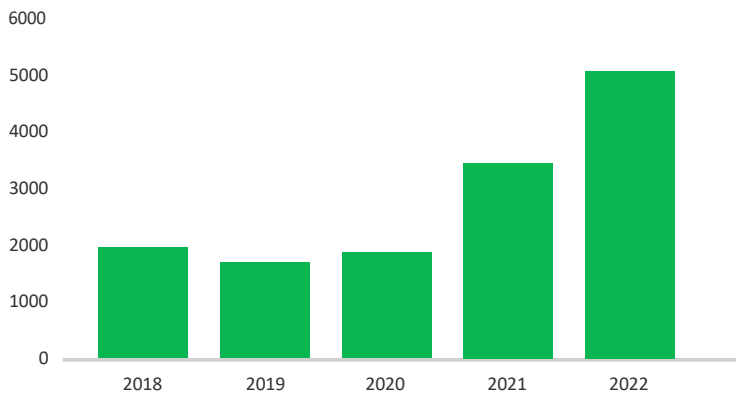
PAT (₹ lacs)

↑ 1 yr growth

46%

↑ 5 yrs CAGR

20%



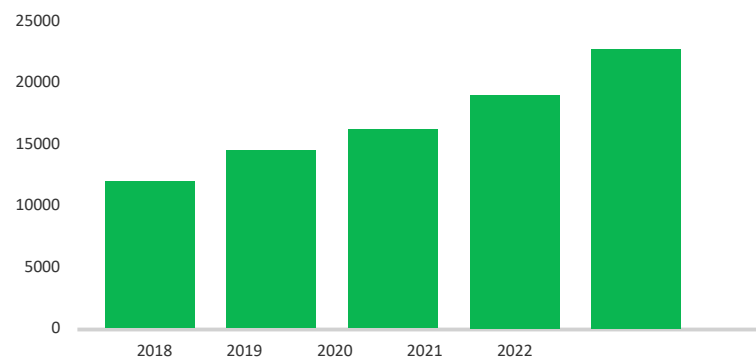
NET WORTH (₹ lacs)

↑ 1 yr growth

26%

↑ 5 yrs CAGR

14%



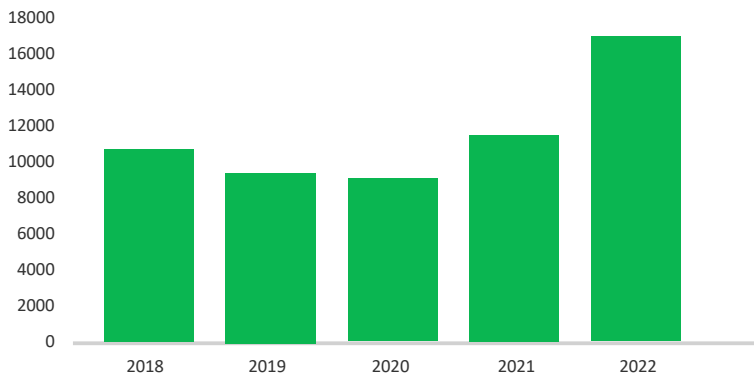
TOTAL INCOME (₹ lacs)

↑ 1 yr growth

46%

↑ 5 yrs CAGR

11%



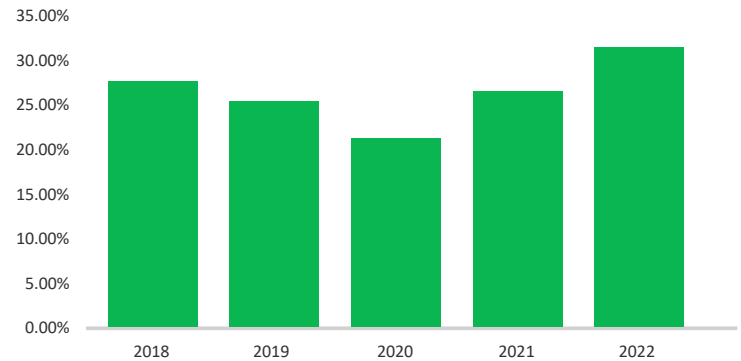
ROCE (in percentage)

↑ 1 yr growth

19%

↑ 5 yrs CAGR

2%



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CHAIRMAN'S MESSAGE



MR. ASHOK KUMAR JAIN
(Chairman & Managing Director)

It gives me immense pleasure to congratulate you on the 30th year of incorporation of Arihant Capital. We welcome this year with humble hearts and open minds. While we congratulate the team on their success in making Arihant, a clients' preferred investment partner; we also see that the world is living in turbulent times. The human costs of the Covid-19 pandemic and the Russia-Ukraine war coupled with the ramifications on the global economy are immense. We are cognizant of the responsibility on our shoulders to help our clients make better investment decisions during such turbulent times to preserve and grow their wealth.

From trading rings and paper-based trading to web-based and mobile-based trading, and now the emergence of robo-trading: Arihant Capital has seen it all! In its 30 years' journey, Arihant has seen the industry evolve and bring in significant regulations and controls. These controls have not only made business challenging but have also reduced our business risks and increased participation from FPI/FII and retail investors.

The current "Fintech" wave has presented opportunities not just to offer alternative investment avenues but also to simplify investing experience with algo-trading, basket investing and the like. The emergence of new-age investment avenues is buoyed up by the rise of the millennials and Gen-Z investors, who ushered in a rapid shift in the financial services domain.

All this while, team Arihant was busy creating the right product and services mix to help investors navigate this shift and make better investment decisions. What started off as a boutique investment company in Central India is now poised to be a leader in the financial services industry. Over the course of the last 3 decades, we have progressively evolved our product offerings and our way of working to keep pace with the markets. But one thing has always remained the same- our unwavering commitment to helping you grow your wealth.

In the past year, your company posted strong financials with a robust 46% growth. This is sheer testimony that the trust our clients place in us is the true driver of our growth.

We now have a pan-India presence with our 900+ investment centers proudly serving 2 lakhs + clients, 1000+ corporate clients and 80+ institutions. During the year, we have relentlessly worked on technological enhancements and have completely overhauled our eKYC system. Our research team works tirelessly to identify great investment opportunities and bring surgical precision to our research.

To improve our services to our NRI client base, we will soon be opening doors to our first international office in Dubai. This is an important milestone for us and clear evidence of our commitment to serving every Indian with simpler, more human financial services.

Looking forward, I see a great opportunity in India's youth. The millennials and Gen-Z of India are seeking better ways to invest their money and moving away from traditional ways of investing. This rising awareness in the domestic investors was a key driver behind the markets remaining stable despite a huge FII selloff in the last year. We believe in the power of the Indian investors and we are committed to continually upgrade our products and technology offerings to attract new clients, especially millennials and Gen-Z investors.

I am excited to share with you that the all-new Arihant Plus mobile trading app is coming soon. It is powered with smarter onboarding platforms so that the clients can open their accounts quickly with ease. Our enriched mobile and web applications will offer the best-in-class user experience and journeys that our clients deserve.

We are constantly upgrading our product suites and offering third-party products which we think will help simplify our clients' wealth creation journey. We are going back to the drawing board to redefine our workflows to make them agile, and responsive while offering more human services. In the coming years, your company endeavours to be a leader using disruptive technology and product offerings while staying true to its commitment of putting the client first.

The pace of development in the financial markets is such that technology shifts that used to happen in years now happen within a matter of months. So, we have built systems in light of that shift and adapt to create innovative solutions while foreseeing the trends for the next few years. While this shift offers us immense potential it also poses a challenge which require us to be nimble and agile to catch up with the trends and emerge as a leader.

Sustainable investing is the future, and we strongly believe in creating a sustainable future. We continue to work towards this goal through our Environment, Social and Governance (ESG) initiatives. We are working to increase awareness among our clients and use sustainability as a key metric for investing guidance. We continue to work on improving our environmental footprint and make sustainability our priority while taking major business decisions.

As I present to you all the annual report for 2021-22, I wish to thank our valued clients for their continued trust, our channel partners and our employees for being phenomenal at what they do. And I would also like to thank the regulatory authorities for the continued proactive steps taken to protect the interests of retail investors and making Indian equities markets more accessible. I would also like to thank our partner banks for all the support they offer us during the course of the year. I would also like to thank all the Board Members, the management team, and the larger stakeholder fraternity for their continued guidance, support and confidence throughout our growth journey.

Yours sincerely,

Ashok Kumar Jain
(Chairman and Managing Director)

FY2022 @Arihant



★ Awards & Recognition ★



Best Retail Brokerage

ASIAMONEY



Best Digital Transformation Initiative

NEC



Best Data Analytics - Stock Broking

QUANTIC



Rising Star - Stock Broking

QUANTIC

NOTICE

Notice is hereby given that the **THIRTIETH ANNUAL GENERAL MEETING (AGM)** of ARIHANT CAPITAL MARKETS LIMITED (CIN: L67120MP1992PLC007182) will be held on **Saturday, 23rd July, 2022 at 12:30 P.M.** through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and Auditors thereon; and
 - b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Report of the Auditors thereon.
2. Confirmation of payment of the Interim Dividend and consideration of Final Dividend for the financial year ended March 31, 2022.
3. To appoint a director in place of Mr. Arpit Jain (DIN: 06544441), who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint M/s. Dinesh Ajmera & Associates, Chartered Accountants as statutory auditors of the Company and to fix their remuneration.

“RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. Dinesh Ajmera and Associates, Chartered Accountants, Indore, registered with the Institute of Chartered Accountants of India (ICAI) vide Firm Registration No. 011970C, be and are hereby re-appointed as Statutory Auditors of the Company for a consecutive term of five years commencing from the conclusion of the 30th Annual General Meeting of the Company till the conclusion of the 35th Annual General Meeting on such terms and remuneration plus taxes, out-of-pocket expenses, as may be mutually agreed upon by the Board of Directors and the Statutory Auditors.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and/or Mahesh Pancholi, Company Secretary, be and are hereby severally authorised to do all such acts, deeds and things as may be considered necessary, proper or expedient to give effect to this resolution.”

SPECIAL BUSINESS:

5. Appointment of Ms. Swanubhuti 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) Ms. Swanubhuti Jain (DIN: 09006117) who was appointed as an Additional Independent Director of the Company with effect from 25th April, 2022 by the Board of Directors and who holds office up to the date of the ensuing 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 her 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 Ms. Swanubhuti Jain (DIN: 09006117), who has submitted a declaration that she 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 35th Annual General Meeting of the Company, be and is hereby approved;

RESOLVED FURTHER THAT Any Director or 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. Re-Appointment of Mr. Ashish Maheshwari 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 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder read with Schedule IV to the Act and Regulation 17(1) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendment, modification or re-enactment thereof for the time being in force), Mr. Ashish Maheshwari (DIN: 00185949), who was appointed as an Independent Director of the Company and being eligible for re-appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five (5) consecutive years with effect from 27th May 2022 to 26th May, 2027.”

By order of the Board of Directors

Sd/-
Mahesh Pancholi
(Company Secretary)
M. No. F7143

Place: Indore

Dated: April 25th, 2022

Notes :

A statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”) in respect of the ordinary and special business under Item No. 4 to Item No. 6 of the Notice is annexed hereto.

1. Pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 21/2021 dated December 14, 2021 and General Circular No. 2/2022 dated May 05, 2022 all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. 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 facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. 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.
5. 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 National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized 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 NSDL.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.arihantcapital.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020, MCA Circular No. 2/2021 dated January 13, 2021, Circular No. 21/2021 dated December 14, 2021 and General Circular No. 2/2022 dated May 05, 2022.
8. 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.
9. The Register of Members, Beneficial Owner and Share Transfer Books of the Company will remain closed from Sunday, July 17, 2022 to Saturday, July 23, 2022, both days inclusive for the purpose of payment of dividend, if declared at the Annual General Meeting.
10. The dividend on Equity Shares, if declared at the AGM, will be payable on or after 28th July, 2021 to those members whose names appear as Members in the Register of Members of the Company on Saturday, July 16, 2022 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.
11. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2021-22 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 2021-22 will also be available on the Company's website www.arihantcapital.com websites of the Stock Exchanges i.e. BSE Limited & NSE at www.bseindia.com and www.nseindia.com and on the website of NSDL (agency for providing the Remote e-Voting facility) <https://www.evoting.nsdl.com/>
12. As the Members may be aware that with effect from 01 April, 2020, Dividend Distribution Tax under Section 115-O of the Income-tax Act, 1961 as may be amended from time to time ("IT Act") payable by domestic companies on declaration of dividend has been abolished. Pursuant to this amendment brought vide Finance Act, 2020, the Company would be under an obligation to deduct tax at source ("TDS") in accordance with the provisions of the IT Act, from the final dividend, if approved by the Members at the AGM. In this regard, the Members may refer the Note on TDS on dividend distribution, appended to this Notice convening 30th AGM of the Company ("AGM Notice").
13. Members who hold shares in dematerialized form are requested to quote Depository Account Number (Client ID No.) for recording of attendance at the meeting.
14. Members are requested to notify to the Company immediately, quoting Registered Folio No., change in their address, if any, with the pin code number.
15. 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.
16. 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.





17. Shareholders who are still holding physical share certificate are advised to dematerialize their shareholding to avail benefit of dematerialization.
18. Dividend for the financial year ended 31st March, 2015, 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, 2015 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.
19. 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.
20. 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.
21. 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.
22. 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.
23. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
24. 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, Iad 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.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on 20th July 2022 at 09:00 A.M. and ends on 22nd July, 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 16th July, 2022 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 16th July, 2022.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p> <p>NSDL Mobile App is available on</p> <p>  App Store  Google Play </p> <div style="display: flex; justify-content: space-around;">   </div>	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1) Existing users who have opted for Easi / Easiest, they can login through their 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 www.cdslindia.com and click on New System Myeasi. 2) After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 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 link in www.cdslindia.com home page. 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 provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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. NSDL and CDSL.

Login type	Helpdesk details
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
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 or 022- 23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. 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](#).
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVSN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on [“Forgot User Details/Password?”\(If you are holding shares in your demat account with NSDL or CDSL\) option available on www.evoting.nsdl.com.](#)
 - b) [Physical User Reset Password?” \(If you are holding shares in physical mode\) option available on www.evoting.nsdl.com.](#)
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to bhattvirendra1945@yahoo.co.in with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **“Upload Board Resolution / Authority Letter”** displayed under **“e-Voting”** tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the [“Forgot User Details/Password?”](#) or [“Physical User Reset Password?”](#) option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to mahesh.pancholi@arihantcapital.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to mahesh.pancholi@arihantcapital.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, 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 in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. 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 maresh.pancholi@arihantcapital.com. The same will be replied by the company suitably.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
7. Only those shareholders, who are 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 available during the AGM.
8. If any Votes are cast by the shareholders through the e-voting available during the 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.

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013 ('THE ACT').**Item No. 4**

M/s. Dinesh Ajmera and Associates, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 25th Annual General Meeting ('AGM') held on September 9, 2017 for a period of 5 years, up to the conclusion of 30th AGM. M/s. Dinesh Ajmera and Associates are eligible for re-appointment for a further period of 5 years. M/s. Dinesh Ajmera and Associates, have given their consent for their re-appointment as Statutory Auditors of the Company and has issued certificate confirming that their re-appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ('the Act') and the rules made thereunder. M/s. Dinesh Ajmera and Associates, have confirmed that they are eligible for the proposed appointment under the Act, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder. As confirmed to the Audit Committee and stated in their report on financial statements, the Auditors have reported their independence from the Company and its subsidiary according to the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the ethical requirements relevant to audit. Based on the recommendations of the Audit Committee and the Board of Directors, it is hereby proposed to re-appoint M/s. Dinesh Ajmera and Associates, Chartered Accountants, having registration No. 011970C as the Statutory Auditors of the Company for the second and final term of five consecutive years, who shall hold office from the conclusion of this 30th AGM till the conclusion of the 35th AGM of the Company. The remuneration proposed to be paid to the Statutory Auditors during their second and final term would be in line with the existing remuneration and shall be commensurate with the services to be rendered by them during the said tenure. The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

Item No. 5

Ms. Swanubhuti Jain has over 20 years of diverse work experience, majority of which in the BFSI segment; and has worked with Insurance, Stock Broking, Investment Banking, Commodities & Consulting companies. She has created businesses from the scratch in multi-dimension organizations from startup ecosystem to global MNCs corporates like Accenture Consulting, Multi Commodity Exchange (MCX), Birla Sun Life Insurance & ICICI Prudential. She has also been instrumental in setting up the JITO Incubation and Innovation Foundation and worked for 3.5 years in the capacity of CEO.

A Six Sigma black belt and lean trained professional, she has a widespread cross-functional experience in business development, operations and delivery excellence with strong analytical, problem solving and leadership abilities. She is deft in turning around underperforming business units through process improvement, cost-cutting and multilateral negotiations.

She is an avid reader and well-known speaker on practical spiritualism. She is the founder of Learn 2 Liberate Foundation and spearheads Parmagam Honors initiative - a Spiritual Course with 2000+ students across 50+ batches and 9 countries in Hindi, English, Gujrati, Marathi and Tamil.

In the Opinion of the Board Ms. Swanubhuti Jain the independent director proposed to be appointed, fulfils the conditions specified in the Act and rules made thereunder. The Board considers that her association would provide immense benefit to the Company and it is desirable to continue to avail the services of Ms. Swanubhuti Jain as an Independent Director. Accordingly, the Board recommends the resolution to appoint Ms. Swanubhuti Jain as an Independent Director for the approval of members.

Except Ms. Swanubhuti 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.5.

Item No. 6

Mr. Ashish Maheshwari (DIN: 00185949), was appointed as Non-Executive Independent Director of the Company at 25th Annual General Meeting of the Company and he is eligible to hold the office as an Independent Director upto 26th May, 2022 (first term of 5 years).

The Nomination and Remuneration Committee of the Board of Directors, on the basis of report of performance evaluation, has recommended the re-appointment of Mr. Ashish Maheshwari (DIN: 00185949) as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by him during his tenure, the continued association of Mr. Ashish Maheshwari (DIN: 00185949) would be beneficial for the Company and it is desirable to continue to avail his services as an Independent Director.

Accordingly, it is proposed to re-appoint Mr. Ashish Maheshwari (DIN: 00185949) as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company w.e.f. 27th May, 2022 to 26th May, 2027 & pass necessary Special resolution at the Meeting.

Mr. Ashish Maheshwari (DIN: 00185949) is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has also received declaration from him that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, he fulfills the conditions for appointment as an Independent Director as specified in the Companies Act, 2013 and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

The Company has received notices in writing from a Member under Section 160 of the Act, proposing the candidature of Mr. Ashish Maheshwari (DIN: 00185949) for the office of Director of the Company. The brief profile of Mr. Ashish Maheshwari (DIN: 00185949) who is proposed to be reappointed as an independent director is annexed herewith separately with this notice, Mr. Ashish Maheshwari (DIN: 00185949) does not possess any shares in the company and none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, is concerned or interested, financially or otherwise, in the resolution. Accordingly the Board recommends the Special Resolution set out in item no. 6 of this notice for approval of members.

Annexure - I

ADDITIONAL INFORMATION OF DIRECTOR SEEKING APPOINTMENT/REAPPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) 2015 AND SECRETARIAL STANDARDS OF GENERAL MEETINGS:

Particulars	Mr. Arpit Jain	Ms. Swanubhuti Jain	Mr. Ashish Maheshwari
DIN No.	06544441	09006117	00185949
Date of Birth	09/01/1991	04/10/1979	19/02/1974
Date of Appointment/ Re-appointment	25 th January, 2021	25 th April, 2022	27 th May, 2017
Qualifications	Chartered Accountant	Post Graduation Diploma in Sales & Marketing Management NMIMS, Mumbai Master of Arts (Philosophy) Mumbai University	MBA Finance
Expertise in Specific functional Area	Mr. Arpit Jain holds vast experience in institutional broking, investment banking, wealth management and research.	Ms. Swanubhuti Jain has diverse work experience in BFSI segment, Insurance, Stock Broking, Investment Banking, Commodities & Consulting.	Mr. Ashish Maheshwari has a vast exposure in Capital market and Financial Sector.
Directorship held in other public companies/ deemed public companies (excluding private companies, foreign companies and section 8 companies)	Nil	<ul style="list-style-type: none"> ● Motilal Oswal Financial Services Limited ● Allied Digital Services Limited ● Motilal Oswal Asset Management Company Limited ● Learn2liberate Foundation 	Nil
Memberships/ Chairmanship of Committees of other public companies (includes only Audit Committee and Stakeholders Relationship Committee)	Nil	Nil	Nil
No. of shares held in the company	57,39,200	Not Applicable	Not Applicable

*For other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel, in respect of the above Director, please refer to the corporate governance report which is a part of Annual Report.

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 30th Annual Report on the business and operations of Arihant Capital Markets Limited together with the audited financial statements for the financial year ended 31st March, 2022.

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:

(₹ in Lacs)

Particulars	Standalone		Consolidated	
	2021-2022	2020-2021	2021-2022	2020-2021
Total Income	15,269.40	10,983.88	17,000.99	11,616.23
Profit Before Depreciation	6,007.56	4,531.73	6,609.12	4,455.39
Depreciation	112.46	116.90	118.72	126.56
Profit Before Tax	6,749.89	4,414.83	6,526.37	4,374.61
Provision for Taxation	1,343.01	939.42	1,490.27	907.14
Net Profit After Taxation	5,406.88	3,475.41	5,036.10	3,467.47
Total Comprehensive Income	5,408.35	3,469.94	5,041.55	3,458.58
Appropriations:				
Transfer to General Reserve	6,000.00	2,000.00	6,050.00	2,025.00
Dividend	364.39	208.23	364.39	208.23
Balance Carried to Balance Sheet	1,614.80	2,570.85	1,268.03	2,657.33

Review of Operations

During the year under review, the company has posted total income of ₹15,269.40 Lacs (previous year ₹10,983.88 Lacs) on a Standalone basis and a net profit after tax, for the year 2021-22, of ₹5,406.88 Lacs compared to ₹3,475.41 Lacs in the previous year. On a consolidated basis during the year under review, the company has posted total income of ₹17,000.99 Lacs (previous year ₹11,616.23 Lacs). The consolidated net profit during the same period stands at ₹5,036.10 Lacs as compared to ₹3,467.47 Lacs 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) Regulations, 2015 with the BSE Ltd and the National Stock Exchange of India Limited.

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 ₹6,050.00 Lacs to the general reserves out of the amount available for appropriations.

Share Capital

There has been no increase / decrease in the Authorised Share Capital of your Company during the year under review.

To encourage wider participation of investors and improve the liquidity of the Equity Shares in the stock market, the Board of Directors at its meeting held on March 3rd, 2022 had considered and recommended the Sub-division / Stock split of 1 (One) Equity Share of the Company of face value of ₹5/- (Rupees Five Only) each into 5 (Five) Equity Shares of the Company of face value of ₹1/- (Rupee One only) each fully paid up subject to approval of the Members and other statutory and regulatory approvals, as applicable.

Subsequently, the Shareholders of the Company approved the Sub-division / Stock split of 1 (One) Equity Share of face value of ₹ 5/- (Rupees Five Only) each in to 5 (Five) Equity Shares of face value of ₹1/- (Rupee One only) each in the Extra-ordinary General Meeting held on 26th March, 2022. Old ISIN of the Company has been deactivated and in place new ISIN: INE420B01036 was activated by the depositories for the equity shares of the Company. Equity Shares have been successfully credited into the respective demat accounts of Shareholders holding shares as on record date (April 15th, 2022).

Alteration of 'Capital Clause' of Memorandum of Association

Alteration of 'Capital Clause' of Memorandum of Association Pursuant to the Sub- division / Stock split of face value of equity shares of your Company, as mentioned above, the Capital Clause of the Memorandum of Association of the Company was altered and substituted with a new Clause V to reflect the corresponding changes in the Authorised Share Capital. Members of the Company had approved such alteration in the Capital Clause of Memorandum of Association on 26th March, 2022.

Dividend

Your Directors are pleased to recommend the dividend ₹ 0.15 (15 % per share) on the Equity Shares of the Company for the financial year 2021 -22. The dividend payout is subject to approval of member at the 30th Annual General Meeting.

The Board of Directors, have recommended a Dividend for the financial year ended on 31/03/2022 @ 15% (i.e. ₹ 0.15/-) per equity share (face value of ₹1/- per share) to the equity shareholders. The Dividend will be paid after the approval of shareholders at ensuing Annual General Meeting.

Based on the company's performance, The Board of Directors have declared Interim Dividend of ₹ 0.75 per Equity Share (Face value of ₹5/- per share) in its meeting held on March 03, 2022.

Dividend Distribution Policy

Pursuant to Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Top 1000 Listed Entities based on market capitalization are required to formulate a Dividend Distribution Policy. Your Company has adopted the Dividend Distribution Policy to determine the distribution of dividends in accordance with the provisions of applicable laws and has been uploaded on the website at www.arihantcapital.com.

Public Deposits

During the Financial Year 2021-22 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, 2022 Your Company have six wholly owned subsidiaries and one associate company. 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 Insurance Broking Services Limited
4. Arihant Institute of Financial Education Pvt. Ltd (Formerly Known as- Arihant Investment Advisers Pvt. Ltd.)
5. Ahinsa Lifespace Infraheight Limited.
6. Arihant Capital (IFSC) Limited.
7. Electrum Capital Private Limited.*

** Associate Company*

During the Financial year 2021-2022 two wholly owned subsidiary companies ceased i.e.

1. Electrum Portfolio Managers Limited (Formerly known as Arihant Asset Management Ltd.)
2. Arihant Lifespace Infra Developers Limited

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 in "Annexure D".

Directors and KMP

The composition of the Board of Directors of the Company is in accordance with the provisions of Section 149 of the Act and Regulation 17 of the Listing Regulations, with an appropriate combination of Executive, Non-Executive and Independent Directors.

The Board of the Company has 9 (Nine) Directors comprising of 1 (One) Managing Director, 1 (One) Joint Managing Director, 1 (One) Whole-Time Director, 1 (One) Non-Executive Director and 5 (Five) Independent Directors. The complete list of Directors of the Company has been provided in the Report on Corporate Governance forming part of this Annual Report.

During the year under review, the Board of Directors of the Company appointed Mr. Jitendra Jain (DIN: 08377285) as an Independent Director of the Company w.e.f. 14th June, 2021 for a term of 5 years i.e. upto the conclusion of 34th Annual General Meeting and approved by the shareholders in the 29th Annual General Meeting held on 25th September, 2021.

Recently, the Board of Directors of the Company has appointed Ms. Swanubhuti Jain (DIN: 09006117) as an Additional Non-Executive Independent Director of the Company in their meeting held on 25th April, 2022 subject to approval of shareholders in their 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 7 (Seven) 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.

Retirement by rotation

In terms of Section 152 of the Companies Act, 2013, Mr. Arpit Jain (DIN: 06544441) would retire by rotation at the ensuing Annual General Meeting ("AGM") and being eligible for re-appointment has offered himself for re-appointment till the next Annual General Meeting. Your Directors have recommended his appointment for approval of the shareholders, in the ensuing Annual General Meeting of your Company

Independent Director's Declaration

Definition of 'Independence' of Directors is derived from Regulation 16 of the SEBI Listing Regulations and Section 149(6) of the Companies Act, 2013. The Company has received necessary declarations under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the SEBI Listing Regulations, from the Independent Directors stating that they meet the prescribed criteria for independence. All Independent Directors have affirmed compliance to the code of conduct for Independent Directors as prescribed in Schedule IV to the Companies Act, 2013. List of key skills, expertise and core competencies of the Board forms part of this Annual Report.

Based on the declarations received from the Independent Directors, your Board of Directors confirm the independence, integrity, expertise and experience (including the proficiency) of the Independent Directors of the Company.

As per regulatory requirements, all the Independent Directors have registered their names in the Independent Director's Databank, pursuant to provisions of the Companies Act, 2013 and rules made thereunder.

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.

Risk Management

Pursuant to the provisions of Regulation 21 of SEBI (LODR) Regulations, 2015, the Board of Directors of the Company has formed Risk Management Committee to frame, implement and monitor the risk management plan for the Company.

The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risk and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

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 dividend, 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 ₹6.27 Lacs (previous Year Nil) and outflow ₹13.81 Lacs (previous Year Nil)

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act 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 2022.

The Auditors' Report and the Secretarial Audit Report for the Financial Year ended March 31st, 2022, do not contain any qualification or reservation or adverse remarks or disclaimer.

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 – A**”.

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- B**” 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.

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-C**”.

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.

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 (SEBI Listing Regulation).

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.

Listing of Shares

Shares of the company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE w.e.f. 15/06/2021) which provides a wider participation to the investors nationwide.

Director's Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of your Company, to the best of their knowledge, belief and ability and explanations obtained by them, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed; and there are no material departures;
- b) Your Company has selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of your Company, at the end of the financial year; and of the profit and loss of your Company, for that period;
- c) the directors has taken proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d) the annual financial statements have been prepared on a going concern basis;
- e) the directors, have laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and were operating effectively;
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Auditors and Auditors Report

Statutory Auditors

The Company's Auditors, M/s. Dinesh Ajmera & Associates, Chartered Accountants (Firm Registration Number – 011970C) who have been appointed as the Statutory Auditors of the Company for the period up to the conclusion of the 30th Annual General Meeting, have given their consent for re-appointment as the Statutory Auditors for the second term of five years. They are holding a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Members are requested to approve their appointment as the Auditors of the Company and to fix their remuneration as recommended by the Board, by passing an ordinary resolution under Section 139 of the Companies Act, 2013.

The Statutory Auditors have confirmed that they satisfy the criteria of independence, as required under the provisions of the Companies Act, 2013.

The Statutory Auditors of the Company have not reported any fraud to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013 read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014.

The Auditor's observation, if any, read with Notes to Accounts are self-explanatory and therefore do not call for any comment.

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 2021-22, 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 2021-22.

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's 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.

Annual Return

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Annual Return of the Company for Financial Year ended March 31st, 2022 is available on the Company website at : www.arihantcapital.com

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 2021-22.

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.

For and on behalf of the Board of Directors

Place: Indore
Dated: 25/04/2022

Ashok Kumar Jain
(Chairman)

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31st March, 2022

[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.) 452001

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** having **(CIN:L67120MP1992PLC007182)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2022 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, 2022 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; (Not applicable to the company during the audit period)
 - 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); and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the company during the audit period)
- 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 BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

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 SEBI has imposed penalty of ₹1,00,000/- under the provisions of Section 15HB of the SEBI Act and ₹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 company has made payment of the penalty imposed and the SEBI vide letter dated 29th December, 2021 closed the said matter.
- II. The Securities Exchange Board of India issued Show Cause Notice dated 04th October, 2018 under Regulation 25 of the SEBI (Intermediaries) Regulations, 2008 for violation of provisions of Clause A(2) of Code of Conduct as specified in Schedule II of Regulation 9(f) of the Securities Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 in respect of exercising proper due diligence for change of email id and mobile number.

The Company has filed reply of the said Notice. Thereafter, the Company has received Hearing Notice in respect of the aforesaid matter for hearing to be held on 07th March, 2022. Final hearing in the said matter is yet to be decided by the SEBI.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule 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.

We further report that during the audit period the company has sub –Division/Split of existing 1 (one) Equity Shares of the Company of face value of Rs. 5 (Rupees Five Only) each to 5(Five) Equity Shares of face value of Rs. 1/- (Rupee One Only) each & Alteration in Capital clause of Memorandum of Association of the Company at the Extra-Ordinary General Meeting held on 26th March, 2022.

Date: 25/04/2022
Place: Indore

For Ajit Jain & Co.
Company Secretaries

C.S. AJIT JAIN
(Proprietor)
M.No. F3933
CP No. 2876
UDIN: F003933D000193276
Peer Review No. – 767/2020
PCS Unique ID No.: S1998MP023400

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.
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: 25/04/2022
Place: Indore

For Ajit Jain & Co.
Company Secretaries

C.S. AJIT JAIN
(Proprietor)
M.No. F3933
CP No. 2876
UDIN: F003933D000193276
Peer Review No. – 767/2020
PCS Unique ID No.: S1998MP023400

Annual Report on CSR Activities

1. 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 amenities 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.

A responsible business is expected to not only take care of its stakeholders but also to engage and contribute meaningfully towards improving the quality of life of the communities and environment in which it operates. Arihant Capital follows the Board approved CSR Policy which is in line with requirements of Companies Act, 2013.

During the year Arihant Capital Markets Limited spent ₹ 60.63 Lacs 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

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Ashok Kumar Jain	Chairman	2	2
2.	Mr. Akhilesh Rathi	Member	2	2
3.	Mr. Ashish Maheshwari	Member	2	2
4.	Mr. Sunil Kumar Jain	Member	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. : www.arihantcapital.com

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014. : Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : Not Applicable

6. Average net profit of the company as per section 135(5)
The average Net Profit for the last three year is ₹ 3031.11 Lacs

7. (a) Two percent of average net profit of the company as per section 135(5) : ₹ 60.63 Lacs
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. : NA
(c) Amount required to be set off for the financial year, if any: NA
(d) Total CSR obligation for the financial year (7a+7b-7c). : ₹ 60.63 Lacs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹in Lacs)	Amount Unspent (₹in Lacs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)			
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
60.63	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

S. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

S. No	CSR Project or Activity Identified	Item from the list of activities in schedule VII to the Act	Local area (Yes / No)	Location of the project		Amount spent for the project (₹in Lacs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration number
1.	Contribution for Medical equipment and Hand Sanitizer, Mask and Pulse Oximeter	Promoting health care including preventive health care	No	-	-	2.77	Yes	NA	NA
2.	Contribution to Indian Red Cross Society	Eradicating hunger, Poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Yes	Madhya Pradesh	Indore	5.00	No	Indian Red Cross Society	NA
3.	Contribution to Shri Hiralalji Parekh Memorial Trust	Promoting health care including preventive health care	Yes	Madhya Pradesh	Indore	11.00	No	Hiralalji Parekh Memorial Trust	CSR00021331

4.	Contribution to Jagatbharti Education And Charitable Trust	Promoting education including special education	No	Gujarat	Ahemdabad	5.05	No	Jagatbharti Education And Charitable Trust	NA
5.	Contribution to School Fees – Shree Maheshwari Shaikshani K And Parmarthik Nyas, The Friend H.S. School	Promoting health care including preventive health care	Yes	Madhya Pradesh	Indore	10.00	No	Shree Maheshwari Shaikshani K And Parmarthik Nyas	CSR 00023880
6.	Contribution to Manav seva Trust	Providing facilities to socially and economically backward groups	Yes	Madhya Pradesh	Indore	1.50	NO	Manav Seva Trust	CSR 00009969
7.	Contribution to Atma Shakti Trust	Eradicating hunger, poverty and malnutrition	No	Delhi	Delhi	3.50	No	Atma Shakti Trust	CSR 00019799
8.	Contribution to Mahesh Jan Seva Trust	Promoting education including special education	Yes	Madhya Pradesh	Indore	2.00	No	Mahesh Jan Seva Trust	CSR 00009082
9.	Contribution to Shri Sewa Bharti Samithi	Promoting education including special education	Yes	Madhya Pradesh	Indore	1.15	No	Shri Sewa Bharti Samithi	CSR 00005939
10.	Contribution for School Fees	Promoting education including special education	Yes	Madhya Pradesh	Indore	0.78	Yes	NA	NA
11.	Contribution to PPS MKS and Shodh Sansthan	Promoting health care including preventive health care	Yes	Madhya Pradesh	Indore	5.00	No	PPS MKS and Shodh Sansthan	NA
12.	Contribution for socially and economically backward groups	Promoting Gender equality, empowering women	Yes	Madhya Pradesh	Indore	1.88	Yes	NA	NA
13.	Contribution for plantation	Ensuring environmental sustainability	Yes	Madhya Pradesh	Indore	11.00	Yes	NA	NA

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable : NIL

(f) Total amount spent for the Financial Year: ₹60.63 Lacs
(8b+8c+8d+8e)

(g) Excess amount for set off, if any

(₹in Lacs)

S.No	Particular	Amount
(i)	Two percent of average net profit of the company as per section 135(5)	NA
(ii)	Total amount spent for the Financial Year	NA
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NA
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NA

9. (a) Details of Unspent CSR amount for the preceding three financial years:

(₹in Lacs)

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.	Amount remaining to be spent in Succeeding financial years
1.	NA	NA	NA	NA	NA
	TOTAL				

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): (₹in Lacs)

S.No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project - Completed /Ongoing
NA	NA	NA	NA	NA	NA	NA	NA	NA

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year – Not Applicable

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). N.A.

Date : 25/04/2022
Place : Indore

Ashok Kumar Jain
Chairman

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 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 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	% increase in Remuneration in the FY 2021-22	Ratio of Remuneration of each Director to Median remuneration of employees
1.	Ashok Kumar Jain*	18%	19.81%
2.	Mrs. Anita S. Gandhi*	17%	12.33%
3.	Mr. Arpit Jain*	3%	5.93%
3.	Sunil Kumar Jain	-	-
4.	Akhilesh Rathi	-	-
5.	Parag Rameshbhai Shah	-	-
6.	Ashish Maheshwari	-	-
7.	Mahesh Pancholi*	23%	3.89%
8.	Tarun Goyal*	10%	4.73%

*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 8.38% in the median remuneration of employees.
- (iv) There were 279 permanent employees on the rolls of Company as on March 31st, 2022.

It is hereby affirmed that the remuneration paid is as per Remuneration Policy for Directors, Key Managerial Personnel and other Employees adopted by Company.

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 Amount ₹ in Lacs)

Sr. No.	Particulars	1	2	3	4	5	6
1	Name of the subsidiary	Arihant Financial Services Limited	Arihant Futures & Commodities Limited	Arihant Insurance Broking Services Limited	Arihant Institute of Financial Education Private Limited (Formerly Known as Arihant Investment Advisers Private Limited)	Ahinsa Lifespace Infraheight Limited	Arihant Capital (IFSC) Limited
2	Paid Up Share capital	25.00	35.50	75.00	25.00	190.00	140.00
3	Reserves & surplus	850.80	1331.17	(2.82)	26.36	(4.26)	(6.34)
4	Total assets	1384.96	1391.68	74.99	52.38	187.05	133.96
5	Total Liabilities	1384.96	1391.68	74.99	52.38	187.05	133.96
6	Investments	-	-	-	-	-	-
7	Turnover/Total Income	162.87	1167.73	22.58	10.92	0.00	0.42
8	Profit before taxation	83.53	381.41	(7.15)	2.73	(0.51)	(5.78)
9	Provision for taxation	21.18	96.19	(1.68)	0.87	(0.09)	(1.27)
10	Profit after taxation	62.35	285.22	(5.48)	1.86	(0.43)	(4.52)
11	Proposed Dividend	-	-	-	-	-	-
12	% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

***NOTE:**

During the Financial year 2021-2022 two Wholly Owned Subsidiary (WOS) companies ceased to be the WOS of the Company i.e.

1. Electrum Portfolio Managers Limited (Formerly known as Arihant Asset Management Ltd.)
2. Arihant Lifespace Infra Developers Limited

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	31.03.2022
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 (₹in Lacs)	137.50
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 (₹in Lacs)	263.94
7.	Profit or Loss for the year (₹in Lacs)	294.80
i.	Considered in Consolidation (₹in Lacs)	85.98
ii.	Not Considered in Consolidation (₹in Lacs)	208.82

Management Discussion and Analysis Report

Key highlights

- *Global economic growth is suffering a setback due to the Russia-Ukraine war. Escalating supply chain disruptions and inflationary pressures are posing challenges to companies and investors alike.*
- *The financial services sector in India is experiencing a shift due to the rise of the new age investors and disruptive business models.*
- *Celebrating its 30th year of incorporation, Arihant Capital is committed to bring agility to its operations by using cutting-edge technology and continually evolve its product offerings while leveraging its key strengths to stay competitive and grow into a leader.*

The last year at a glance: FY 2021-22

If there is one way to describe the last year, it would be a “roller-coaster ride”. The financial year 2022 started on a grim note with the outbreak of the deadly second wave of corona that caused a health crisis in the country forcing strict nationwide lockdowns in April and May 2021.

Later, ease of corona restrictions, a strong vaccination drive and an uptick in consumer spending helped the Indian economy rebound. Overall economic activity recovered past the pre-pandemic levels. The economic impact of the “second wave” in Q1 was much smaller than that experienced during the full lockdown phase in 2020-21 even though the health impact was more severe.

The domestic macroeconomic conditions showed signs of improvement since July 2021 with the ebbing of the second wave of the pandemic, acceleration in the vaccination process, easing of pandemic-related restrictions and gradual normalization of economic activities.

Just when things started to look positive and world economies were getting back on their feet, a storm was brewing in the North. Towards the end of FY2022, the ongoing geopolitical tensions between Russia and Ukraine escalated into a full-fledged war; causing supply chain disruptions, and inflationary pressures.

Overall, during the financial year, India clocked an 8.7% growth rate, after contracting in 2020-2021, outpacing the global GDP growth rate of 6% (as per IMF). India’s foreign exchange reserve increased from \$576.98 bn as of Mar’21 to \$607.30 bn as of Mar’22.

One major challenge for the Indian equity markets was the aggressive selling by foreign institutional investors (FIIs) of nearly ₹1.4 lacs crores in FY 2021-2022. Standalone, this outflow should have led to significant corrections in the indices. But domestic investors held the fort and infused funds to the tune of ₹1.81 lacs crores.

Despite a bump or two along the way, during the financial year 2021-2022, both the benchmark indices Nifty50 and Sensex clocked over 18% returns. Nifty 50 ended the year at 17,464 and BSE’s barometer Sensex ended the year at 58,569.

- The Indian equity market showed record-breaking performance with high investor participation.
- It was a record-breaking year for IPOs. During the year 49 companies raised a whopping ₹1.11 lacs crores through their IPOs.
- Number of active demat accounts touched an all-time high of 8.9 crores and the BSE investor count touched a 10 crores milestone.

Outlook

Both global and Indian economies had recovered sharply from a decline in 2020. According to IMF, the global GDP grew at an estimated rate of 6% in 2021, against a 3.1% decline in 2020. This recovery hinted at an overall recovery of economic activities to pre-pandemic levels.

But, supply chain disruptions, restrained workforce participation, risks from new variants of the virus and the Russia-Ukraine war have emerged as the dampeners to the global growth outlook. The economic costs of the war will be seen hitting the low-income countries the hardest, and central banks all over the world will be seen tightening liquidity to tame inflation caused by supply chain disruptions.

According to the global economic outlook published by the IMF, this may cause a significant slowdown in global growth in 2022. Global growth is projected to slow from 6% in 2021 to 4.9% in 2022 and 3.6% in 2023 (according to IMF). War-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7% in advanced economies and 8.7% in emerging market and developing economies.

India's growth outlook also hinges on global headwinds from the Ukraine war and new variants of COVID. We expect the markets to remain volatile amid these uncertainties. High crude oil prices, supply chain disruptions, will cause pressure on currency and forex reserves. However, the overall outlook for India remains positive.

But the Indian economy is recovering from the pandemic periods and according to IMF, it is projected to grow by 8.2% in FY2023. Other rating agencies are also bullish on India's economy and expect it to register the fastest GDP growth in the Asia Pacific region (S&P Global). While the market will observe corrections and stocks will be available at attractive valuations, we believe that investors will get good rewards if they invest at every decline.

Who we are and what we do

Arihant Capital Markets Ltd started with humble beginnings in 1992 with a one-point agenda to make investing understandable and accessible to all. Our purpose is to empower every Indian to take control of their financial future no matter their income level or life stage. We strive to build investing products and services that help investors invest on their own terms.

Founded by Mr. Ashok Kumar Jain, the company is celebrating its 30th year of incorporation. Arihant has built a bond of trust and nurtured relationships with its customers, employees, partners and ecosystem. Leveraging its decades of experience in investments, research and technology; Arihant has emerged as a veritable financial services company offering a wide spectrum of financial products and services across equity and currency broking, merchant banking, wealth management, insurance broking and depository services.

The company offers both physical and digital broking services. Its 900 investment centres are spread across over 200 cities in India. Arihant proudly serves over 2 lacs customers including retail, high net worth individuals and domestic and foreign financial institutions. Here is a list of products and services offered by your Company:

Broking and Depository	Equities and Derivatives, Commodities & Currency
Merchant Banking	Capital Markets Services, Corporate Finance, Strategic Advisory Services, Valuation and Specialised Services
Mutual Funds	Mutual Funds/IPOs, NPS Services
Insurance	General Insurance and Life Insurance
NBFC	Loan against shares,
Portfolio Management Services	Investment Portfolio in Stocks, Fixed income
NRI	Depository Services, Investment across asset classes and platforms

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

Review of Operations

In the 30th year of its incorporation, the company took the opportunity to reflect upon its strengths and work upon the opportunities in the fast-paced fintech space. While leveraging the inherent strength of its strong research team and the strong customer relationships, we are continually upgrading our products and technology offerings and building superior, agile and responsible workflows to ensure we give the best services to our clients.

We are committed to innovating and building agile systems that can adapt to the fast-paced industry. We continued to demonstrate our commitment to making our clients' wealth creation journey seamless and building a sustainable future through our ESG product offerings.

During the year, your company has been lauded as the “Best Retail Brokerage 2021” by Asia Money, and “Best Digital Transformation Initiative Investment Company, 2021” in the BFSI Excellence Awards by NEC. It was also applauded for “Best use of Data and Analytics by a Stock Broking Company” and “Rising Star – Stock Broking Company of the year” in the NBFC and Fintech excellence awards category.

Building our growth engine for the future: The tech- tonic shift in Arihant’s mindset

The Indian investors proved their mettle in FY 2021-22. They not only kept the benchmark indices stable despite major FII outflows but also helped them achieve new highs.

As of Dec 2021, retail investors in NSE owned about 9.7% of the companies listed on the National Stock Exchange (NSE) achieving a 14-year high. The participation of investors from tier 2 and 3 cities has also been on the rise. Arihant has always had a strong foothold in tier 2 and tier 3 cities where we have good brand recognition and presence: 56% of our revenues and 70% of our client base comes from tier 2 and tier 3 cities.

The total number of active demat account holders has more than doubled to 8.9 crores from 3.6 crores in March 2019. This high retail participation is a result of the emergence of a new class of investors: the millennials. According to SEBI, 75% of the new accounts being opened are under 30 investors. In the aftermath of the pandemic-induced sharp corrections in the equity markets, a new wave of investors swarmed the markets. Millennials and Gen-Z are taking control of their future, and how! They are moving beyond the traditional ways of investing like fixed deposits and gold. They are scouting the markets for value picks, armed with growing awareness, and determined to harness the virtues of equity investing. The new-age investors have not only embraced digital means of investing, but they are not afraid to park their money in alternative investment avenues.

The expansion of India’s investor population has been driven by digital players. Your company has also accelerated the adoption of digital offerings and is also working on executing its journey to a digital future. We realized that even though the focus and shift is going towards DIY investing, we believe that when it comes to matters of money, the right guidance and advice is crucial for new-age investors to make better investment decisions. Being a financial services company offering phygital (both physical and digital) experiences to our customers, we are well-positioned to offer the best digital experience with a human touch. With this in mind, Arihant has made significant investments in technology, building robust platforms and advanced mobile applications. Our focus is to enhance and personalize the entire end-to-end customer experience at scale, on every platform.

Our digital priorities are clear - modernize legacy technology systems, enhance customer experience, create a seamless investing experience, leverage machine learning, AI-based analytics and big data, engineer digital products and IoT, migrate to cloud applications and implement advanced cybersecurity systems.

The ease of opening an account was the key driver behind the high retail participation. Your company is creating a completely paperless onboarding solution with a best-in-class customer experience to make account opening faster, seamless and simple. The new eKYC journey is leveraging the NSDL’s KYC Registration Agency (KRA) and UIDAI’s DigiLocker databases to easily authenticate the client’s identity and create a seamless account opening to trading journey.

Arihant Capital is making significant investments in modern technology and improving the digital experience. These initiatives will completely change the investing experience and go a long way in automating several processes and making the company agile.

With the launch of the new app “Arihant Plus” scheduled in the next financial year, the customers will get more powerful tools and the required information for a smooth investing experience. Its clean user interface will enhance the client experience and drive a higher degree of engagement. Arihant new mobile platforms are built to handle scale and provide uninterrupted service even during peak usage.

The new mobile application is built on three pillars to enhance a client’s experience.

- **One app for all investing needs** - The application is built to provide a sophisticated platform for an experienced trader, and also provide ease of trading along with the right information at the right places, to help a newbie investor navigate the world of stock markets.
- **Superior trading experience** - The new app is upgraded to give our clients lightning-fast executions so they never miss a good deal.
- **Transparency** - there are no hidden charges. All the company’s brokerage and commissions are explicitly notified to our clients.

Financial Performance

Your Company's activities and performance are related to the performance of the capital markets. The main activities of the company include stock broking, merchant banking, depository services, and commodity broking. During the year, the activities in the financial market have improved, resulting in a significant increase in the profits of the company.

- During the financial year, your company's consolidated income stood at ₹170 crores, a 46% jump from the previous year from ₹116 crores. This hike is attributed to a 40% increase in brokerage income.
- The company also reported a profit after tax of ₹50.36 crores, a 45% increase over FY 20-21 ₹34.67 crores.
- To keep pace with the tech-tonic shift in the industry, the company has made significant investments in technology, due to which the expenses saw significant growth. The total expenses for the financial year 2021-22 on a consolidated basis stood at ₹105 crores a 44% increase from a base of ₹73 crores.
- The company has adopted the MTF model prescribed by SEBI. This strategic move is helping us in expanding our client base and increasing brokerage revenue from the existing client base. These borrowings are backed by 50% security and have led to an increase in borrowings and increased interest income.
- During the year, the company announced an interim dividend of 15% to pass on the profits to our shareholders, and announced a five-to-one stock split to increase the liquidity of our shares in the stock market.

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.

Risk factors relating to our business operations

The macro-economic factors impacting the capital markets in India are a direct factor in your company's business performance. The Russia-Ukraine crisis and the responses of the central banks on the liquidity in the market bring continued volatility to the markets and our operations. The emergence of new asset classes such as cryptocurrency and alternative investments and the surrounding regulations are new developments which the company is continually appraising.

The Company takes responsibility for proactively identifying and addressing 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:** As a financial services company, the Company's business is materially affected by conditions in the domestic and global equity, debt, currency and financial markets and economies. The Company is exposed to risk arising out of its major strategic moves and the likelihood of replication by competitors. Covid-19 has brought business continuity and resilience to the forefront. Severe market fluctuations arising out of the looming uncertainty in the global markets will impact the client trading volumes which will have a material impact on our revenues and profitability.
- **Technological risk plays a significant role in our industry:** Constant technology and innovation-based upgradations, necessitate companies in the stock broking industry to keep innovation a priority. The substantial amount of costs involved in the deployment of technology is a critical factor in keeping pace with the trends. And with the fast pace of change in the industry, obsolescence remains a major concern. Any significant changes in technology would pose pressure on our profitability. If your company is unable to keep pace with the markets with the emergence of tech-led digital brokers as competitors, with deep pockets, it runs the risk of technology obsolescence.
- **Risk of Attrition:** Our success depends largely upon our highly skilled professionals and our ability to hire, attract, motivate, retain, and train our talented pool of personnel. To tap the best of the next-gen talent pool, our company needs to keep pace with the way
- **Market Risk:** The company's operations are directly affected by the stock markets. Volatilities in the markets may have an effect on our volumes and profits.
- **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.

- **Reputation Risk:** Over the years, the company pays special attention to issues that may create reputational risk. Events that can negatively impact the organisation's position are handled cautiously ensuring utmost compliance with the relevant laws. Our reputation could be at risk and we may be liable to our clients or regulators for damages caused by inadvertent disclosure of confidential information and sensitive data. Our reputation, access to capital and longer-term financial stability could be at risk if we are unable to meet our stated action goals.
- **Competition Risk:** The financial services industry is evolving very fast. Emergence of disruptive business models such as discount broking and payment bank companies in the financial markets space will cause competition going forward. The company's growth will depend on its ability to swiftly adapt to these changes and compete effectively.
- **Compliance Risk:** 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. Also, any unexpected unfavourable regulatory changes or tightening in regulatory scrutiny/ restrictions may adversely impact the way current products are produced or delivered.
- **Conflict of Interest:** There is a risk that there will be situations when interests of the Management (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 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.
- **Third-party risk:** We have tied up with several third parties such as RMS, OMS and back-office to provide the best investment and trading experience to our clients. Any operational glitches, data breach or reputational risk associated with these third-party organizations may impact us adversely.

Opportunities for our growth

- The need for superior quality and process execution.
- Increasing disposable income and investment in financial products.
- Acceptance of a new and innovative range of financial products creates an opportunity to innovate in the financial services space.
- Rise in urban youth awareness about the benefits of investment.
- Need for leadership in sophisticated solutions to enable our clients to optimize the efficiency of their businesses.
- Constant upgradation of the technology enables us to emerge as a leader in this fast-paced financial services environment.
- Consolidation/acquisitions/restructuring opens out opportunities for the corporate advisory business.

Threats

- Enhanced competition from both local and global players and the rise of disruptive business models in financial services and the emergence of new technology, the company runs the risk of obsolescence.
- A dependence on technology and third-party platforms exposes us to threats posed on the internet such as virus attacks leading to execution failures and disclosure of client information.
- Our business operations have a heavy reliance on technology and servers to execute trades on the exchanges. This may lead to a threat due to execution risk.
- Our business is exposed to macroeconomic changes and operates in a highly regulated industry. Its performance not only depends on a slowdown in global liquidity flows but also on change in regulatory frameworks.

Strengths

- "Arihant Capital Markets Limited" is a well-established brand among brokers in India. Arihant has a 30-year-old legacy and an experienced top management team with a successful track record of giving high-quality research.
- It has established leadership in the franchisee business and enjoys great relationships with its franchisees as Arihant was their partner in their growth. It offers multiple business partner models in franchising and is strongly committed to enhancing the growth of each of its franchisee.
- The company is proud of attracting and retaining the best talent which successfully contributes towards business expansion of the company.

- The company's focus on innovation, technology and sustainability helps it keep abreast of the industry developments and emerge as a leader in the financial services space.

Strategy

We intend to capitalize on the growth of the digital brokerage industry while leveraging our pan-India infrastructure. This should allow us to serve the investment needs of all kinds of customers and grow our market share and profitability. To achieve these goals, we will work on strengthening our technology platforms to tap the tech-savvy customers. In our mission to make investing easy and available to all, we will also continue to focus our acquisition efforts in markets where the competition is not intense but the potential is high.

We strive to be a true partner in a client's wealth creation journey and our success depends on our ability to understand their investment requirements and meet and exceed their expectations.

Our strategic objective is to build a sustainable organization that gives more human services to our clients while creating growth opportunities for our employees and generating profitable returns for our investors.

Human resources

As an organization in the dynamic fin-tech space, our biggest priority is to develop a culture of learning and innovation to enable our employees to "navigate the next". Human resources at Arihant work tirelessly to ensure that all employees have the tools necessary to look to the future. Not just for the clients, but also for themselves.

Over the past 30 years, we have not only been able to attract and retain a talented pool of employees who serve as proud brand ambassadors of Arihant. In the future, our success will depend on our ability to attract the next-gen workforce and adapt to the new-age ways of working post the pandemic.

In our aspiration to be a great place to work, we collaborate with our employees to build a dynamic workplace culture. Our organization prides itself in creating a safe, conducive, and productive work environment free of discrimination and harassment. Equal opportunity and fair treatment are part of our Code of Conduct. The company implements policies and programmes to safeguard the health and well-being of its people.

As an investment advisory firm, we believe in the power of investing for the future and invest in training programs to improve technical, behavioural, business excellence, management and leadership skills. These programs not only equip our employees with the right skills to seamlessly evolve with ongoing technological advancements, but also creates awareness about company values and the code of conduct.

This year we also focused on improving the mental and physical wellness of our employees, with sessions on yoga and wellness.

Corporate Social Responsibility (CSR)

At Arihant, we strongly believe in leaving the world a better place than how we found it. As a conscientious organization, we are aware of the impact we have on our environment, especially the communities where we operate and strive to operate in a socially and environmentally sustainable manner.

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. We use this as an opportunity to create a positive impact on our communities.

This year our focus areas for CSR activities were education, eradication of hunger and malnutrition, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. We also promoted social welfare programmes and community participation near our facilities and offices.

Eradication of hunger and poverty: 189.2 million people were undernourished in India according to a global food security survey in 2020 which was further worsened by the impact of the Covid-19 pandemic. We contributed generously to helping communities living in Noida slums where the people faced economic and health-related hardships during the pandemic-induced lockdowns.

Education: Arihant believes that children are the greatest asset of our nation yet many children sacrifice their education to support their families. Your company, sponsored several remedial sessions for marginalised children so that they do not lose out on their education due to the lockdown-induced gaps.

Health and hygiene: Our partner NGOs educated several communities in rural Odisha and Noida slums about the importance of safe drinking water for their health. We helped lead behavioural change in those communities towards better hygiene, sanitation practices and covid appropriate behaviour.

Environment: Arihant uses a multipronged approach to reduce its carbon footprint involving employee and investor education and creation of responsible workflows. We have also created ESG investment products to help our customers invest in companies they believe in. We have switched to energy-efficient offices and completely eliminated single-use water bottles and paper tea cups. Sustainability is at the heart of everything we do: we even encourage our clients to go paperless by signing up for electronic statements.

Responsible workflows: We have made significant investments in new technology, This year we launched our new eKYC journey which is a completely paperless process involving the use of artificial intelligence, machine learning technologies. It also makes bank verification paperless using secure transfers. This easy-to-use eKYC journey significantly contributes to reducing our carbon footprint.

We believe in driving successful performance in tandem with ethical behaviour with an unwavering commitment to reducing environmental impact. Our CSR Policy may be accessed on the company website at the link: <http://www.arihantcapital.com>. The key philosophy of the Company's CSR initiatives is to promote development through social and economic transformation. The company has identified the following areas in which it may engage for its CSR activities.

- Addressing identified needs of the underprivileged through initiatives 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 ₹60.63 lacs on CSR activities. The details of ESG and CSR activities are a part of the Board Report.

Internal control system

The internal control systems are designed to safeguard the Company's assets and ensure efficient productivity at all levels. The systems are adequate for the size of the business and the industry in which it operates. Well-defined processes, guidelines, procedures, and adequate internal information systems enable the Company to enhance its internal controls. Decision-making is made easier due to proper information flow. Periodic and frequent audits ensure strict adherence to the set procedures and processes. 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 a constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

Risk management

Just like any industry, the stock broking industry also has several factors that pose a risk to its operations and proactive risk management is key to a business' success. The Company has implemented a comprehensive risk management framework to identify, understand and manage risks associated with the business. This framework ensures prudent financial management; along with meticulous compliance with all extant laws, rules, and regulations applicable to all its business activities.

The Company has a 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 the compliance management framework and submits its findings to the Audit Committee. The pandemic has brought business continuity and resilience to the fore. The company has a disaster recovery plan that helps boost up our BCP plans during times of a calamity.

Commitment to doing what is right

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

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

As gratified as we are about our operating and financial performance in FY2021-2022, we promise to do better in every aspect and never lose sight of what makes this company successful – “keeping client interest first”. This year our focus will be on becoming a tech-led company from a tech-enabled one. The fin-tech space is evolving at breakneck speed giving necessary support to the finance industry. The Company is geared up to power the next leg of its growth with its new technology platforms. It expects to reach a leadership position in the market by focusing on advanced technology and innovative products. Arihant has a demonstrated history of building strong research capabilities and is well-positioned to harness this opportunity going forward. With its strong understanding of the capital markets supported by its best-in-class digital products and well-defined systems and processes, Arihant is all set to take a dominant market share in the industry. Other factors that will drive the growth of the company include acquiring and retaining quality talent, the introduction of new products and digital offerings and integrating third-party products into Arihant’s platforms. From a financial perspective, we feel conditions are appropriate for your company to continue its growth momentum and a much faster rate. While there’s no shortage of uncertainty regarding the remaining path of the pandemic, the trajectory of interest rates and inflation, equity market resiliency, and client engagement and behaviour, the overall environment feels like it’s starting out on a more stable footing than last year. The growth story of the stockbroking and investment services industry has just started, and we are here to tap this opportunity more confident and prepared than ever before.

Cautionary statement

The management discussion and analysis report containing your Company’s objectives, projections, estimates and expectations 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

Pursuant to Regulation 34(3) read with Para C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations") the report containing the details of Corporate Governance systems and processes at Arihant Capital Markets Limited is set out below:

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 responsibly 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 stakeholders' 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 (SEBI LODR Regulation) as amended, 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.

As on 31st March, 2022, the Board of Directors of your Company comprised of eight (8) Directors. The Board has an optimum combination of executive and non-executive directors. Out of total eight (8), three (3) are Executive Directors, one (1) is Non-Executive Non-Independent Director and four (4) are Independent Directors. As the Chairman of the Board is not a regular non-executive director, the requirement of atleast half of the Board of Directors comprising of independent directors also met. The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations.

The composition of the Board of Directors, the number of other committees of which a director is a Member/Chairperson and the attendance of each director at the Board Meetings and the last Annual General Meeting (AGM) of the Company were as follows:

S. No.	Name of the Director and Category	No. of membership on Board committees including the Company	No. of chairmanship on Board committees including the Company	No. of Board meetings attended during the Financial Year 2021-22	Attendance at last AGM held on September 25, 2021
1.	Mr. Ashok Kumar Jain (Chairman and Managing Director) (DIN: 00184729)	1	1	7	Yes
2.	Mr. Arpit Jain (Joint Managing Director) (DIN: 06544441)	1	1	7	Yes
3.	Mrs. Anita Surendra Gandhi (Whole Time Director) (DIN: 02864338)	1	0	6	Yes
4.	Mr. Sunil Kumar Jain (Non-executive Non- Independent) (DIN: 00184860)	1	0	7	Yes
5.	Mr. Akhilesh Rathi (Independent Director) (DIN: 02002322)	1	2	6	Yes
6.	Mr. Parag Rameshbhai Shah (Independent Director) (DIN: 00512469)	1	0	6	No
7.	Mr. Ashish Maheshwari (Independent Director) (DIN: 00185949)	1	0	7	Yes
8.	Mr. Jitendra Jain (Independent Director) (DIN: 08377285) (Appointed w.e.f 14 th June, 2021)	1	0	6	Yes

- Mr. Ashok Kumar Jain & Mr. Sunil Kumar Jain are relatives (brother) and Mr. Arpit Jain being the son of Mr. Ashok Kumar Jain. No other Director is related to any other Director on the Board of the Company.
- Ms. Swanubhuti Jain, was appointed as an Additional Independent Director in the company in the Board Meeting held on 25th April, 2022, subject to approval of Shareholders in their ensuing Annual General Meeting.
- 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, of 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.

b) Board meetings held during the year

The Board of Directors of the Company met 7 (Seven) times during the financial year 2021-22. At least one meeting of the Board was held every quarter and the time gap between any two consecutive board meetings did not exceed 120 days during the financial year 2021-2022.

The details of director's attendance at board meetings held during financial year 2021-22 are as under:

S. No.	Date of Board Meetings	Board Strength (No. of Directors)	No. of Directors present	No. of Independent Directors Present
1.	15 th May, 2021	7	6	2
2.	14 th June, 2021	8	8	4
3.	27 th July, 2021	8	8	4
4.	21 st August, 2021	8	8	4
5.	11 th November, 2021	8	7	4
6.	31 st January, 2022	8	8	4
7.	3 rd March, 2022	8	7	3

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 weblink for the familiarisation programmes for Independent Directors is: <https://www.arihantcapital.com/investor-relations/esg>.

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

The SEBI LODR and Schedule IV to the Act mandate the Independent Directors of the Company to hold at least one meeting in every financial year, without the attendance of non-independent directors and members of the management. During the financial year ended March 31, 2022, the Independent Directors met on 31st January, 2022, inter alia, to review the performance of Non-Independent Directors & the Board as a whole, to review the performance of the Chairman of the Company and to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board.

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 our service sector	Mr. Ashok Kumar Jain Mr. Arpit 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
7.	Commitment and Integrity - Adequate commitment to the Board and the Company	All Directors

f) Confirmation of Independent Directors:

None of the Independent Directors have any other material pecuniary relationship or transaction with the Company, its Promoters, or Directors, or Senior Management which, in their judgement, would affect their independence. The Board confirms that based on the written affirmations from each Independent Director, all Independent Directors fulfill the conditions specified for independence as stipulated in the Regulation 16 (1)(b) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment), Regulations, 2018 ("Listing Regulations") w.e.f. 01 October, 2018 and are independent of the Management. Further, the Independent Directors have also registered their names in the Data bank maintained by the Indian Institute of Corporate Affairs as mandated in the Companies (Appointment and Qualification of Directors), Rules, 2014 as amended.

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
- v) Risk Management Committee

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 to the Committee.

The Committee held Seven (7) meetings during the financial year 2021-22 and the gap between any two meetings did not exceed 120 days. The Dates on which the Audit Committee Meetings held were: 15th May, 2021, 14th June, 2021, 27th July, 2021, 21st August, 2021, 11th November, 2021, 31st January, 2022 & 03rd March, 2022. 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	7	6
2.	Mr. Sunil Kumar Jain	Member	7	7
3.	Mr. Parag Rameshbhai Shah	Member	7	6
4.	Mr. Ashish Maheshwari	Member	7	7

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. Mahesh Pancholi acts as the secretary and Mr. Akhilesh Rathi is the chairman of 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 14th June, 2021 and 31st January, 2022. 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	2
2.	Mr. Sunil Kumar Jain	Member	2	2
3.	Mr. Parag Rameshbhai Shah	Member	2	2
4.	Mr. Ashish Maheshwari	Member	2	2

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

There was no pecuniary relationship or transaction between the Non-Executive Directors and the Company during the financial year 2021-2022. All the non-executive directors receive remuneration only by way of sitting fees for attending meeting of the board/committee. The said policy of the company is available on the website on <https://www.arihantcapital.com/investor-relations/esg>. The details of the remuneration paid to Chairman and managing director and whole-time director during the year is as under:

(₹in Lacs)

S. No.	Name of the Director	Salary	Perquisite	Commission	Total
1.	Mr. Ashok Kumar Jain	60.00	2.04	1.00	162.04
2.	Mr. Arpit Jain	18.57	-	-	18.57
3.	Mrs. Anita S. Gandhi	38.60	-	-	38.60

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

(₹in Lacs)

S. No.	Name of the Director	No. of Equity Shares	Sitting fees
1.	Mr. Sunil Kumar Jain	1070656*	2.40
2.	Mr. Akhilesh Rathi	39847*	2.40
3.	Mr. Parag Rameshbhai Shah	0	2.00
4.	Mr. Ashish Maheshwari	0	2.60
5.	Mr. Jitendra Jain	0	2.40

*Before Split of share as on 31.03.2022

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 14th June, 2021, 27th July, 2021, 11th November, 2021, and 31st January, 2022. 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	4
2.	Mr. Ashok Kumar Jain	Member	4	4
3.	Mr. Sunil Kumar Jain	Member	4	4
4.	Mr. Parag Rameshbhai Shah	Member	4	4

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 6 complaints and resolved. There were no complaints outstanding as on March 31, 2022.

The Committee's Composition meets with the requirements of Section 178(5) of the Companies Act, 2013 and Clause 20 (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; and
- Monitor CSR policy from time to time.
- 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 2021-22, on 14th June, 2021 and 31st January, 2022. The necessary quorum was present for the meeting.

The attendance of member at the Committee Meeting is 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	2
3.	Mr. Sunil Kumar Jain	Member	2	2
4.	Mr. Ashish Maheshwari	Member	2	2

8) Risk Management Committee

Pursuant to Regulation 21 (5) of the SEBI (Listing Obligation and Disclosures Requirement) Regulation, 2015 (Top 1000 listed entities, determined on the basis of market capitalization as at the end of the immediate preceding financial year), the Board has constituted the Risk Management committee on April 25, 2022 comprising of Mr. Ashish Maheshwari, Chairman of the Committee, Mr. Jitendra Jain, Member, and Mr. Arpit Jain as its members, to frame, implement and monitor risk management plan of the Company.

The Company has in place Risk Management Policy as per requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 134(3)(n) of the Companies Act, 2013, which requires the Company to lay down procedure for risk assessment and risk minimization. The Board of Directors, Audit committee and the Senior Management of the Company should periodically review the policy and monitor its implementation to ensure the optimization of business performance, to promote confidence amongst stake holders in the business processes, plan and meet strategic objectives and evaluate, tackle and resolve various risks associated with the Company. The business of the Company is exposed to various risks, arising out of internal and external factors i.e. Industry, Competition, Input, Geography, Financial, Regulatory, Other Operational, Information Technology related other risks. The details of Risk Management Policy as per requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 134(3)(n) of the Companies Act, 2013 has been uploaded on Company's Website at www.arihantcapital.com

9) General body meetings

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

Financial Year	Venue	Date	Time
2018 – 2019	Hotel Lemon Tree, 3, 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.
2020- 2021	Meeting held through Video Conferencing (“VC”)/ other Audio- Visual Means(“OAVM”)	25/09/2021	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 :

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.

2021

1. To re-appoint Mr. Ashok Kumar Jain (DIN: 00184729) as a Managing Director.
2. To appoint Mr. Arpit Jain (DIN: 06544441) as a Joint Managing Director.
3. To re-appoint Mrs. Anita Surendra Gandhi (DIN: 02864338) as a Whole Time Director of the Company.
4. Appointment of Mr. Jitendra Jain as an Independent Director of the company.
5. 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.
6. 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.
7. 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.

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.

Extra Ordinary General meeting

1. Sub-division/split of equity shares of the company from face value of ₹5/- per equity share to face value of ₹1/- per equity share held on 26th March, 2022 through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”)

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 52 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. There are no materially significant transactions with its promoters, the directors or the senior management personnel, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company. The disclosure in respect of related party transactions is provided in the notes on accounts. All contracts with the related parties entered into during the year are in normal course of business and have no potential conflict with the interest of the Company at large and are carried out on arm's length basis at fair market value. 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/yearly on Consolidated Basis on BSE and NSE.
- 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 2021-22 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 however, SEBI has imposed penalty of Rs. 100,000/- under the provisions of 15 HB of the SEBI Act, and Rs. 5,00,000/- under the provisions of Section 23D of SCRA. Though, the Company has filed an appeal before the Securities Appellate Tribunal (SAT) for the review of penalty levied by SEBI.
- vi. The Securities Exchange Board of India issued Show Cause Notice dated 04th October, 2018 under Regulation 25 of the SEBI (Intermediaries) Regulations, 2008 for violation of provisions of Clause A(2) of Code of Conduct as specified in Schedule II of Regulation 9(f) of the Securities Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 in respect to exercising proper due diligence for change of email id and mobile number. The Company has filed reply of the said Notice. Thereafter, the Company has received Hearing Notice in respect of the aforesaid matter for hearing to be held on 07th March, 2022. Final hearing in the said matter is yet to be decided by the SEBI.
- vii. During the year, the Company has listed its shares on NSE on 15th June, 2021 for the wider participation of investors/shareholders.
- viii. The Company has implemented the mandatory requirements of corporate governance as set out in the listing agreement with stock exchanges.
- ix. The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Towards this end, the Company has framed a Whistleblower Policy. No personnel has been denied access to the Audit Committee. The detail Whistleblower policy has been uploaded on the Company's website: <https://www.arihantcapital.com/investor-relations/esg>
- x. 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
- xi. 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.
- xii. 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.
- xiii. The Company in their Extra Ordinary General Meeting held on 26th March, 2022, has sub-divided/split its existing 1 (One) Equity Shares of the Company of face value of ₹5 (Rupees Five Only) each to 5 (Five) Equity Shares of face value of ₹1/- (Rupee One only) each been the record date as on 15th April, 2022.
- xiv. 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, 2022 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
- xv. 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.

- xvi. During the year ended 31st March, 2022, the Board had accepted all the recommendations of the Committees, which are mandatorily required.
- xvii. 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, 2022, is as follows:

(₹in Lacs)

• Fees for audit and related services paid to M/s. Dinesh Ajmera & Associates	8.90
• Other fees paid to M/s. Dinesh Ajmera & Associates	0.78

xviii. 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
- xix. The details of 'Loans and Advances in the nature of loan to firms/companies in which directors are interested by name and amount' as provided in note no. 47 in the Standalone Balance Sheet.
- xx. 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	Applicable w.e.f 01/04/2022
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 www.arihantcapital.com.

All Directors and Senior Management Personnel have affirmed compliance with the Code for 2021-22. 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/NSE, the CEO/CFO certificate for the financial year 2021-22 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 25th April, 2022.

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 ceased the nomination of its representative on the Board of the material subsidiary companies as the subsidiary companies does not fall under the criteria of Materiality.

However, the board monitors the performance of such companies, interalia, 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

Although, during the year under review, Arihant Futures and Commodities Limited (AFCL) and Arihant Lifespace Infra Developers Limited (ALIDL) ceased to be the 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 bower 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) Adoption of Non-Mandatory Requirements

The Company has adopted below mentioned discretionary requirements as specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

19) 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, 2022.

For Arihant Capital Markets Ltd

Date: 25.04.2022

Place: Indore

Ashok Kumar Jain
(Chairman & Managing Director)

CEO / CFO CERTIFICATE

To,
The Board of Directors,
Arihant Capital Markets Ltd
6, Lad Colony YN Road
Indore MP- 452001

Re: Compliance Certificate of Chief Executive Officer (CEO) and Chief Financial Officer (CFO) pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We, Ashok Kumar Jain (Chairman and Managing Director) and Tarun Goyal (Chief Financial Officer) of Arihant Capital Markets Limited hereby certify that:

- (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, 2022 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.

For Arihant Capital Markets Ltd.

Place: Indore
Date: 25.04.2022

Ashok Kumar Jain
(Managing Director)

Tarun Goyal
(CFO)

Corporate Governance Certificate

To
The Members of
ARIHANT CAPITAL MARKETS LIMITED
CIN L67120MP1992PLC007182
Registered Office: 6, Lad Colony
Y.N. Road Indore (M.P.)- 452001

1. I, Ajit Jain, Proprietor at Ajit Jain & Co., Practicing Company Secretaries, have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Our Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books, papers, minutes books, forms, returns and other relevant records and documents maintained by the company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

5. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2022.
6. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.
7. The certificate is issued solely for the purpose of complying with the aforesaid SEBI Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

For Ajit Jain & Co.
Company Secretaries

Place: Indore
Date: 25/04/2022

CS Ajit Jain
(Proprietor)
M.No: 3933
C.P. No: 2876
UDIN number: F003933D000418204
Peer Review Certificate No.: 767/2020
PCS Unique ID No.: S1998MP023400

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, 2022 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	25/09/2021	25/01/2021
8.	Jitendra Jain	08377285	25/09/2021	14/06/2021

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: 25th April, 2022
Place: Mumbai

Virendra G. Bhatt
Practicing Company Secretary
ACS No.: 1157 / COP No.: 124
Peer Review Cert. No.: 1439/2021
UDIN: A001157D000198090

Note:

I have conducted online verification and examination of records, as facilitated by the Company due to prevailing conditions owing to Covid-19 for the purpose of issuing this Certificate.

GENERAL SHAREHOLDER'S INFORMATION

- | | |
|---|---|
| 1. Date and Time of 30th AGM | July 23 rd , 2022, 12:30 P.M. |
| 2. Venue of Annual General Meeting (AGM) | The 30 th Annual General Meeting (AGM) of the Company will be held on Saturday, the 23 rd day of July, 2022 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 | 17.07.2022 to 23.07.2022 (both days inclusive) |
| 4. Financial Calendar | |
| Financial Results for* - | |
| Quarter ending June 30 th , 2022 | Second week of August, 2022 |
| Quarter ending September 30 th , 2022 | Second week of November, 2022 |
| Quarter ending December 31 st , 2022 | Second week of February, 2023 |
| Year ending March 31 st , 2023 | Last week of May, 2023 |
| *tentative dates | |
| 5. Financial Year | 1 st April 2022 to 31 st March 2023 |
| 6. Dividend Payment Date | On or after 28 th July, 2022 |
| 7. Listing of Equity Shares on the Stock Exchange at | <p>The BSE Limited
P.J. Towers, Dalal Street,
Mumbai-400001</p> <p>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.</p> |
| 8. CIN of the Company | L67120MP1992PLC007182 |
| 9. Security Code | 511605 (BSE) ARIHANTCAP (NSE) |
| 10. ISIN | INE420B01028 (before split)
INE420B01036 (after split) |

11. Stock Market Data:

Monthly high and low stock price along with volumes of equity shares traded on **BSE and NSE** for the FY2021-22 is given below:

BSE LIMITED

Month	High ₹	Low ₹	Volume (No) ₹ in Lacs
April 2021	75.75	62.00	62.96
May 2021	96.00	68.05	271.13
June 2021	135.95	86.85	1327.91
July 2021	189.00	125.00	996.44
August 2021	175.90	126.00	574.39
September 2021	152.75	131.95	241.30
October 2021	154.50	128.85	198.80
November 2021	168.00	133.35	231.43
December 2021	203.05	137.90	1947.81
January 2022	288.45	197.90	1362.62
February 2022	365.00	266.75	1104.18
March 2022	479.05	358.45	1049.67

NSE LIMITED

Month	High ₹	Low ₹	Volume (No) ₹ in Lacs
April 2021	-	-	-
May 2021	-	-	-
June 2021	136.50	111.25	7.67
July 2021	189.25	125.35	28.74
August 2021	176.50	125.45	19.82
September 2021	153.40	135.00	12.58
October 2021	155.00	127.95	11.26
November 2021	168.90	134.55	12.97
December 2021	203.00	137.10	21.13
January 2022	287.75	198.00	43.99
February 2022	363.95	267.50	25.76
March 2022	479.05	359.05	19.49

12 Dividend Schedule as on March 31st, 2022

Shareholding of Nominal Value of ₹ - ₹		Shares- holders No.	% of Total holders	Share Amount in ₹	% of Total Equity
UPTO	1000	5521	72.44	1290565	1.24
1001	2000	700	9.18	1051660	1.01
2001	3000	278	3.65	698285	0.67
3001	4000	405	5.31	1336600	1.28
4001	5000	199	2.61	950210	0.91
5001	10000	223	2.93	1624365	1.56
10001	20000	141	1.85	2054870	1.97
20001	30000	46	0.60	1173410	1.13
30001	40000	30	0.39	1037760	1.00
40001	50000	13	0.17	590805	0.57
50001	100000	31	0.41	2139680	2.06
100000	ABOVE	35	0.46	90164590	86.60
Total	7622	100.00	104112800	100.00	

13 Dematerialization of Shares

About 98.60 per cent of Company's paid up equity share capital has been dematerialized up to March 31st, 2022

14 Foreign Exchange Risk and Hedging Activities

Not Applicable

Dematerialized at NSDL & CDSL

20532696

Physical

289864

15 Shareholding Pattern as on March 31, 2022:

Category	No. of Shares Held	% of Shareholding
Promoters & Promoters Group	15528348	74.57
Foreign Portfolio Investors	69415	0.33
Corporate Bodies	159135	0.76
Indian Public	4736883	22.75
NRI / OCB	43316	0.21
Others – Clearing Members	30207	0.15
IEPF	255256	1.23
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

B For shares held in demat form Any other matters and unsolved complaints

To the depository participant
Company Secretary
Arihant Capital Markets Limited
6, Lad Colony YN Road, Indore - 452001, (M.P.)
Telephone No. : 731- 4217192
Fax No. : 731-4217199
Email: mahesh.pancholi@arihantcapital.com

Notes:

- I. Annual listing fee for the Year 2022-23 has been paid to the BSE Limited and NSE Limited, Mumbai.
- II. Annual Custody Fee for the Year 2022-23 has been paid to NSDL and CDSL.
- III. Distribution schedule and Shareholding Pattern as on March 31st, 2022.
- IV. During the Financial Year 2020-21, the Company has credited Rs. 3,99,609/- lying unpaid /unclaimed in the dividend account (2013-14) 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 2014-15, to the Investor Education and Protection Fund in term of the provisions of the Companies Act, 2013. The details of unclaimed/unpaid dividend are also available on the MCA and also on website of the Company.
- V. The Company has also uploaded the details of unpaid/unclaimed amounts lying with the company as on September 25, 2021 (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". All the shares lying under the unclaimed Suspense Account has been transferred to IEPF Account.
- VII. Securities & Exchange Board of India (SEBI) vide its circular SEBI/HO/MIRSDMIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 and circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021 as made it mandatory to furnish PAN, email address, mobile number, bank account details and nomination by

- holders of Physical Securities. In this regard individual letters are sent to all the physical Shareholders. You are requested to furnish Valid PAN, KYC and nomination immediately to the RTA. You are requested to kindly check the website for more details.
- VIII. 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.
 - IX. 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.
 - X. The Company's financial results and official press releases are displayed on the Company's website www.arihantcapital.com.
 - XI. The financial statements, shareholding pattern, quarterly compliances and other relevant corporate communication are filed with Bombay Stock Exchange Limited and National Stock exchange of India Limited electronically through BSE Listing Centre and NEAPS.
 - 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.

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, 2022, 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, 2022, 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.

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 (and 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.

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, 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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.
3. 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 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 2022.
 - 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.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the

company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The management has represented, that, to the best of it’s knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the act, as Applicable.
- (b) The interim dividend declared and paid by the company during the year and until the date of this report is in accordance with section 123 of the act, as Applicable.
- (c) The Board of directors of the company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the act, as Applicable.

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

CA Dinesh Ajmera
Partner
Membership No. : 402629
UDIN : 22402629AHTQQQ2428
Indore, April 25, 2022

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, 2022)

- i. In respect of the Company’s Property Plant & Equipments:
 - (a) (A) The Company has maintained proper records to show full particulars, including quantitative details and situation of Property Plant & Equipment.
 - (B) The Company has maintained proper records to show full particulars of Intangible assets.
 - (b) The Property Plant & Equipment 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.
 - (d) The company has not revalued any of its property, plant and equipment and intangible assets during, the year.
 - (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. In respect of the Company’s Inventory:
 - (a) 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.
 - (b) During the year, the company has been sanctioned working capital limits in excess of five crore rupees from banks on the basis of security of current assets. The quarterly returns or statements filed by the company with banks are in agreement with the books of account of the Company.
- iii. During the year the company has not made investments in, not provided any guarantee or security or not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties except as:-
 - (a) During the year the company has provided loans or advances in the nature of loans, secured or unsecured to any other entity, details of which are as follows:-
 - (A) During the year the company has granted loan aggregate of ₹ 2781.12 Lacs to its subsidiaries and there is no outstanding balance at the balance sheet date.
 - (B) During the year the company has not granted loan to parties other than subsidiaries, joint ventures and associates hence this clause is not applicable.
 - (b) In our opinion, the terms and conditions of the grant of loans during the year are prima facie, not prejudicial to the company’s interest.
 - (c) In respect of the loans granted by the company, no schedule of repayment of principal and payment of interest has been stipulated hence this clause is not applicable.
 - (d) No amount is overdue as the loan has been squared off during the year hence this clause is not applicable.
 - (e) No loan has been renewed or extended or fresh loans granted to settle the overdues of existing loans as the loan has been squared off during the year hence this clause is not applicable.
 - (f) The company has granted loans or advances in nature of loans repayable on demand aggregate of ₹ 2781.12 Lacs to its subsidiaries as defined in clause (76) of section 2 of the Companies Act, 2013 which is 100% of total loans granted.
- iv. The company has complied with the provisions of section 185 and 186 of Companies Act, 2013 in respect of loans, investments, guarantees and securities, as applicable.
- v. 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.
- vi. 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.

vii. a) As per the records of the Company, the company is generally regular in depositing the statutory dues including GST, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amount in respect of GST, income tax, sales tax, service tax, custom duty, excise duty, cess, applicable to it, is outstanding as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and on the basis of examination of records of the Company there is no provident fund, sales tax, income tax, wealth tax, cess which have not been deposited on account of dispute except for the following instances:

(₹ in Amount)

Statute In which pending	Nature of Dues	Financial Year	Forum at which pending	Amount involved
Income Tax Act, 1961	Tax and Interest thereon	2012-13	Commissioner of Income Tax (Appeals)	18,46,840
Income Tax Act, 1961	Tax and Interest thereon	2017-18	Commissioner of Income Tax (Appeals)	27,61,640
Income Tax Act, 1961	Penalty	2011-12	Commissioner of Income Tax (Appeals)	1,60,000
Income Tax Act, 1961	Penalty	2013-14	Commissioner of Income Tax (Appeals)	1,60,000
Income Tax Act, 1961	Penalty	2014-15	Commissioner of Income Tax (Appeals)	1,20,000

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) 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 or in the payment of interest thereon to any banks, financial institutions, government or other lender.

(b) The company is not declared willful defaulter by any bank or financial institution or other lender.

(c) The company has not taken any term loan during the year hence this clause is not applicable.

(d) The funds raised on short term basis have not been utilized for long term purposes.

(e) The company has not taken any such type of funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. (a) According to the information and explanation given to us and the record examined by us, the Company has not raised any money by way of initial public offer or further public offer during the year. Hence, clause 3(ix) of the order is not applicable.

(b) Based on our audit procedures and according to the information given by the management, the company has not made any preferential allotment or private placement of shares or convertible debentures.

xi. (a) 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.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this year.

(c) According to the information and explanations given to us, there is no whistle-blower complaints received during the year by the company hence this clause is not applicable.

xii. 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.

- xiii. In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable Indian Accounting Standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
(b) We have considered the internal audit reports for the year under audit, issued to the Company during the year in determining the nature, timing and extent of our audit procedures.
- xv. 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.
- xvi. (a) 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 hence this clause is not applicable.
(b) The company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934 hence this clause is not applicable.
(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India hence this clause is not applicable.
(d) The group has no CIC as part of the group hence this clause is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, in our opinion no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. (a) The company has spent full amount as required to be spent as per the Companies Act 2013. No amount remained unspent which were required to be transferred in respect of other than ongoing projects in Funds specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.

(b) The company has spent full amount as required to be spent as per the Companies Act 2013. No amount remained unspent which were required to be transferred in respect of ongoing projects in Funds specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.

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

CA Dinesh Ajmera
Partner
Membership No. : 402629
UDIN : 22402629AHTQQQ2428
Indore, April 25, 2022

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, 2022)

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 2022 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 2022, 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 financial statement 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 Ajmera
Partner
Membership No. : 402629
UDIN : 22402629AHTQQQ2428
Indore, April 25, 2022

Standalone Balance sheet as at March, 31st 2022

₹ in lacs

Particulars	Note No.	31 st March, 2022	31 st March, 2021
ASSETS			
1 Financial assets			
a. Cash and cash equivalents	4	3,407.22	2,447.98
b. Bank balance other than (a) above	5	20,419.74	18,853.00
c. Securities for trade	6	1,672.79	987.11
d. Receivables			
Trade receivables	7	23,870.85	14,458.77
e. Loans	8	-	1,119.12
f. Investments	9	2,942.45	2,283.23
g. Other financial assets	10	1,343.25	400.93
		53,656.30	40,550.14
2 Non financial assets			
a. Property, plant and equipment	11	893.91	832.83
b. Other intangible assets	12	69.37	56.85
c. Other non financial assets	13	452.96	329.05
		1,416.24	1,218.73
3 Assets held for sale	14	191.23	440.03
		191.23	440.03
Total Assets		55,263.77	42,208.90
LIABILITIES & EQUITY			
LIABILITIES			
1 Financial Liabilities			
a. Derivative financial instruments	15	37.51	8.43
b. Payables			
I) Trade Payables	16		
i) Total outstanding dues of micro & small enterprises		41.12	14.19
ii) Total outstanding dues of creditors other than micro & small enterprises		23,558.87	15,681.79
c. Borrowings	17	7,787.80	4,805.29
d. Other financial Liabilities	18	2,008.58	4,813.84
		33,433.88	25,323.54
2 Non Financial Liabilities			
a. Current Tax Liabilities (net)	19	233.62	79.98
b. Provisions	20	307.22	277.86
c. Deferred Tax Liabilities (net)	21	150.12	38.81
d. Other non financial liabilities	22	379.59	773.31
		1,070.54	1,169.96
3 Equity			
a. Equity share capital	23	1,041.13	1,041.13
b. Other equity	24	19,718.22	14,674.27
		20,759.35	15,715.40
Total Liabilities & Equity		55,263.77	42,208.90

Significant Accounting Policies and Notes on Financial Statements 1 to 62

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

Ashok Kumar Jain
 Managing Director
 DIN-00184729

Arpit Jain
 Joint Managing Director
 DIN-06544441

 For and on behalf of the Board
Mahesh Pancholi
 Company Secretary
 M.No. F7143
Tarun Goyal
 Chief Financial Officer
 M.No. 407449

CA. Dinesh Ajmera
 Partner
 Membership No. : 402629
UDIN : 22402629AHTQQQ2428
 Indore, 25th April, 2022

Standalone Statement of Profit and Loss for the year ended March 31st 2022 (₹ in lacs)

Particulars	Note No.	31 st March, 2022	31 st March, 2021
Income			
I Revenue from Operations			
Interest Income	25	4,090.29	2,409.34
Dividend Income	26	11.40	7.83
Fees & Commission Income	27	9,171.12	6,689.13
Net Gain on fair value changes	28	1,963.71	1,827.37
Others Operating Income	29	1.12	4.13
II Other Income	30	31.76	46.08
III Total Income		15,269.40	10,983.88
IV Expenses			
Finance costs	31	573.50	320.09
Fees and commission expense	32	5,387.83	3,383.24
Impairment on financial instruments	33	17.96	11.11
Employee Benefits Expenses	34	1,672.48	1,626.92
Depreciation and Amortization Expenses	35	112.46	116.90
Other Expenses	36	1,610.07	1,110.80
Total		9,374.30	6,569.05
V Profit Before Exceptional Items and Tax		5,895.10	4,414.83
VI Exceptional items	38	854.79	-
VII Profit Before Tax		6,749.89	4,414.83
VIII Tax Expenses	39		
Current Tax		1,232.19	944.03
Deferred Tax		110.81	(4.61)
Total Tax Expenses		1,343.01	939.42
IX Profit/(loss) for the year		5,406.88	3,475.41
X Other Comprehensive Income			
(A) Items that will not be reclassified to profit & loss			
Remeasurements of the defined benefit plans		1.96	(7.31)
Tax effect relating to above item		(0.49)	1.84
Total (A)		1.47	(5.47)
(B) Items that will be reclassified to profit & loss			
Tax effect relating to above item		-	-
Total (B)		-	-
Total Other Comprehensive Income (A+B)		1.47	(5.47)
XI Total Comprehensive Income for the period		5,408.35	3,469.94
XII Earnings per Share			
Equity Shares of ₹5 each	40		
Basic (Amount in ₹)		25.97	16.69
Diluted (Amount in ₹)		25.97	16.69

Significant Accounting Policies and Notes on Financial Statements 1 to 62

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 : 22402629AHTQQQ2428

 Indore, 25th April, 2022

Ashok Kumar Jain

 Managing Director
 DIN-00184729

Arpit Jain

 Joint Managing Director
 DIN-06544441

For and on behalf of the Board

Mahesh Pancholi

 Company Secretary
 M.No. F7143

Tarun Goyal

 Chief Financial
 Officer
 M.No. 407449

Standalone Cash Flow Statement for the year ended March, 31st 2022

(₹ in lacs)

Particulars	Note No.	31 st March, 2022	31 st March, 2021
A Cash flow (used in) / generated from operating activities			
Profit before tax		6,749.89	4,414.83
Add / (less) : Adjustments			
Unrealised (gain)/loss on Fair value changes of Securities for trade		11.62	15.35
(Profit) / Loss on sale of fixed assets		0.51	22.59
(Profit) / Loss on sale of Investments		(1,479.79)	(244.90)
Depreciation / amortisation		112.46	116.90
Interest paid on borrowings		443.64	232.90
Dividend income		11.40	(7.83)
Operating profit before working capital changes		5,849.73	4,549.84
<u>Adjustments for changes in working capital:</u>			
-(Increase)/Decrease in Other bank balance		(1,566.74)	2,890.11
-(Increase)/Decrease in Securities for Trade		(697.30)	(37.58)
-(Increase)/Decrease in Trade receivables		(9,412.09)	(8,026.18)
-(Increase)/Decrease in Loans		1,119.12	511.56
-(Increase)/Decrease in Other financial assets		(942.32)	(9,872.47)
-(Increase)/Decrease in Other non financial assets		(153.24)	(45.48)
-Increase/(Decrease) in Derivative financial instruments		29.08	6.47
-Increase/(Decrease) in Trade payables		7,904.01	4,467.06
-Increase/(Decrease) in Other financial liabilities		(2,805.27)	2,775.27
-Increase/(Decrease) in Other non financial liabilities		(393.72)	546.60
-Increase/(Decrease) in Provisions		31.33	61.43
Cash generated from operations		(1,037.40)	(2,173.37)
Income tax paid (net)		(1,049.23)	(927.71)
Net cash (used in) / generated from operating activities (A)		(2,086.63)	(3,101.08)
B Cash flow (used in) / generated from Investing activities			
- (Purchase) / Proceeds from sale of property, plant and equipment		(186.57)	(89.32)
- (Purchase) / Proceeds from sale of investments		1,069.37	(350.31)
- Dividend income received		(11.40)	7.83
Net cash (used in)/ generated from investing activities(B)		871.40	(431.80)
C Cash flow (used in) / generated from Financing activities			
- Dividend paid		(364.39)	(208.23)
- Interest paid		(443.64)	(232.90)
- Increase/ (Decrease) in Borrowings		2,982.51	1,326.23
Net cash (used in) / generated from financing activities (C)		2,174.47	885.10
Net increase in cash and cash equivalents (A+B+C)		959.24	(2,647.78)
Cash and cash equivalents at the beginning of the period		2,447.98	5,095.76
Cash and cash equivalents at the end of the period		3,407.22	2,447.98
Cash and cash equivalents comprise of			
Cash and cheques in hand		11.65	6.14
Balances with scheduled banks		3,395.57	2,441.84
Total		3,407.22	2,447.98
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 62

As per our report of even date

For Dinesh Ajmera & Associates

 Chartered Accountants
 Firm Reg No:011970C

Ashok Kumar Jain
 Managing Director
 DIN-00184729

Arpit Jain
 Joint Managing Director
 DIN-06544441

For and on behalf of the Board

Mahesh Pancholi
 Company Secretary
 M.No. F7143

Tarun Goyal
 Chief Financial
 Officer
 M.No. 407449

CA. Dinesh Ajmera

Partner

Membership No. : 402629

UDIN : 22402629AHTQQQ2428

 Indore, 25th April, 2022

Statement of Changes in Equity For the year ended 31st March, 2022

A. EQUITY SHARE CAPITAL

(₹ in lacs)

Particular	Amount
Balance as at 1st April, 2020	1,041.13
Changes in equity share capital during the year	-
Balance as at 31st March, 2021	1,041.13
Changes in equity share capital during the year	-
Balance as at 31st March, 2022	1,041.13

B. OTHER EQUITY

(₹ in lacs)

Particulars	Reserve & Surplus		Total Equity
	Retained Earnings	General Reserve	
Balance as at 1st April, 2020	1,309.13	10,103.42	11,412.55
Profit for the period	3,475.41	-	3,475.41
Other comprehensive income	(5.47)	-	(5.47)
Transfer to General Reserve	(2,000.00)	2,000.00	-
Final Equity Dividend	(208.23)	-	(208.23)
Balance as at 31st March, 2021	2,570.85	12,103.42	14,674.27
Profit for the period	5,406.88	-	5,406.88
Other comprehensive income	1.47	-	1.47
Transfer to General Reserve	(6,000.00)	6,000.00	-
Final Dividend (2020-21)	(208.23)	-	(208.23)
Interim Dividend (2021-22)	(156.17)	-	(156.17)
Balance as at 31st March, 2022	1,614.80	18,103.42	19,718.22

Significant Accounting Policies and Notes on Financial Statements 1 to 62

As per our report of even date
For Dinesh Ajmera & Associates
 Chartered Accountants
 Firm Reg No:011970C
CA. Dinesh Ajmera
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Tarun Goyal
 Chief Financial Officer
 M.No. 407449

For and on behalf of the Board

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, 2022 and authorised for issue on April 25, 2022.

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 2022 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.

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

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.

(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 de-recognition 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 de-recognition, 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 FVTPL:

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 recognized 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 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 share holders 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 lacs as per the requirements.

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 transaction**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.

Exchange differences

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

2.20 Investment in subsidiaries and associates

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 Recent Accounting Developments

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 01 April 2021. The company has evaluated all the amendments and have given the effect on the balance sheet, statement of Profit and Loss and notes to the accounts.

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 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 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

(₹ in Lacs)

Particulars	31 st March, 2022	31 st March, 2021
4. Cash and Cash Equivalents		
Cash in hand	11.65	6.14
Balances with banks		
In current accounts	3,395.57	2,441.84
Total	3,407.22	2,447.98
5. Bank Balances other than above		
Earmarked balances (Unpaid dividend account)	25.67	24.32
Fixed Deposit with banks*	20,394.07	18,828.69
Total	20,419.74	18,853.00
* Fixed Deposit with bank includes Deposits under the lien of :		
NSE Clearing Limited	-	2,388.00
Axis Bank Ltd for NSEF&O segment	-	8,595.00
BSE Limited (ICCL)	10,376.00	25.00
National Commodity Exchange Limited & NCCL	480.50	482.50
Multi Commodity Exchange of India Limited & MCX-CCL	1,725.50	730.50
Bank for guarantees issued	7,750.00	6,557.75
Total	20,332.00	18,778.75
*Fixed deposits are pledged with exchange and banks for meting margin requirements and for obtaining bank guarantee Respectively.		
6. Securities for trade		
Quoted Equity Shares		
Adani Power Limited (50,000 (Nil) shares, face value of ₹10 each)	92.55	-
Aditya Birla Capital Limited (Nil (10,000) shares, face value of ₹10 each)	-	11.93
Aditya Birla Fashion And Retail Limited (Nil (10,000) shares, face value of ₹10 each)	-	20.13
Bharat Petroleum Corporation Limited (Nil (10,000) shares, face value of ₹10 each)	-	42.80
Cg Power And Industrial Solutions Limited (Nil (50,000) shares, face value of ₹2 each)	-	33.45
Dfm Foods Limited (Nil (5,000) shares, face value of ₹2 each)	-	18.21
Escorts Limited (25,000 (Nil) shares, face value of ₹10 each)	422.71	-
Emami Limited (Nil (20,035) shares, face value of ₹1 each)	-	97.37
Fortis Healthcare Limited (10,000 (30,000) shares, face value of ₹10 each)	29.04	59.75
Heritage Foods Limited (60,000 (Nil) shares, face value of ₹5 each)	192.15	-
Icici Securities Limited (25,000 (Nil) shares, face value of ₹5 each)	155.31	-
Kotak Mahindra Bank Limited (Nil (18,000) shares, face value of ₹5 each)	-	315.54
Oil and Natural Gas Corporation Limited (2,50,000 (Nil) shares, face value of ₹5 each)	409.75	-
The Phoenix Mills Limited (10,000 (Nil) shares, face value of ₹2 each)	110.00	-
Procter & Gamble Hygiene & Health Care Limited (Nil (1,800) shares, face value of ₹10 each)	-	228.22
Sun Tv Network Limited (50,000 (Nil) shares, face value of ₹5 each)	244.93	-
Tata Teleservices (Maharashtra) Limited (9,810 (Nil) shares, face value of ₹10 each)	16.35	-
Tata Consumer Products Limited (Nil (25,000) shares, face value of ₹1 each)	-	159.73
Total	1,672.79	987.11

Notes Forming Part Of Standalone Financial Statement

(₹ in Lacs)

Particulars	31 st March, 2022	31 st March, 2021
7. Trade Receivables*		
Considered good- Secured	23,239.32	14,291.11
Considered good - Unsecured	631.53	167.65
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - Credit impaired	-	-
Total (Gross)	23,870.85	14,458.77
Less: Impairment loss allowance	-	-
Total (Net)	23,870.85	14,458.77
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
*For Ageing of Trade Receivable refer note no.49.		
8. Loans		
[A] Loans		
- Amortised Cost		
Loans to related parties (Refer Note No. 47)	-	1,119.12
Total (Gross)	-	1,119.12
Less: Impairment Allowance	-	-
Total (Net)	-	1,119.12
[B]		
i) Secured by tangible assets	-	-
ii) Unsecured	-	1,119.12
Total (Gross)	-	1,119.12
Less: Impairment Allowance	-	-
Total (Net)	-	1,119.12
[C] Loans in India		
i) Public Sector	-	-
ii) Others	-	1,119.12
Total (Gross)	-	1,119.12
Less: Impairment Allowance	-	-
Total (Net)	-	1,119.12
Note: There is no loan asset measured at FVOCI or FVTPL		
Stage wise break up of loans -		
Low credit risk (Stage 1)	-	1,119.12
Significant increase in credit risk (Stage 2)	-	-
Credit impaired (Stage 3)	-	-
Total	-	1,119.12

Notes Forming Part Of Standalone Financial Statement

(₹ in Lacs)

Particulars	31 st March, 2022	31 st March, 2021
9. Investments		
Equity Instruments		
(A) At Fair Value though Profit or Loss		
1. Investment in Quoted shares		
Alicon Castalloy Limited (1,370 (Nil) shares, face value of ₹5 each)	9.05	-
Apcotex Industries Limited (4,732 (Nil) shares, face value of ₹2 each)	16.98	-
Cg Power And Industrial Solutions Limited (5,100 (Nil) shares, face value of ₹2 each)	9.66	-
D. P. Abhushan Limited (2,55,499 (4,61,099) shares, face value of ₹10 each)	955.44	541.79
Dfm Foods Limited (1,885 (Nil) shares, face value of ₹2 each)	5.57	-
Gufic Biosciences Limited (6,599 (Nil) shares, face value of ₹1 each)	16.43	-
H.G. Infra Engineering Limited (1,762 (Nil) shares, face value of ₹10 each)	9.83	-
Indiabulls Real Estate Limited (7,221 (Nil) shares, face value of ₹2 each)	7.32	-
Jubilant Ingrevia Limited (2,656 (Nil) shares, face value of ₹1 each)	11.95	-
Kolte - Patil Developers Limited (4,007 (Nil) shares, face value of ₹10 each)	11.31	-
Mastek Limited (386 (Nil) shares, face value of ₹5 each)	12.82	-
Nitiraj Engineers Limited (2,48,307 (4,32,000) shares, face value of ₹10 each)	181.02	206.50
One 97 Communications Limited (Paytm) (1,000 (Nil) shares, face value of ₹1 each)	5.28	-
Poddar Pigments Limited (3,422 (Nil) shares, face value of ₹2 each)	11.13	-
Spectrum Electrical Industries Limited (7,60,000 (7,94,000) shares, face value of ₹10 each)	710.60	452.58
Stove Kraft Limited (1,568 (Nil) shares, face value of ₹10 each)	9.63	-
Sub-Total (1)	1,984.03	1,200.87
2. Investment in Unquoted shares		
Hdb Financial Services Limited (5,320 (Nil) shares, face value of ₹10 each)	38.97	-
National Stock Exchange Limited (NSE) (7,500 (Nil) shares, face value of ₹1 each)	251.25	-
Quest Global Technologies Limited (90,000 (90,000) shares, face value of ₹10 each)	9.00	9.00
Saurashtra Kutch Stock Exchange Limited (50 (50) shares, face value of ₹100 each)	5.05	5.05
The Saraswat Co-Operative Bank Limited (500 (500) shares, face value of ₹10 each)	0.05	0.05
Sub-Total (2)	304.32	14.10

Notes Forming Part Of Standalone Financial Statement

(₹ in Lacs)

Particulars	31 st March, 2022	31 st March, 2021
(B) At cost		
1. Investment in subsidiaries		
Arihant Capital (IFSC) Limited (14,00,000 (14,00,000) shares, face value of ₹10 each)	140.00	140.00
Arihant Financial Services Limited (2,50,000 (2,50,000) shares, face value of ₹10 each)	206.24	206.24
Arihant Future & Commodities Limited (3,55,000 (3,55,000) shares, face value of ₹10 each)	79.52	79.52
Arihant Institute of Financial Education Private Limited (Formerly known as Arihant Investment Advisors Private Limited) (2,50,000 (2,50,000) shares, face value of ₹10 each)	25.00	25.00
Arihant Insurance Broking Services Limited (7,50,000 (7,50,000) shares, face value of ₹10 each)	75.00	75.00
Arihant Lifespace Infra Developers Limited* (Nil (4,50,000) shares, face value of ₹10 each)	-	405.00
Less : Accumulated Impairment**	(9.16)	-
Sub-Total (1)	516.60	930.76
2. Investment in Associate		
Electrum Capital Private Limited (Formerly known as Electrum Investment Managers Private Limited) (13,75,000 (13,75,000) shares, face value of ₹10 each)	137.50	137.50
Sub-Total (2)	137.50	137.50
Total (A+B)	2,942.45	2,283.23
i) Investments in India	2,942.45	2,283.23
ii) Investments outside India	-	-
Total	2,942.45	2,283.23
* The company has sold its entire shareholding in wholly owned subsidiary Arihant Lifespace Infra Developers Limited on 23.02.2022 for a total consideration of ₹1201.50 Lacs.		
**The Company has accounted for its investments in Subsidiaries at cost less impairment loss. Based on the assessment of the internal sources of information, management has identified indicators of impairment in respect of its investments in subsidiaries. In the current year, management has performed an impairment assessment by comparing the carrying value of these investments to their recoverable amount and accordingly recognized an impairment loss of ₹9.16 lacs.		
		(₹ in Lacs)
Particulars	31 st March, 2022	31 st March, 2021
10. Other Financial Assets		
Deposits with Exchanges / Depositories	1,209.89	292.65
Deposit with Related parties (Refer Note No.47)	34.50	30.75
Fixed Deposit with banks having maturity more than 12 months (Refer Note Below)	20.00	20.00
Other Deposits	23.35	16.47
Other Advances	55.51	41.06
Total	1,343.25	400.93
Note:		
Fixed Deposit with bank includes Deposits under the lien of :		
Pension Fund Regulatory and Development Authority.	20.00	20.00
Total	20.00	20.00

Notes Forming Part Of Standalone Financial Statement
11. Property, Plant & Equipment

(₹ in Lacs)

Particulars	Building	Furniture & Fixtures	Office Equipment's	Computers	Electrical Installations	Motor Vehicles	Total
Gross carrying Amount							
As at 1st April, 2020	577.89	90.86	54.17	198.45	12.50	147.61	1,081.48
Additions	-	3.64	16.73	35.50	-	18.00	73.87
Disposals	-	11.77	5.80	30.17	0.71	-	48.46
Balance as at 31st March, 2021	577.89	82.73	65.10	203.77	11.79	165.61	1,106.90
Additions	-	1.48	9.14	75.78	8.36	68.85	163.62
Disposals	-	-	-	6.72	-	12.49	19.21
Balance as at 31st March, 2022	577.89	84.21	74.24	272.83	20.15	221.97	1,251.30
Accumulated Depreciation							
As at 1st April, 2020	20.65	22.49	20.13	103.44	3.24	32.10	202.05
Additions	10.33	9.57	11.23	50.37	1.46	19.71	102.66
Disposals	-	3.77	3.20	23.38	0.31	-	30.65
Balance as at 31st March, 2021	30.98	28.29	28.16	130.43	4.39	51.81	274.06
Additions	10.33	9.50	11.45	40.20	1.45	20.56	93.48
Disposals	-	-	-	6.45	-	3.70	10.15
Balance as at 31st March, 2022	41.30	37.80	39.61	164.18	5.84	68.67	357.40
Net Carrying Amount							
Balance as at 31st March, 2021	546.92	54.44	36.94	73.34	7.40	113.80	832.83
Balance as at 31st March, 2022	536.59	46.42	34.64	108.65	14.31	153.30	893.91

12. Other Intangible Assets

(₹ in Lacs)

Particulars	Software	Total
Gross carrying Amount		
As at 1st April, 2020	86.15	86.15
Additions	16.25	16.25
Disposals	5.75	5.75
Balance as at 31st March, 2021	96.65	96.65
Additions	31.50	31.50
Disposals	-	-
Balance as at 31st March, 2022	128.15	128.15
Accumulated Depreciation		
As at 1st April, 2020	25.73	25.73
Additions	14.23	14.23
Disposals	0.17	0.17
Balance as at 31st March, 2021	39.79	39.79
Additions	18.98	18.98
Disposals	-	-
Balance as at 31st March, 2022	58.78	58.78
Net Carrying Amount		
Balance as at 31st March, 2021	56.85	56.85
Balance as at 31st March, 2022	69.37	69.37

Notes Forming Part Of Standalone Financial Statement

(₹ in Lacs)

Particulars	31 st March, 2022	31 st March, 2021
13. Other Non Financial Assets		
Employee Advance	4.43	1.28
Prepaid expenses	205.80	167.83
Tax Receivables (IT Department)	114.86	144.19
GST Receivables	37.47	13.43
Other Advances	90.39	2.31
Total	452.96	329.05
14. Assets held for sale		
(A) Assets classified as held for sale		
(i) Investment in subsidiaries (Refer Note 14.1)	190.00	440.00
(ii) Advances for expenses	1.23	0.68
Total (A)	191.23	440.68
(B) Liabilities directly associated with assets classified as held for sale		
(i) Payable to subsidiaries	-	0.65
Total (B)	-	0.65
Net assets held for sale (A-B)	191.23	440.03
14.1 Investment in subsidiaries*		
Investments in Equity Instruments of subsidiaries (fully paid up equity shares of ₹10/- each)		
i) Ahinsa Lifespace Infraheight Limited	190.00	190.00
ii) Electrum Portfolio Managers Limited (Formerly Arihant Asset Management Limited)	-	250.00
Total	190.00	440.00
*The company has sold its entire shareholding in subsidiary Electrum Portfolio Managers Limited (Formerly Arihant Asset Management Limited) on 22.11.2021 for a total consideration of ₹308.29 Lacs. The company is also in progress to divest its whole investment in subsidiary Ahinsa Lifespace Infraheight Ltd in the following year. This investment does not constitute major component of the company and hence not classified as discontinued operations.		
15. Derivative Financial Instruments		
(i) Equity linked derivatives	37.51	8.43
Total	37.51	8.43
Notional amounts	5,861.93	2,949.80
Note : - The derivatives are used for the purpose of trading.		
16. Trade Payables*		
Micro, Small and Medium Enterprises (Refer Note No.44)	41.12	14.19
Other than Micro, Small and Medium Enterprises	23,558.87	15,681.79
Total	23,599.99	15,695.98
For ageing of trade Payable refer not no. 50		

Notes Forming Part Of Standalone Financial Statement

(₹ in Lacs)

Particulars	31 st March, 2022	31 st March, 2021
17. Borrowings		
[A] Loans repayable on demand		
- Amortised Cost		
i) from banks	7,137.80	4,805.29
ii) from Director	650.00	-
Total	7,787.80	4,805.29
[B]		
i) Borrowings in India	7,787.80	4,805.29
ii) Borrowings outside India	-	-
Total	7,787.80	4,805.29
[C]		
i) Secured *	7,137.80	4,805.29
ii) Unsecured	650.00	-
Total	7,787.80	4,805.29
*Secured against pledge of securities, trade receivables and immovable property.		
*Details of Assets pledged as security		
1. The Company availed overdraft facility from ICICI Bank amounting to ₹2,000 Lacs. Outstanding book balance of overdraft is ₹1,993.71 Lacs (31 March 2021: Nil) The aforesaid overdraft is secured by way of first charge on trade receivables of the company.		
2. The Company availed overdraft facility from Axis Bank amounting to ₹6,000 Lacs. Outstanding book balance of overdraft is ₹4,646.60 Lacs (31 March 2021: ₹3,110.53 Lacs). The aforesaid overdraft is secured by way of first charge on trade receivables of the company.		
3. The Company availed loan against property from ICICI Bank amounting to ₹500 Lacs. Outstanding book balance of loan is ₹497.49 Lacs (31 March 2021: ₹493.19 Lacs). The aforesaid loan is secured by way of first charge by way of equitable mortgage of building situated at 1011, Solitaire Corporate Park, Building No.10, 1st Floor, Andheri Ghatkopar Link Road Chakala Andheri (East) Mumbai in the name of the company.		
18. Other Financial Liabilities		
Employee Benefits Payable	127.67	271.63
Franchise Deposit	613.95	399.20
Margin Deposit #	-	2,767.50
Other Deposit	499.32	859.35
Other Payable(includes payable to vendors)	741.97	491.85
Unpaid Dividend*	25.67	24.32
Total	2,008.58	4,813.84
# From current year due to changes in reporting format by exchange, the Company is not required to maintain separate ledger for margin credit hence it is included in normal client's ledger balance.		
*Out of the above amount, the company is required to credit a sum of ₹3.85 lacs lying in the unpaid/unclaimed dividend account, on or before 30th September, 2022 to the Investor Education & Protection Fund pursuant to Sub -section (1) of Section 125 of The Companies Act, 2013.		
19. Current Tax Liabilities (net)		
Income tax payable {Net of Advance Tax & TDS for 2022 of ₹1015.80 Lacs (₹1040.04 Lacs for 2021) }	233.62	79.98
Total	233.62	79.98
20. Provisions		
Provision for Gratuity (Refer Note No.46)	186.31	179.87
Provision for Bonus	15.60	19.45
Provision for Expenses	105.32	78.54
Total	307.22	277.86
21. Deferred Tax Liabilities (net)		
Deferred Tax Liabilities (net) (Refer Note No.39)	150.12	38.81
Total	150.12	38.81

Notes Forming Part Of Standalone Financial Statement

(₹ in Lacs)

Particulars	31 st March, 2022	31 st March, 2021		
22. Other Non Financial Liabilities				
Statutory Dues Payable (including PF, ESIC, Stamp Duty, TDS, Professional Tax and GST)	182.59	255.57		
Other Advances	197.00	517.74		
Total	379.59	773.31		
23. Share Capital				
Authorised				
2,50,00,000 (2,50,00,000) equity share of ₹5/- each	1,250.00	1,250.00		
Issued, Subscribed & Paid up				
2,08,22,560 (2,08,22,560) equity share of ₹5/- each	1,041.13	1,041.13		
Total	1,041.13	1,041.13		
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	67,06,336 (32.21%)	61,70,336 (29.63%)		
Kiran Jain	47,28,320 (22.71%)	47,28,320 (22.71%)		
Sunil Kumar Jain	10,70,656 (5.14%)	16,06,656 (7.72%)		
Arpit Jain	11,47,840 (5.51%)	11,47,840 (5.51%)		
d. Shareholding of Promoter				
FY 2021-22				
Shares held by promoters at the end of the Year				
S. No.	Promoter's Name	No. of Shares	% of total shares	% Change during the Year
1	Ashok Kumar Jain	67,06,336	32.21	2.58
2	Kiran Jain	47,28,320	22.71	-
3	Sunil Kumar Jain	10,70,656	5.14	(2.58)
4	Arpit Jain	11,47,840	5.51	-
5	Swati Jain	9,15,516	4.40	-
6	Shruti Jain	6,22,080	2.99	-
7	Ratik Jain	1,92,000	0.92	-
8	Kamal Kumar Jain (HUF)	51,200	0.25	-
9	Anvita Jain	38,400	0.18	-
10	Meena Jain	30,400	0.15	-
11	Kamal Kumar Jain	25,600	0.12	-
	Total	1,55,28,348	74.58	-

Notes Forming Part Of Standalone Financial Statement

FY 2020-21				
Shares held by promoters at the end of the Year				% Change during the Year
S. No.	Promoter's Name	No. of Shares	% of total shares	
1	Ashok Kumar Jain	61,70,336	29.63	0.51
2	Kiran Jain	47,28,320	22.71	-
3	Sunil Kumar Jain	16,06,656	7.72	-
4	Arpit Jain	11,47,840	5.51	-
5	Swati Jain	9,15,516	4.40	-
6	Shruti Jain	6,22,080	2.99	-
7	Ratik Jain	1,92,000	0.92	-
8	Kamal Kumar Jain (HUF)	51,200	0.25	-
9	Anvita Jain	38,400	0.18	-
10	Meena Jain	30,400	0.15	-
11	Kamal Kumar Jain	25,600	0.12	-
	Total	1,55,28,348	74.58	0.51

(₹ in Lacs)

Particulars	31 st March, 2022	31 st March, 2021
24. Other Equity		
General Reserve		
Balance at the beginning of the year	12,103.42	10,103.42
Transfer from Retained Earnings	6,000.00	2,000.00
Balance as at end of the year	18,103.42	12,103.42
Retained Earnings		
Balance at the beginning of the year	2,570.85	1,309.13
Transfer from Statement of Profit and Loss	5,406.88	3,475.41
Remeasurement of Defined Benefit Plan (Net of Taxes)	1.47	(5.47)
Final Dividend (2020-21)	(208.23)	(208.23)
Interim Dividend (2021-22)	(156.17)	-
Transfer to General Reserve	(6,000.00)	(2,000.00)
Balance as at end of the year	1,614.80	2,570.85
Total	19,718.22	14,674.27
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.		
25. Interest Income		
On financial assets measured at amortised cost-		
Interest on loans	67.92	278.17
Interest on deposits with banks	1,066.71	939.97
Interest on Margin funding	2,955.66	1,191.20
Total	4,090.29	2,409.34
26. Dividend Income		
From Securities	11.40	7.83
Total	11.40	7.83
27. Fees and commission income		
Commission Received (Net)	187.46	132.55
Brokerage Income	8,527.48	6,105.00
Depository Receipts	287.53	219.10
Fees From Merchant Banking	168.65	232.48
Total	9,171.12	6,689.13

Notes Forming Part Of Standalone Financial Statement

(₹ in Lacs)

Particulars	31 st March, 2022	31 st March, 2021
28. 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)	391.83	1,043.84
(ii) Profit/(loss) on securities held for trade	92.09	538.62
(B) Others		
- Profit/(loss) on sale of investments (net) at fair value through profit or loss*	1,479.79	244.90
Total	1,963.71	1,827.37
*Profit on sale of subsidiaries shown in Exceptional items(Refer note 38)		
Fair value changes		
Realised gain	907.71	1,759.81
Unrealised gain	1,056.00	67.56
Total	1,963.71	1,827.37
29. Other operating income		
Others Income	1.12	4.13
Total	1.12	4.13
30. Other Income		
Interest on Income Tax Refund	-	5.36
Income from Rent	3.10	1.80
Bad debts recovered	-	14.11
Miscellaneous income	28.66	24.82
Total	31.76	46.08
31. Finance Costs		
On financial liabilities measured at amortised cost-		
Interest on Borrowings	443.64	232.90
Interest paid on Margin Money	128.44	85.13
Other Interest expenses	1.42	2.06
Total	573.50	320.09
32. Fees and Commission Expense		
Sub Brokerage/Referral Fees	4,493.40	2,630.93
Depository charges	112.58	101.07
Exchange Transaction Charges	752.74	602.52
Clearing Charges	19.48	24.33
Merchant Banking Expenses	9.63	24.39
Total	5,387.83	3,383.24
33. Impairment on financial instruments		
On financial assets measured at amortised cost-		
Trade Receivable	-	-
Investments in subsidiaries(Refer note 9)	9.16	-
Bad Debts written off	8.79	11.11
Total	17.96	11.11
34. Employee Benefits Expenses (Includes Managerial Remuneration)		
Salaries, wages and bonus	1,607.25	1,535.06
Contribution to provident and other fund (Refer Note No.46)	23.22	18.45
Gratuity expense (Refer Note No.46)	19.45	54.97
Staff welfare expenses	22.55	18.44
Total	1,672.48	1,626.92
35. Depreciation and amortisation expense		
Depreciation on Property, plant & equipment	93.48	102.66
Amortisation on other intangible assets	18.98	14.23
Total	112.46	116.90

Notes Forming Part Of Standalone Financial Statement

(₹ in Lacs)

Particulars	31 st March, 2022	31 st March, 2021
36. Other Expenses		
Advertisement	33.22	29.04
Auditors' Remuneration (Refer Note No.37)	9.68	9.83
Bank Charges	128.22	76.26
Business Development	71.59	23.78
Corporate Social Responsibility (Refer Note No. 59)	60.63	80.85
Communication including V-Sat	113.40	104.91
Electricity	49.45	50.25
Insurance	15.43	14.53
Legal and Professional	266.66	119.01
Loss On Fixed Assets	0.51	22.59
Membership Fee & Subscription	23.43	14.82
Miscellaneous	81.43	38.70
Office Expenses	26.27	26.38
Rent	120.91	114.10
Repairs & Maintenance	73.18	74.90
Software Maintenance	437.09	253.52
Stationery & Printing	14.87	5.30
Travelling, Conveyance and Motor Car	84.11	52.04
Total	1,610.07	1,110.80
37. Remuneration To Auditors (Exclusive of Taxes)		
As Auditors:		
Statutory audit	7.00	7.00
Tax audit	1.00	1.00
Limited review	0.90	0.90
Other services	0.78	0.93
Total	9.68	9.83
38. Exceptional items		
Profit on sale of subsidiaries (Refer note 9 & 14)	854.79	-
Total	854.79	-
39. Tax Expense		
I. The major components of income tax expense for the year are as under		
(A) Current tax expense		
Current tax for the year	1,249.42	1,120.02
Tax adjustment in respect of earlier years	(17.23)	(175.99)
Total current tax expense (A)	1,232.19	944.03
(B) Deferred taxes		
Change in deferred tax liabilities	110.81	(4.61)
Net deferred tax expense (B)	110.81	(4.61)
Total (A+B)	1,343.01	939.42
B. Reconciliation of tax expenses and the accounting profit for the year is as under		
Profit / (loss) before income tax expense	6,749.89	4,414.83
Tax at the rate of 25.17%	1,698.81	1,111.12
Difference due to :		
Tax effect of expense allowed on payment basis	6.04	11.96
Tax on expense not tax deductible	15.39	26.03
Tax adjustment relating to fair valuation of equity instrument	(587.57)	(43.91)
Tax adjustment of previous years	(17.23)	(175.99)
Tax effect of different depreciation	(4.16)	(1.06)
Tax effect on chapter VI	(2.87)	(1.97)
Tax on income taxable at different rate	112.13	7.73
Others	11.65	10.12
Current tax expense (A)	1,232.19	944.03
Deferred tax liability on PPE & Intangible Assets	9.75	(4.62)
Deferred tax asset on expense allowed on payment basis	(1.14)	(12.62)
Deferred tax asset on fair valuation	102.21	12.63
Deferred tax expense (B)	110.81	(4.61)
Total Tax Expense (A+B)	1,343.01	939.42
Effective Tax Rate	19.90%	21.28%

C. Movement of deferred tax assets and liabilities

(₹ in Lacs)

Year Ended 31st March, 2022				
Particulars	As at 1st April, 2021	Credit / (Charge) in Profit or Loss	Credit / (Charge) in in OCI	As at 31st March, 2022
Deferred tax liability on account of :				
Timing difference on PPE & Intangible Assets as per books and Income Tax Act, 1961	71.97	(9.75)	-	81.72
Fair valuation of Securities for Trade as per Ind AS	(3.86)	(0.94)	-	(2.92)
Total deferred tax liabilities (A)	68.11	(10.69)	-	78.80
Deferred tax assets on account of:				
Expenses allowable u/s. 43B on payment basis				
-Gratuity	45.27	2.11	(0.49)	46.89
-Bonus	4.90	(0.97)	-	3.93
Fair valuation of Equity Instruments as per Ind AS	(20.87)	(101.27)	-	(122.14)
Total deferred tax assets (B)	29.30	(100.12)	(0.49)	(71.32)
Net deferred tax Liability/(Assets) (A-B)	38.81	(110.81)	(0.49)	150.12
Year Ended 31st March, 2021				
Particulars	As at 1st April, 2020	Credit / (Charge) in Profit or Loss	Credit / (Charge) in 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	4.62	-	71.97
Fair valuation of Securities for Trade as per Ind AS	17.73	21.59	-	(3.86)
Total deferred tax liabilities (A)	94.32	26.21	-	68.11
Deferred tax assets on account of:				
Expenses allowable u/s. 43B on payment basis				
-Gratuity	30.80	12.63	1.84	45.27
-Bonus	4.91	(0.01)	-	4.90
Fair valuation of Equity Instruments as per Ind AS	13.36	(34.23)	-	(20.87)
Total deferred tax assets (B)	49.06	(21.61)	1.84	29.30
Net deferred tax Liability/(Assets) (A-B)	45.26	4.61	1.84	38.81
31st March, 2022				
Particulars	31st March, 2022		31st March, 2021	
40. Earnings Per Equity Share				
A) Profit attributable to Equity holders of Company				
Profit attributable to equity holders (₹ in lacs)	5,406.88		3,475.41	
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 (₹)	25.97		16.69	
41. Proposed dividend				
The Board of Directors has recommended final dividend of ₹ 0.15 per share for the financial year 2021-22.				

Notes Forming Part Of Standalone Financial Statement

(₹ in Lacs)

42. Contingent Liability and Commitment (to the extent not provided for)		
Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Contingent liabilities:		
Bank Guarantees given*	15,500.00	13,092.75
Demand in respect of income tax matters for which appeal is pending	50.48	Nil
Claim against the company	-	39.03
Capital commitments:		
There are no Capital commitment as at the year end.		
* Bank Guarantees details		
1.ICCL Bombay Stock Exchange Ltd (under mandatory rules for membership)	123.75	123.75
2.ICCL Bombay Stock Exchange Ltd (towards additional margin)	15,301.25	-
3.Axis Bank Ltd - Clearing Member of company in NSE F&O segment (towards margin requirement)	-	5,478.00
4.National Securities Clearing Corporation Ltd (towards additional margin)	-	7,026.00
5.National Securities Clearing Corporation Ltd (under mandatory rules for membership)	75.00	75.00
6.MCXCCCL (towards additional margin requirement)	-	390.00
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		
(₹ in Lacs)		
Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Revenue from Operations		
India	15,237.64	10,937.80
Outside India	-	-
Total	15,237.64	10,937.80
The following table shows the carrying amounts of non-current segment assets by geographical area in which the assets are located:		
(₹ in Lacs)		
Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
Non-Current Assets*		
India	963.28	889.68
Outside India	-	-
Total	963.28	889.68
*It includes PPE and Intangible Assets		
During the year ended 31 st March, 2022 and 2021 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.		

Notes Forming Part Of Standalone Financial Statement

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:

(₹ in Lacs)

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
The Principal amount remaining unpaid at the year end	41.12	14.19
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	41.12	14.19

45. Revenue from Contract with customers

The Company derives revenue primarily from the broking business. Its other major revenue sources is Interest earned on delayed payments from clients and amounts funded to them.

A. Disaggregate revenue information

The table below presents disaggregate revenues from contracts with customers for the year ended 31st March, 2022 and 31st March, 2021. 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.

(₹ in Lacs)

Particulars	For the Year ended 31 st March, 2022	For the Year ended 31 st March, 2021
Brokerage Income	8,527.48	6,105.00
Fees & Commission Income	187.46	132.55
Interest Income	4,090.29	2,409.34
Depository Income	287.53	219.10
Total	13,092.76	8,865.99

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.

Notes Forming Part Of Standalone Financial Statement

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 ₹ 18.55 Lacs (Previous Year ₹ 14.60 Lacs) for provident fund contributions in the Statement of Profit and Loss.

The Company recognised ₹ 4.67 Lacs (Previous Year: ₹ 3.85 Lacs) 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 Lacs. (Previous Year ₹ 20 Lacs).

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	(₹ in Lacs)	
Particulars	31 st March, 2022	31 st March, 2021
Opening balance	179.87	122.37
Included in profit or loss -		
Current service cost	11.90	48.59
Interest cost	7.54	6.38
Total - A	199.32	177.34
Included in OCI -		
Actuarial loss (gain) arising from:		
Demographic assumptions	(0.00)	-
Financial assumptions	(3.60)	3.67
Experience adjustment	1.64	3.64
Total - B	(1.96)	7.31
Other		
Benefits paid	(11.05)	(7.41)
Liability transferred in for Employees joined	-	2.63
Total - C	(11.05)	(4.78)
Closing balance (A+B+C)	186.31	179.87

Notes Forming Part Of Standalone Financial Statement
C. Defined Benefit Obligations

(i) Actuarial assumptions: The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Mortality Table	IALM (2012-14) Urban	IALM (2006-08) Ult.
Retirement age	60,65 & 70 years	60,65 & 70 years
Attrition Rate	29.00% p.a.	29.00% p.a.
Discount rate	5.15% p.a.	4.25% 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.

(₹ in Lacs)

Particulars	As at 31 st March, 2022		As at 31 st March, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(3.79)	4.02	(3.82)	4.06
Future salary growth (1% movement)	3.56	(3.41)	3.45	(3.30)
Employee Turnover (1% movement)	(0.23)	0.23	(0.31)	0.32

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:

(₹ in Lacs)

Maturity profile	As at 31 st March, 2022	As at 31 st March, 2021
Expected benefits for Year 1	52.07	51.93
Expected benefits for Year 2	40.71	37.87
Expected benefits for Year 3	44.73	28.53
Expected benefits for Year 4	19.05	31.17
Expected benefits for Year 5	14.79	13.31
Sum of Years 6 to 10	30.84	28.80
Sum of Years 11 and above	7.79	7.47

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 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) Subsidiaries

- Arihant Futures & Commodities Limited
- Arihant Financial Services Limited
- Arihant Lifespace Infra Developers Limited (till 23/02/2022)
- Arihant Insurance Broking Services Limited
- Arihant Institute of Financial Education Private Limited (Formerly known as Arihant Investment Advisors Private Limited)
- Ahinsa Lifespace Infraheight Limited
- Electrum Portfolio Managers Limited (Formerly Arihant Asset Management Limited) (till 22/11/2021)
- Arihant Capital (IFSC) Limited

b) Associate

- Electrum Capital Private Limited (Formerly known as Electrum Investment Managers Private Limited)
- Electrum Portfolio Managers Limited (Formerly Arihant Asset Management Limited) (Subsidiary of associate) (w.e.f 23/11/2021)

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. Jitendra Jain	Independent Director(w.e.f.14-6-2021)
Mr. Arpit Jain	Joint Managing Director
Mr. Tarun Goyal	Chief Financial Officer
Mr. Mahesh Pancholi	Company Secretary

d) Relatives of Key Management Personnel

Ashok Kumar Jain HUF
Mr. Arpit Jain
Mrs. Kiran Jain
Mrs. Shruti Jain
Mrs. Swati Jain

e) Enterprises in which Key Management Personnel have Control

Shyam Developers
Savitt Universal Limited

Notes Forming Part Of Standalone Financial Statement

(₹ in Lacs)

Transactions with related parties													
Nature of Transaction	Name of the Related Party	Director & KMP		Relatives of KMP		Subsidiaries & Associate		Enterprise in which Key Management Personnel have control			Total		
		31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22		31-Mar-21	
Incomes													
Interest	Arihant Financial Services Limited	-	-	-	-	1.63	174.02	-	-	-	-	1.63	174.02
	Arihant Futures & Commodities Limited	-	-	-	-	2.35	-	-	-	-	-	2.35	-
	Arihant Lifespace Infra Developers Limited	-	-	-	-	63.83	104.15	-	-	-	-	63.83	104.15
	Total	-	-	-	-	67.82	278.17	-	-	-	-	67.82	278.17
Rent													
	Electrum Portfolio Managers Limited (As Subsidiary)	-	-	-	-	1.40	1.80	-	-	-	-	1.40	1.80
	Electrum Portfolio Managers Limited (As Subsidiary of Associate)	-	-	-	-	1.00	-	-	-	-	-	1.00	-
	Electrum Capital Private Limited	-	-	-	-	0.70	-	-	-	-	-	0.70	-
	Total	-	-	-	-	3.10	1.80	-	-	-	-	3.10	1.80
Commission Income													
	Electrum Capital Private Limited	-	-	-	-	2.90	-	-	-	-	-	2.90	-
	Total	-	-	-	-	2.90	-	-	-	-	-	2.90	-
Grand Total													
		-	-	-	-	73.82	279.97	-	-	-	-	73.82	279.97
Expenses													
Salary & Incentive	Ashok Kumar Jain	162.04	374.52	-	-	-	-	-	-	-	-	162.04	374.52
	Anita Gandhi	38.60	36.08	-	-	-	-	-	-	-	-	38.60	36.08
	Arpit Jain	18.57	3.00	-	14.73	-	-	-	-	-	-	18.57	17.73
	Tarun Goyal	14.83	13.48	-	-	-	-	-	-	-	-	14.83	13.48
	Mahesh Pancholi	12.19	9.90	-	-	-	-	-	-	-	-	12.19	9.90
	Shruti Jain	-	-	24.00	23.00	-	-	-	-	-	-	24.00	23.00
	Total	246.23	436.98	24.00	37.73	-	-	-	-	-	-	270.23	474.71

Notes Forming Part Of Standalone Financial Statement

(₹ in Lacs)

Nature of Transaction	Name of the Related Party	Director & KMP		Relatives of KMP		Subsidiaries & Associate		Enterprise in which Key Management Personnel have control			Total
		31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	
Rent	Ashok Kumar Jain	15.00	14.63	-	-	-	-	-	-	15.00	14.63
	Kiran Jain	-	-	35.25	37.54	-	-	-	-	35.25	37.54
	Ashok Kumar Jain HUF	-	-	4.13	4.02	-	-	-	-	4.13	4.02
	Arpit Jain	4.13	0.69	-	3.33	-	-	-	-	4.13	4.02
	Shyam Developers	-	-	-	-	-	-	15.00	9.80	15.00	9.80
Total		19.13	15.31	39.38	44.90	-	-	15.00	9.80	73.50	70.01
Sitting Fees	Sumil Kumar Jain	2.40	1.40	-	-	-	-	-	-	2.40	1.40
	Paragbhai Shah	2.00	1.15	-	-	-	-	-	-	2.00	1.15
	Ashish Maheshwari	2.40	1.40	-	-	-	-	-	-	2.40	1.40
	Akhilesh Rathi	2.40	0.75	-	-	-	-	-	-	2.40	0.75
	Jitendra Jain	2.40	-	-	-	-	-	-	-	2.40	-
Total		11.60	4.70	-	-	-	-	-	-	11.60	4.70
Legal & Professional Fees	Swati Jain	-	-	14.40	19.97	-	-	-	-	14.40	19.97
Total		-	-	14.40	19.97	-	-	-	-	14.40	19.97
Interest	Arihant Financial Services Limited	-	-	-	-	3.46	0.05	-	-	3.46	0.05
	Savitt Universal Limited	-	-	-	-	-	-	12.42	-	12.42	-
	Akhilesh Rathi	19.23	-	-	-	-	-	-	-	19.23	-
Total		19.23	-	-	-	3.46	0.05	12.42	-	35.11	0.05
Commission	Arihant Futures & Commodities Limited	-	-	-	-	38.77	30.29	-	-	38.77	30.29
	Electrum Capital Private Limited	-	-	-	-	28.33	-	-	-	28.33	-
Total		-	-	-	-	67.10	30.29	-	-	67.10	30.29
Grand Total		296.19	456.99	77.78	102.59	70.56	30.34	27.42	9.80	471.94	599.73

(₹ in Lacs)

Nature of Transaction	Name of the Related Party		Director & KMP		Relatives of KMP		Subsidiaries & Associate		Enterprise in which Key Management Personnel have control		Total	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Assets												
Rent Deposits												
Ashok Kumar Jain	3.50	3.50	-	-	-	-	-	-	-	-	3.50	3.50
Kiran Jain	-	-	20.38	20.38	20.38	20.38	-	-	-	-	20.38	20.38
Ashok Kumar Jain HUF	-	-	3.44	3.44	3.44	3.44	-	-	-	-	3.44	3.44
Arpit Jain	3.44	3.44	-	-	-	-	-	-	-	-	3.44	3.44
Shyam Developers	-	-	-	-	-	-	-	-	3.75	3.75	-	-
Total	6.94	6.94	23.81	23.81	23.81	23.81	-	-	3.75	3.75	34.50	30.75
Loans Given (at year end)												
Arihant Lifespace Infra Developers Limited	-	-	-	-	-	-	1,119.12	1,119.12	-	-	-	-
Total	-	-	-	-	-	-	1,119.12	1,119.12	-	-	-	1,119.12
Advance for Expenses												
Ahinsa Lifespace Infraheight Limited	-	-	-	-	-	-	1.23	0.68	-	-	1.23	0.68
Total	-	-	-	-	-	-	1.23	0.68	-	-	1.23	0.68
Liabilities												
Creditor												
Electrum Portfolio Managers Limited	-	-	-	-	-	-	-	0.65	-	-	-	0.65
Total	-	-	-	-	-	-	-	0.65	-	-	-	0.65
Rent Deposits Taken												
Electrum Capital Private Limited	-	-	-	-	-	-	0.30	-	-	-	0.30	-
Total	-	-	-	-	-	-	0.30	-	-	-	0.30	-
Loans Taken												
Akhilesh Rathai	650.00	-	-	-	-	-	-	-	-	-	650.00	-
Total	650.00	-	-	-	-	-	-	-	-	-	650.00	-

Notes Forming Part Of Standalone Financial Statement

(₹ in Lacs)

48. Foreign Currency Transactions						
(i) Expenditure in foreign currency						
Particulars			For the year ended 31st March, 2022			For the year ended 31st March, 2021
Software Expenses			13.81			-
Total			13.81			-
(ii) Income in foreign currency						
Particulars			For the year ended 31st March, 2022			For the year ended 31st March, 2021
Income from Royalty			6.27			-
Total			6.27			-
49. Ageing Schedule for Trade Receivables:						
For the year ended 31st March, 2022						
Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables- considered good	23,844.25	12.01	1.50	7.57	5.53	23,870.85
(ii) Undisputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
For the year ended 31st March, 2021						
Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables- considered good	14,130.34	182.18	120.23	12.28	13.73	14,458.77
(ii) Undisputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
50. Ageing Schedule for Trade Payables:						
For the year ended 31st March, 2022						
Particulars	Outstanding for following periods from due date of payment					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	41.12	-	-	-		41.12
(ii) Others	23,526.05	11.13	8.40	13.29		23,558.87
(iii) Disputed dues- MSME	-	-	-	-		-
(iv) Disputed dues- Others	-	-	-	-		-
For the year ended 31st March, 2021						
Particulars	Outstanding for following periods from due date of payment					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	14.19	-	-	-		14.19
(ii) Others	15,639.19	13.81	11.84	16.95		15,681.79
(iii) Disputed dues- MSME	-	-	-	-		-
(iv) Disputed dues- Others	-	-	-	-		-

Notes Forming Part Of Standalone Financial Statement

51. Details of borrowings from banks or financial institutions on the basis of security of current assets

The quarterly returns or statements of current assets filed by the Company with banks or financial institutions for the working capital limit are in agreement with the books of accounts.

52. Registration of charges or satisfaction with Registrar of Companies

The company has filed all the registration of charges, modification or satisfaction with ROC within the statutory period as required by the Companies Act, 2013.

53. Additional Regulatory Information as per Companies Act, 2013

1. The company has granted loans or advances in nature of loans repayable on demand to its wholly owned subsidiaries as defined in the Companies Act, 2013. And there is no outstanding balance of loan at the balance sheet date.
2. The title deeds, comprising all the immovable properties are held in the name of company and no immovable property is jointly held with others.
3. There is no Intangible assets under development.
4. There is no tangible assets(Capital-work-in progress) under development.
5. The company has not revalued its Property, Plant and Equipment and Intangible Assets.
6. No proceeding have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
7. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
8. The company is not declared willful defaulter by any bank or financial Institution or other lender.
9. The company has not entered into transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
10. The company has not applied for any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013.
11. Utilization of Borrowed funds and share premium:
 - (a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) No funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
12. The Company has not used the borrowings from banks and financial institutions for the purpose other than for which it was taken.

54. Disclosure relating to various ratios

Additional regulatory information required under clause (xvi) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the Company as it is in broking business and not an NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934.

Notes Forming Part Of Standalone Financial Statement

55. 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: (₹ in Lacs)

Particulars	Carrying amount			Fair value				
	FVPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
31-Mar-22								
Financial assets								
Cash and cash equivalents	-	-	3,407.22	3,407.22	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	20,419.74	20,419.74	-	-	-	-
Securities for trade	1,672.79	-	-	1,672.79	1,672.79	-	-	1,672.79
Receivables	-	-	-	-	-	-	-	-
Trade receivables	-	-	23,870.85	23,870.85	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Investments	2,804.95	-	137.50	2,942.45	2,790.85	-	14.10	2,804.95
Other financial assets	-	-	1,343.25	1,343.25	-	-	-	-
Total financial assets	4,477.74	-	49,178.57	53,656.30	4,463.64	-	14.10	4,477.74
Financial liabilities								
Derivative financial instruments	-	-	37.51	37.51	-	-	-	-
Trade Payables	-	-	41.12	41.12	-	-	-	-
Total outstanding dues of micro & small enterprises	-	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro & small enterprises	-	-	23,558.87	23,558.87	-	-	-	-
Borrowings	-	-	7,787.80	7,787.80	-	-	-	-
Other financial Liabilities	-	-	2,008.58	2,008.58	-	-	-	-
Total financial liabilities	-	-	33,433.88	33,433.88	-	-	-	-

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy: (₹ in Lacs)

Particulars	Carrying amount			Fair value				
	FVPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
31-Mar-21								
Financial assets								
Cash and cash equivalents	-	-	2,447.98	2,447.98	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	18,853.00	18,853.00	-	-	-	-
Securities for trade	987.11	-	-	987.11	987.11	-	-	987.11
Receivables	-	-	-	-	-	-	-	-
Trade receivables	-	-	14,458.77	14,458.77	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-
Loans	-	-	1,119.12	1,119.12	-	-	-	-
Investments	2,145.73	-	137.50	2,283.23	2,131.63	-	14.10	2,145.73
Other financial assets	-	-	400.93	400.93	-	-	-	-
Total financial assets	3,132.84	-	37,417.30	40,550.14	3,118.74	-	14.10	3,132.84
Financial liabilities								
Derivative financial instruments	-	-	8.43	8.43	-	-	-	-
Trade Payables	-	-	14.19	14.19	-	-	-	-
Total outstanding dues of micro & small enterprises	-	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro & small enterprises	-	-	15,681.79	15,681.79	-	-	-	-
Borrowings	-	-	4,805.29	4,805.29	-	-	-	-
Other financial Liabilities	-	-	4,813.84	4,813.84	-	-	-	-
Total financial liabilities	-	-	25,323.54	25,323.54	-	-	-	-

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.

56. 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 31,2022

Particulars	Carrying Amount	(₹ in Lacs)			
		Less than 1 year	1-3 year	3-5 year	More than 5 year
Derivative financial instruments	37.51	37.51			
Trade Payables	23,599.99	23,599.99			
Borrowings	7,787.80	7,787.80			
Other financial Liabilities	2,008.58	2,008.58			

The table below provide details regarding the contractual maturities of significant financial liabilities as of March 31,2021

Particulars	Carrying Amount	(₹ in Lacs)			
		Less than 1 year	1-3 year	3-5 year	More than 5 year
Derivative financial instruments	8.43	8.43			
Trade Payables	15,695.98	15,695.98			
Borrowings	4,805.29	4,805.29			
Other financial Liabilities	4,813.84	4,813.84			

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

57. 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.

(₹ in Lacs)

Particulars	31 st March, 2022	31 st March, 2021
Borrowings	7,787.80	4,805.29
Less: Cash & bank balances	23,826.96	21,300.98
Net Debt (A)	(16,039.16)	(16,495.69)
Total Equity(B)	20,759.35	15,715.40
Gearing Ratio (A/B)	(0.77)	(1.05)

58. 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

(₹ in Lacs)

Particulars	31 st March, 2022			31 st March, 2021		
	Within 12 month	After 12 month	Total	Within 12 month	After 12 month	Total
Assets						
Financial assets						
Cash and cash equivalents	3,407.22	-	3,407.22	2,447.98	-	2,447.98
Bank balance other than above	20,419.74	-	20,419.74	18,853.00	-	18,853.00
Securities for trade	1,672.79	-	1,672.79	987.11	-	987.11
Trade receivables	23,870.85	-	23,870.85	14,458.77	-	14,458.77
Loans	-	-	-	1,119.12	-	1,119.12
Investments	-	2,942.45	2,942.45	-	2,283.23	2,283.23
Other financial assets	1,098.40	244.85	1,343.25	154.08	246.85	400.93
	50,469.00	3,187.30	53,656.30	38,020.05	2,530.08	40,550.14
Non-Financial assets						
Property, plant and equipment	-	893.91	893.91	-	832.83	832.83
Other intangible assets	-	69.37	69.37	-	56.85	56.85
Other non financial assets	338.10	114.86	452.96	329.05	-	329.05
	338.10	1,078.14	1,416.24	329.05	889.68	1,218.73
Assets held for sale	191.23	-	191.23	440.03	-	440.03
	191.23	-	191.23	440.03	-	440.03
Total Assets	50,998.33	4,265.44	55,263.77	38,789.13	3,419.77	42,208.90

(₹ in Lacs)

Particulars	31 st March, 2022			31 st March, 2021		
	Within 12 month	After 12 month	Total	Within 12 month	After 12 month	Total
Liabilities						
Financial Liabilities						
Derivative financial instruments	37.51	-	37.51	8.43	-	8.43
Trade payables	23,599.99	-	23,599.99	15,695.98	-	15,695.98
Borrowings	7,787.80	-	7,787.80	4,805.29	-	4,805.29
Other financial Liabilities	2,008.58	-	2,008.58	4,813.84	-	4,813.84
	33,433.88	-	33,433.88	25,323.54	-	25,323.54
Non-Financial Liabilities						
Current Tax Liabilities (net)	233.62	-	233.62	79.98	-	79.98
Provisions	120.92	186.31	307.22	97.99	179.87	277.86
Deferred Tax Liabilities (net)	-	150.12	150.12	-	38.81	38.81
Other non financial liabilities	379.59	-	379.59	773.31	-	773.31
	734.12	336.42	1,070.54	951.28	218.68	1,169.96
Total Liabilities	34,168.00	336.42	34,504.42	26,274.82	218.68	26,493.50

Notes forming Part of Standalone Financial Statement

59. 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 2021-22. 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 ₹ 60.62 Lacs (Previous year ₹ 50.61 Lacs)

B) Amount spent during the year ended 31 March 2022 on:

(₹ in Lacs)

Particulars	Year ended 31 st March, 2022			Year ended 31 st March, 2021		
	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	60.63	-	60.63	80.85	-	80.85
Total	60.63	-	60.63	80.85	-	80.85

In case of S. 135(5) unspent amount

(₹ in Lacs)

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
Nil	Nil	60.63	60.63	(0.01)

60. Events after Reporting Date

The Company has Split the face value of equity shares from face value of ₹ 5 per share to face value of ₹ 1 per share on record date April 15, 2022.

61. Previous year figures have been regrouped/reclassified wherever necessary.

62. Approval of Financial Statements

The financial statements are approved for issue by the Board of Directors in their meeting held on April 25, 2022.

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 : 22402629AHTQQQ2428
 Indore, 25th April, 2022

Ashok Kumar Jain
 Managing Director
 DIN-00184729

Arpit Jain
 Joint Managing Director
 DIN-06544441

Mahesh Pancholi
 Company Secretary
 M.No. F7143

Tarun Goyal
 Chief Financial Officer
 M.No. 407449

For and on behalf of the Board

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, 2022, 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, 2022, 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.

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.

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 (and 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.

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 profit after tax of ₹85.98 lacs for the year ended March 31, 2022 and total comprehensive income of Rs. 104.69 lacs for the year ended March 31, 2022, 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. With respect to the matters specified in paragraph 3 (xxi) and 4 of the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, to be included in the auditor's report, According to the information and explanations given to us and the CARO reports issued by us for the company and its subsidiaries included in the consolidated financial statement of the company and CARO reports issued by associate's auditor for the associate company to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

2. 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.

3. 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 2022 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, 2022 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 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 2022
 - 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.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(c) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
 - v. (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the act, as Applicable.

(b) The interim dividend declared and paid by the company during the year and until the date of this report is in accordance with section 123 of the act, as Applicable.

(c) The Board of directors of the company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the act, as Applicable.

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

CA Dinesh Ajmera
Partner
Membership No. :402629
UDIN : 22402629AHTPUM7851
Indore, April 25, 2022

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 2022, we have audited the internal financial controls over financial reporting of **Arihant 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 2022, 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 Ajmera
Partner
Membership No. :402629
UDIN : 22402629AHTPUM7851
Indore, April 25, 2022

Consolidated Balance sheet as at 31st March, 2022

(₹ in Lacs)

Particulars	Note No.	31 st March, 2022	31 st March, 2021
ASSETS			
1 Financial assets			
a. Cash and cash equivalents	4	3,753.14	2,477.99
b. Bank balance other than (a) above	5	20,549.55	18,993.18
c. Securities for trade	6	2,682.77	987.11
d. Receivables			
(i) Trade receivables	7	23,877.28	15,205.66
e. Loans	8	1,357.54	964.07
f. Investments	9	2,576.33	1,618.65
g. Other financial assets	10	1,418.09	557.94
		56,214.70	40,804.60
2 Non financial assets			
a. Inventories	11	-	2,649.84
b. Current tax assets (net)	12	5.09	1.45
c. Deferred tax assets (net)	13	21.48	117.04
d. Investment Property	14	185.27	185.27
e. Property, plant and equipment	15	924.50	1,747.03
f. Other intangible assets	16.1	71.93	67.21
g. Intangible assets under development	16.2	2.00	2.00
h. Other non financial assets	17	455.48	572.39
		1,665.76	5,342.23
Total Assets		57,880.45	46,146.83
LIABILITIES & EQUITY			
LIABILITIES			
1 Financial Liabilities			
a. Derivative financial instruments	18	37.51	8.43
b. Payables			
i) Trade Payables	19		
i) Total outstanding dues of micro & small enterprises		41.12	14.19
ii) Total outstanding dues of creditors other than micro & small enterprises		23,558.87	15,692.91
c. Borrowings	20	8,237.80	5,625.79
d. Other financial Liabilities	21	2,023.01	4,829.74
		33,898.31	26,171.07
2 Non Financial Liabilities			
a. Current Tax Liabilities (net)	22	237.59	107.25
b. Provisions	23	311.09	282.53
c. Deferred Tax Liabilities (net)	24	150.13	40.26
d. Other non financial liabilities	25	394.71	1,334.25
		1,093.52	1,764.28
3 Equity			
a. Equity share capital	26	1,041.13	1,041.13
b. Other equity	27	21,847.50	17,170.35
		22,888.63	18,211.48
Total Liabilities & Equity		57,880.45	46,146.83

Significant Accounting Policies and Notes on Financial Statements 1 to 72

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 : 22402629AHTPUM7851

 Indore, 25th April, 2022

Ashok Kumar Jain
 Managing Director
 DIN-00184729

Arpit Jain
 Joint Managing Director
 DIN-06544441

Mahesh Pancholi
 Company Secretary
 M.No. F7143

Tarun Goyal
 Chief Financial Officer
 M.No. 407449

For and on behalf of the Board

Consolidated Statement of Profit and Loss for the year ended 31st March, 2022 (₹ in Lacs)

Particulars	Note No.	31 st March, 2022	31 st March, 2021
Income			
I Revenue from Operations			
Interest Income	28	4,132.31	2,483.16
Dividend Income	29	20.55	7.83
Fees & Commission Income	30	9,253.91	6,732.87
Net Gain on fair value changes	31	3,132.34	1,833.69
Sale of products	32	428.59	504.48
Others Operating Income	33	1.12	4.13
II Other Income	34	32.18	50.06
III Total Income		17,000.99	11,616.23
Expenses			
IV			
Finance costs	35	601.34	343.91
Fees and commission expense	36	5,386.83	3,426.16
Impairment on financial instruments	37	709.79	309.16
Cost of Sale	38	197.75	218.78
Employee Benefits Expenses	39	1,839.20	1,701.27
Depreciation and Amortization Expenses	40	118.72	126.56
Other Expenses	41	1,656.96	1,161.57
Total		10,510.59	7,287.41
V Profit Before Share of Profit / (Loss) of Associates, Exceptional Items and Tax		6,490.40	4,328.83
VI Share of Profit / (Loss) of Associates (Net of Tax)		85.98	14.80
VII Profit Before Exceptional Items and Tax		6,576.38	4,343.62
VIII Exceptional items	43	(50.01)	30.99
IX Profit Before Tax		6,526.37	4,374.61
X Tax Expenses	44		
Current Tax		1,279.74	979.98
Deferred Tax		210.53	(72.84)
Total Tax Expenses		1,490.27	907.14
XI Profit/(loss) for the year		5,036.10	3,467.47
XII Other Comprehensive Income			
(A) Items that will not be reclassified to profit & loss			
Remeasurements of the defined benefit plans		1.96	(7.31)
Tax effect relating to above item		(0.49)	1.84
Total (A)		1.47	(5.47)
(B) Items that will be reclassified to profit & loss			
Foreign Currency Translation Reserve		3.97	(3.42)
Tax effect relating to above item		-	-
Total (B)		3.97	(3.42)
Total Other Comprehensive Income (A+B)		5.44	(8.89)
XIII Total Comprehensive Income for the period		5,041.55	3,458.58
XIV Earnings per Share	45		
Equity Shares of ₹5 each			
Basic (Amount in ₹)		24.19	16.65
Diluted (Amount in ₹)		24.19	16.65

Significant Accounting Policies and Notes on Financial Statements 1 to 72

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 : 22402629AHTPUM7851

 Indore, 25th April, 2022

Ashok Kumar Jain
 Managing Director
 DIN-00184729

Arpit Jain
 Joint Managing Director
 DIN-06544441

Mahesh Pancholi
 Company Secretary
 M.No. F7143

Tarun Goyal
 Chief Financial Officer
 M.No. 407449

For and on behalf of the Board

Consolidated Cash Flow Statement for the year ended 31st March, 2022

(₹ in Lacs)

Particulars	Note No.	31 st March, 2022	31 st March, 2021
A Cash flow (used in) / generated from operating activities			
Profit before tax		6,526.37	4,374.61
Add / (less) : Adjustments			
Net (gain)/loss on Fair value changes of Securities for trade		11.62	15.35
(Profit) / Loss on sale of fixed assets		1.56	26.29
(Profit) / Loss on sale of Investments		(1,544.13)	(244.90)
Depreciation / amortisation		118.72	126.56
Interest paid on borrowings		471.48	256.34
Dividend income		(20.55)	(7.83)
Foreign Currency Translation Reserve		3.97	(3.42)
Operating profit before working capital changes		5,569.05	4,542.99
Adjustments for changes in working capital:			
-Increase/(Decrease) in Other bank balance		(1,556.38)	2,806.56
-Increase/(Decrease) in Securities for Trade		(1,707.28)	(37.58)
-Increase/(Decrease) in Trade and other receivables		(8,671.62)	(7,681.99)
-Increase/(Decrease) in Inventories		2,649.84	197.17
-Increase/(Decrease) in Loans		(393.46)	234.55
-Increase/(Decrease) in Other financial assets		(860.14)	(9,870.39)
-Increase/(Decrease) in Other non financial assets		116.90	(175.10)
-Increase/(Decrease) in Derivative financial instruments		29.08	6.47
-Increase/(Decrease) in Trade payables		7,892.89	4,473.90
-Increase/(Decrease) in Other financial liabilities		(2,806.74)	2,778.57
-Increase/(Decrease) in Other non financial liabilities		(939.54)	414.81
-Increase/(Decrease) in Provisions		30.52	48.73
Cash generated from operations		(646.88)	(2,261.29)
Income tax paid (net)		(1,158.62)	(907.34)
Net cash (used in) / generated from operating activities (A)		(1,805.50)	(3,168.62)
B Cash flow (used in) / generated from Investing activities			
- (Purchase) / Proceeds from sale of property, plant and equipment		697.53	(71.97)
- (Purchase) / Proceeds from sale of investments		586.45	(616.46)
- Dividend income received		20.55	7.83
Net cash (used in) / generated from investing activities(B)		1,304.52	(680.59)
C Cash flow (used in) / generated from Financing activities			
- Dividend paid		(364.39)	(208.23)
- Interest paid		(471.48)	(256.34)
- Increase/ (Decrease) in borrowings		2,612.01	1,485.47
Net cash (used in) / generated from financing activities (C)		1,776.13	1,020.91
Net increase in cash and cash equivalents (A+B+C)		1,275.15	(2,828.31)
Cash and cash equivalents at the beginning of the period		2,477.99	5,306.30
Cash and cash equivalents at the end of the period		3,753.14	2,477.99
Cash and cash equivalents comprise of			
Cash and cheques in hand		13.31	11.84
Balances with scheduled banks		3,739.83	2,466.16
Total		3,753.14	2,477.99
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 72

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 : 22402629AHTPUM7851

 Indore, 25th April, 2022

Ashok Kumar Jain
 Managing Director
 DIN-00184729

Arpit Jain
 Joint Managing Director
 DIN-06544441

Mahesh Pancholi
 Company Secretary
 M.No. F7143

Tarun Goyal
 Chief Financial
 Officer
 M.No. 407449

For and on behalf of the Board

Statement of Changes in Equity For the year ended 31st March, 2022

A. EQUITY SHARE CAPITAL

(₹ in Lacs)

Particular	Amount
Balance as at 1st April, 2020	1,041.13
Changes in equity share capital during the year	-
Balance as at 31st March, 2021	1,041.13
Changes in equity share capital during the year	-
Balance as at 31st March, 2022	1,041.13

B. OTHER EQUITY

Particulars	Reserve & Surplus					Total Equity
	Retained Earnings	Consolidated Reserve	Statutory Reserve	Foreign Currency Translation Reserve	General Reserve	
Balance as at 1st April, 2020	1,449.72	35.15	117.07	15.44	12,302.62	13,920.00
Profit for the period	3,467.47	-	-	-	-	3,467.47
Other comprehensive income	(5.47)	-	-	(3.42)	-	(8.89)
Total comprehensive income	4,911.72	35.15	117.07	12.03	12,302.62	17,378.58
Equity Dividend	(208.23)	-	-	-	-	(208.23)
Transfer to Statutory Reserve	(21.16)	-	21.16	-	-	-
Transfer to General Reserve	(2,025.00)	-	-	-	2,025.00	-
Balance as at 31st March, 2021	2,657.33	35.15	138.23	12.03	14,327.62	17,170.35
Profit for the period	5,036.10	-	-	-	-	5,036.10
Other comprehensive income	1.47	-	-	3.97	-	5.44
Total comprehensive income	7,694.90	35.15	138.23	16.00	14,327.62	22,211.90
Final Dividend (FY 2020-21)	(208.23)	-	-	-	-	(208.23)
Interim Dividend (FY 2021-22)	(156.17)	-	-	-	-	(156.17)
Transfer to Statutory Reserve	(12.48)	-	12.48	-	-	-
Transfer to General Reserve	(6,050.00)	-	-	-	6,050.00	-
Balance as at 31st March, 2022	1,268.03	35.15	150.71	16.00	20,377.62	21,847.50

Significant Accounting Policies and Notes on Financial Statements 1 to 72

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 : 22402629AHTPUM7851
 Indore, 25th April, 2022

Ashok Kumar Jain
 Managing Director
 DIN-00184729

Arpit Jain
 Joint Managing Director
 DIN-06544441

Mahesh Pancholi
 Company Secretary
 M.No. F7143

Tarun Goyal
 Chief Financial Officer
 M.No. 407449

For and on behalf of the Board

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 Ltd. and National Commodity and Derivatives Exchange Limited.

Arihant Capital Markets Limited, its subsidiaries and associate (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 2022 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 64.

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 incomes 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 Equipments	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.

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 share holders 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 financial statements and notes have been rounded off to the nearest lacs as per the requirements. The amounts reflected as "0" in the financial information are values with less than rupees five hundred

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.

2.23. Recent Accounting Developments

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 01 April 2021. The company has evaluated all the amendments and have given the effect on the balance sheet, statement of Profit and Loss and notes to the accounts.

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

(₹ in Lacs)

Particulars	31 st March, 2022	31 st March, 2021
4. Cash and Cash Equivalents		
Cash on hand	13.31	11.84
Balances with banks		
In current accounts	3,739.83	2,466.16
Total	3,753.14	2,477.99
5. Bank Balances other than above		
Earmarked balances (Unpaid dividend account)	25.67	24.32
Fixed Deposit with banks *	20,523.89	18,968.86
Total	20,549.55	18,993.18
Note:		
* Fixed Deposit with bank includes Deposits under the lien of :		
NSE Clearing Limited	-	2,388.00
Axis Bank Ltd for NSEF&O segment	-	8,595.00
BSE Limited (ICCL)	10,376.00	25.00
National Commodity Exchange Limited & NCCL	488.00	490.00
Multi Commodity Exchange of India Limited & MCX-CCL	1,725.50	738.00
Bank for guarantees issued	7,757.50	6,557.75
Total	20,347.00	18,793.75
*Fixed deposits are pledged with exchange and banks for meeting margin requirements and for obtaining bank guarantee respectively.		
6. Securities for trade		
Quoted Equity Shares		
Adani Power Limited		
(50,000 (Nil) shares, face value of ₹10 each)	92.55	-
Adani Wilmar Limited		
(48,800 (Nil) shares, face value of ₹1 each)	252.25	-
Aditya Birla Capital Limited		
(Nil (10,000) shares, face value of ₹10 each)	-	11.93
Aditya Birla Fashion And Retail Limited		
(Nil (10,000) shares, face value of ₹10 each)	-	20.13
Bharat Petroleum Corporation Limited		
(Nil (10,000) shares, face value of ₹10 each)	-	42.80
Brightcom Group Limited		
(25,000 (Nil) shares, face value of ₹2 each)	24.65	-
CG Power And Industrial Solutions Limited		
(Nil (50,000) shares, face value of ₹2 each)	-	33.45
Deepak Fertilisers & Petrochemicals Corporation Limited		
(5,000 (Nil) shares, face value of ₹ 10 each)	28.07	-
DFM Foods Limited		
(Nil (5,000) shares, face value of ₹ 2 each)	-	18.21
Emami Limited		
(Nil (20,035) shares, face value of ₹1 each)	-	97.37
Escorts Limited		
(25,000 (Nil) shares, face value of ₹10 each)	422.71	-

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

Particulars	31 st March, 2022	31 st March, 2021
Fortis Healthcare Limited (10,000 (30,000) shares, face value of ₹10 each)	29.04	59.75
Godawari Power (10,000 (Nil) shares, face value of ₹5 each)	38.65	-
Heritage Foods Limited (60,000 (Nil) shares, face value of ₹5 each)	192.15	-
Rattanindia Enterprises Limited (25,000 (Nil) shares, face value of ₹10 each)	11.54	-
ICICI Securities Limited (25,000 (Nil) shares, face value of ₹5 each)	155.31	-
Inox Leisure Limited (25,000 (Nil) shares, face value of ₹10 each)	132.45	-
IRB Infra Developers Limited (5,000 (Nil) shares, face value of ₹10 each)	12.56	-
Kotak Mahindra Bank Limited (Nil (18,000) shares, face value of ₹5 each)	-	315.54
Madras Fertilizers Limited (25,000 (Nil) shares, face value of ₹10 each)	12.36	-
Oil and Natural Gas Corporation Limited (2,50,000 (Nil) shares, face value of ₹5 each)	409.75	-
Procter & Gamble Hygiene & Health Care Limited (Nil (1,800) shares, face value of ₹10 each)	-	228.22
Rashtriya Chemicals & Fertilizers Limited (10,000 (Nil) shares, face value of ₹10 each)	8.95	-
Reliance Capital Limited (5,00,000 (Nil) shares, face value of ₹10 each)	83.25	-
Reliance Infrastructure Limited (1,25,000 (Nil) shares, face value of ₹10 each)	140.38	-
Reliance Power Limited (2,00,000 (Nil) shares, face value of ₹10 each)	27.00	-
Royal Orchid Hotels Limited (85,000 (Nil) shares, face value of ₹10 each)	103.36	-
Sun Tv Network Limited (50,000 (Nil) shares, face value of ₹5 each)	244.93	-
Tanla Solutions (7,976 (Nil) shares, face value of ₹1 each)	121.71	-
Tata Consumer Products Limited (Nil (25,000) shares, face value of ₹1 each)	-	159.73
Tata Teleservices (Maharashtra) Limited (9,810 (Nil) shares, face value of ₹10 each)	16.35	-
The Phoenix Mills Limited (10,000 (Nil) shares, face value of ₹2 each)	110.00	-
TVS Electronics (5,000 (Nil) shares, face value of ₹10 each)	12.79	-
Ugar Sugar Works Limited (40 (Nil) shares, face value of ₹1 each)	0.03	-
Total	2,682.77	987.11

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

Particulars	31 st March, 2022	31 st March, 2021
7.Trade Receivables		
Considered good- Secured	23,239.32	14,291.11
Considered good - Unsecured	637.96	214.16
Trade Receivables which have significant increase in credit risk	-	1,116.08
Trade Receivables - Credit impaired	-	-
Total (Gross)	23,877.28	15,621.36
Less: Impairment loss allowance	-	(415.70)
Total (Net)	23,877.28	15,205.66
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
*For Ageing of Trade Receivable refer note no.54		
8. Loans		
[A]		
- At Amortised Cost		
Loans repayable on demand	1,360.94	966.87
Total (Gross)	1,360.94	966.87
Less: Impairment Allowance	(3.40)	(2.79)
Total (Net)	1,357.54	964.07
[B]		
i) Secured by tangible assets	1,183.12	849.49
ii) Unsecured	177.82	117.38
Total (Gross)	1,360.94	966.87
Less: Impairment Allowance	(3.40)	(2.79)
Total (Net)	1,357.54	964.07
[C] Loans in India		
i) Public Sector	-	-
ii) Others	1,360.94	966.87
Total (Gross)	1,360.94	966.87
Less: Impairment Allowance	(3.40)	(2.79)
Total (Net)	1,357.54	964.07
Note: There is no loan asset measured at FVOCI or FVTPL		

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

Particulars	31 st March, 2022	31 st March, 2021
9. Investments		
(A) Equity Instruments		
- At Fair Value though Profit or Loss		
1. Investment in Quoted shares		
Alicon Castalloy Limited (1,370 (Nil) shares, face value of ₹5 each)	9.05	-
Apcotex Industries Limited (4,732 (Nil) shares, face value of ₹2 each)	16.98	-
Balaji Amines Limited (Nil (1,075) shares, face value of ₹2 each)	-	18.91
Care Ratings Limited (Nil (290) shares, face value of ₹10 each)	-	1.19
CG Power And Industrial Solutions Limited (5,100 (Nil) shares, face value of ₹2 each)	9.66	-
D. P. Abhushan Limited (2,55,499 (4,61,099) shares, face value of ₹10 each)	955.44	541.79
DFM Foods Limited (1,885 (Nil) shares, face value of ₹2 each)	5.57	-
Gufic Biosciences Limited (6,599 (Nil) shares, face value of ₹1 each)	16.43	-
H.G. Infra Engineering Limited (1,762 (Nil) shares, face value of ₹10 each)	9.83	-
Indiabulls Real Estate Limited (7,221 (Nil) shares, face value of ₹2 each)	7.32	-
Jubilant Ingrevia Limited (2,656 (Nil) shares, face value of ₹1 each)	11.95	-
Kolte - Patil Developers Limited (4,007 (Nil) shares, face value of ₹10 each)	11.31	-
Mastek Limited (386 (Nil) shares, face value of ₹5 each)	12.82	-
Nitiraj Engineers Limited (2,48,307 (4,32,000) shares, face value of ₹10 each)	181.02	206.50
One 97 Communications Limited (Paytm) (1,000 (Nil) shares, face value of ₹1 each)	5.28	-
Poddar Pigments Limited (3,422 (Nil) shares, face value of ₹2 each)	11.13	-
Spectrum Electrical Industries Limited (7,60,000 (7,94,000) shares, face value of ₹10 each)	710.60	452.58
Stove Kraft Limited (1,568 (Nil) shares, face value of ₹10 each)	9.63	-
Sub-Total (1)	1,984.03	1,220.97
2. Investment in Unquoted shares		
HDB Financial Services Limited (5,320 (Nil) shares, face value of ₹10 each)	38.97	-
National Stock Exchange Limited(NSE) (7,500 (Nil) shares, face value of ₹1 each)	251.25	-
Quest Global Technologies Limited (90,000 (90,000) shares, face value of ₹10 each)	9.00	9.00
Saurashtra Kutch Stock Exchange Limited (50 (50) shares, face value of ₹100 each)	5.05	5.05
The Saraswat Co-Operative Bank Limited (500 (500) shares, face value of ₹10 each)	0.05	0.05
Sub-Total (2)	304.32	14.10

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

Particulars	31 st March, 2022	31 st March, 2021
- As per equity method		
3. Investment in Associate		
Electrum Capital Private Limited (Formerly known as Electrum Investment Managers Private Limited) (13,75,000 (13,75,000) shares, face value of ₹ 10 each)	287.98	183.29
Sub-Total (3)	287.98	183.29
Total (A)	2,576.33	1,418.36
(B) Mutual funds		
- At Fair Value though Profit or Loss		
Axis Liquid Fund (Nil (8,766) units, NAV of ₹ 2,285 each)	-	200.29
Total (B)	-	200.29
Total (A+B)	2,576.33	1,618.65
i) Investments in India	2,576.33	1,618.65
ii) Investments outside India	-	-
Total	2,576.33	1,618.65
10. Other Financial Assets		
Deposits with Exchanges / Depositories	1,263.94	346.02
Deposit with Related parties (Refer Note No.51)	38.88	36.38
Fixed Deposit with banks having maturity more than 12 months (Refer Note Below)	30.00	30.00
Arihant Asset Management Axis (PMS) A/c	-	79.99
Other Deposits	29.77	24.11
Other Advances	55.51	41.44
Total	1,418.09	557.94
Note:		
Fixed Deposit with bank includes Deposits under the lien of :		
Pension Fund Regulatory and Development Authority.	20.00	20.00
Insurance Regulatory and Development Authority of India (IRDA)	10.00	10.00
Total	30.00	30.00
11. Inventories		
Land and Development Cost (WIP)	-	2,649.84
Total	-	2,649.84
12. Current tax Assets (net)		
Advance Income Tax Receivable (Net of Provision for Tax)	5.09	1.45
Total	5.09	1.45
13. Deferred Tax Assets		
Deferred Tax Assets (Refer Note No.44)	21.48	117.04
Total	21.48	117.04
14. Investment Property		
Freehold Land	185.27	185.27
Total	185.27	185.27

15. Property, Plant & Equipment											₹ in Lacs
Particulars	Building	Land	Leasehold Premises	Furniture & Fixtures	Office Equipment's	Computers	Electrical Installations	Motor Vehicles	Total		
Gross carrying Amount											
As at 1st April, 2020	577.89	881.27	30.34	93.90	54.69	202.59	12.50	189.98	2,043.15		
Additions	-	-	-	3.64	16.73	37.25	-	18.00	75.63		
Disposals	-	-	-	11.77	5.80	30.17	0.71	42.36	90.82		
Currency Fluctuation	-	-	(0.76)	(0.07)	-	(0.03)	-	-	(0.86)		
Balance as at 31st March, 2021	577.89	881.27	29.58	85.70	65.62	209.63	11.79	165.61	2,027.10		
Additions	-	186.25	-	1.48	9.14	76.51	8.36	68.85	350.60		
Disposals	-	1,067.52	-	-	0.02	7.70	-	12.49	1,087.73		
Currency Fluctuation	-	-	0.93	0.08	-	0.04	-	-	1.05		
Balance as at 31st March, 2022	577.89	-	30.51	87.27	74.75	278.48	20.15	221.97	1,291.03		
Accumulated Depreciation											
As at 1st April, 2020	20.65	-	1.33	22.91	20.31	104.78	3.24	43.69	216.91		
Additions	10.33	-	1.00	9.92	11.32	51.73	1.46	22.53	108.27		
Disposals	-	-	-	3.77	3.20	23.38	0.31	14.40	45.05		
Currency Fluctuation	-	-	(0.04)	(0.01)	-	(0.01)	-	-	(0.06)		
Balance as at 31st March, 2021	30.98	-	2.29	29.06	28.43	133.12	4.39	51.81	280.07		
Additions	10.33	-	1.00	9.76	11.54	41.92	1.45	20.56	96.55		
Disposals	-	-	-	-	-	6.53	-	3.70	10.23		
Currency Fluctuation	-	-	0.09	0.02	-	0.03	-	-	0.14		
Balance as at 31st March, 2022	41.30	-	3.37	38.83	39.97	168.54	5.84	68.67	366.53		
Net Carrying Amount											
Balance as at 31st March, 2021	546.92	881.27	27.30	56.65	37.19	76.52	7.40	113.80	1,747.03		
Balance as at 31st March, 2022	536.59	-	27.14	48.44	34.78	109.94	14.31	153.30	924.50		

Consolidated Notes Forming Part Of Financial Statement

16.1 Other Intangible Assets										₹ in Lacs
Particulars	Software	License	MCX Membership	NCDEX Membership	NSEL Membership	Operating Right	Total			
Gross carrying Amount										
As at 1st April, 2020	89.50	0.50	0.00	0.00	0.00	10.00	100.01			
Additions	20.20	-	-	-	-	-	20.20			
Disposals	5.75	-	-	-	-	-	5.75			
Balance as at 31st March, 2021	103.95	0.50	0.00	0.00	0.00	10.00	114.45			
Additions	31.50	-	-	-	-	-	31.50			
Disposals	3.80	-	0.00	0.00	-	10.00	13.80			
Balance as at 31st March, 2022	131.65	0.50	-	-	0.00	-	132.15			
Accumulated Depreciation										
As at 1st April, 2020	25.83	0.07	-	-	-	3.23	29.13			
Additions	14.78	0.17	-	-	-	3.33	18.28			
Disposals	0.17	-	-	-	-	-	0.17			
Balance as at 31st March, 2021	40.45	0.23	-	-	-	6.57	47.25			
Additions	19.85	0.17	-	-	-	2.16	22.17			
Disposals	0.48	-	-	-	-	8.72	9.20			
Balance as at 31st March, 2022	59.82	0.40	-	-	-	0.00	60.22			
Net Carrying Amount										
Balance as at 31st March, 2021	63.50	0.27	0.00	0.00	0.00	3.43	67.21			
Balance as at 31st March, 2022	71.83	0.10	-	-	0.00	(0.00)	71.93			
16.2 Intangible assets under development										
Particulars	Software						Total			
Gross carrying Amount										
As at 1st April, 2020	-	-	-	-	-	-	-			
Additions	-	-	-	-	-	2.00	2.00			
Disposals	-	-	-	-	-	-	-			
Balance as at 31st March, 2021	-	-	-	-	-	2.00	2.00			
Additions	-	-	-	-	-	-	-			
Disposals	-	-	-	-	-	-	-			
Balance as at 31st March, 2022	-	-	-	-	-	2.00	2.00			
Net Carrying Amount										
Balance as at 31st March, 2021	-	-	-	-	-	2.00	2.00			
Balance as at 31st March, 2022	-	-	-	-	-	2.00	2.00			

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

Particulars	31 st March, 2022	31 st March, 2021
17. Other Non Financial Assets		
Employee Advance	4.43	1.29
Prepaid expenses	206.68	168.68
Tax Receivables (IT Department)	116.51	149.49
GST Receivables	37.47	13.61
Other Advances	90.39	239.32
Total	455.48	572.39
18. Derivative Financial Instruments		
(i) Equity linked derivatives	37.51	8.43
Total	37.51	8.43
Notional amounts	5,861.93	2,949.80
Note :- The derivatives are used for the purpose of trading.		
19. Trade Payables		
Micro, Small and Medium Enterprises (Refer Note No.48)	41.12	14.19
Other than Micro, Small and Medium Enterprises	23,558.87	15,692.91
Total	23,599.99	15,707.10
*For Ageing of Trade Payable refer note no.55.		
20. Borrowings		
[A] Loans repayable on demand		
- Amortised Cost		
i) from banks	7,137.80	4,805.29
ii) from Related Parties (Refer Note No.51)	850.00	570.50
iii) from others	250.00	250.00
Total	8,237.80	5,625.79
[B]		
i) Borrowings in India	8,237.80	5,625.79
ii) Borrowings outside India	-	-
Total	8,237.80	5,625.79
[C]		
i) Secured *	7,137.80	4,805.29
ii) Unsecured	1,100.00	820.50
Total	8,237.80	5,625.79
*Secured against pledge of securities, trade receivables and property.		
*Details of Assets pledged as security		
1. The Company availed overdraft facility from ICICI Bank amounting to ₹2,000 Lacs. Outstanding book balance of overdraft is ₹1,993.71 Lacs (31 March 2021: Nil) The aforesaid overdraft is secured by way of first charge on trade receivables of the company.		
2. The Company availed overdraft facility from Axis Bank amounting to ₹6,000 Lacs. Outstanding book balance of overdraft is ₹4,646.60 Lacs (31 March 2021: ₹3,110.53 Lacs). The aforesaid overdraft is secured by way of first charge on trade receivables of the company.		
3. The Company availed loan against property from ICICI Bank amounting to ₹500 Lacs. Outstanding book balance of loan is ₹497.49 Lacs (31 March 2021: ₹493.19 Lacs). The aforesaid loan is secured by way of first charge by way of equitable mortgage of building situated at 1011, Solitaire Corporate Park, Building No.10, 1st Floor, Andheri Ghatkopar Link Road Chakala Andheri (East) Mumbai in the name of the company."		
21. Other Financial Liabilities		
Employee Benefits Payable	140.26	279.93
Franchise Deposit	613.95	399.20
Margin Deposit #	-	2,767.50
Other Deposit	499.32	859.35
Other Payable (includes payable to vendors)	743.81	499.44
Unpaid Dividend*	25.67	24.32
Total	2,023.01	4,829.74
# From current year due to changes in reporting format by exchange, the Company is not required to maintain separate ledger for margin credit hence it is included in normal client's ledger balance.		
*Out of the above amount, the company is required to credit a sum of ₹3.85 lacs lying in the unpaid/unclaimed dividend account, on or before 30st September, 2022 to the Investor Education & Protection Fund pursuant to Sub -section (1) of Section 125 of The Companies Act, 2013.		

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

Particulars	31 st March, 2022	31 st March, 2021		
22. Current Tax Liabilities (net)				
Income tax payable (Net of Advance Tax & TDS)	237.59	107.25		
Total	237.59	107.25		
23. Provisions				
Provision for Gratuity (Refer Note No.50)	188.36	181.93		
Provision for Bonus	15.60	19.45		
Provision for Expenses	107.12	81.15		
Total	311.09	282.53		
24. Deferred Tax Liabilities (net)				
Deferred Tax Liabilities (net) (Refer Note No.44)	150.13	40.26		
Total	150.13	40.26		
25. Other Non Financial Liabilities				
Statutory Dues Payable (including PF, ESIC, Stamp Duty, TDS, Professional Tax and GST)	197.71	270.41		
Advance received from customers	-	546.10		
Advances for Expenses	197.00	517.74		
Total	394.71	1,334.25		
26. Share Capital				
Authorised				
2,50,00,000 (2,50,00,000) equity share of ₹5/- each	1,250.00	1,250.00		
Issued, Subscribed & Paid up				
2,08,22,560 (2,08,22,560) equity share of ₹5/- each	1,041.13	1,041.13		
Total	1,041.13	1,041.13		
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	67,06,336 (32.21%)	61,70,336 (29.63%)		
Kiran Jain	47,28,320 (22.71%)	47,28,320 (22.71%)		
Sunil Kumar Jain	10,70,656 (5.14%)	16,06,656 (7.72%)		
Arpit Jain	11,47,840 (5.51%)	11,47,840 (5.51%)		
d. Shareholding of Promoter				
FY 2021-22				
Shares held by promoters at the end of the Year				
S. No.	Promoter's Name	No. of Shares	% of total shares	% Change during the Year
1	Ashok Kumar Jain	67,06,336	32.21	2.58
2	Kiran Jain	47,28,320	22.71	-
3	Sunil Kumar Jain	10,70,656	5.14	(2.58)
4	Arpit Jain	11,47,840	5.51	-
5	Swati Jain	9,15,516	4.40	-
6	Shruti Jain	6,22,080	2.99	-
7	Ratik Jain	1,92,000	0.92	-
8	Kamal Kumar Jain (HUF)	51,200	0.25	-
9	Anvita Jain	38,400	0.18	-
10	Meena Jain	30,400	0.15	-
11	Kamal Kumar Jain	25,600	0.12	-
	Total	1,55,28,348	74.58	-

Consolidated Notes Forming Part Of Financial Statement

FY 2020-21				
Shares held by promoters at the end of the Year				% Change during the Year
S. No.	Promoter's Name	No. of Shares	% of total shares	
1	Ashok Kumar Jain	61,70,336	29.63	0.51
2	Kiran Jain	47,28,320	22.71	-
3	Sunil Kumar Jain	16,06,656	7.72	-
4	Arpit Jain	11,47,840	5.51	-
5	Swati Jain	9,15,516	4.40	-
6	Shruti Jain	6,22,080	2.99	-
7	Ratik Jain	1,92,000	0.92	-
8	Kamal Kumar Jain (HUF)	51,200	0.25	-
9	Anvita Jain	38,400	0.18	-
10	Meena Jain	30,400	0.15	-
11	Kamal Kumar Jain	25,600	0.12	-
	Total	1,55,28,348	74.58	0.51
(₹ in Lacs)				
Particulars	31 st March, 2022	31 st March, 2021		
27. Other Equity				
General Reserve				
Balance at the beginning of the year	14,327.62	12,302.62		
Transfer from Retained Earnings	6,050.00	2,025.00		
Balance as at end of the year	20,377.62	14,327.62		
Retained Earnings				
Balance at the beginning of the year	2,657.33	1,449.72		
Transfer from Statement of Profit and Loss	5,036.10	3,467.47		
Remeasurement of Defined Benefit Plan (Net of Taxes)	1.47	(5.47)		
Final Dividend (FY 2020-21)	(208.23)	(208.23)		
Interim Dividend (FY 2021-22)	(156.17)	-		
Transfer to Statutory Reserve	(12.48)	(21.16)		
Transfer to General Reserve	(6,050.00)	(2,025.00)		
Balance as at end of the year	1,268.03	2,657.33		
Consolidated Reserve				
Balance at the beginning of the year	35.15	35.15		
Transfer from Retained Earnings	-	-		
Balance as at end of the year	35.15	35.15		
Statutory Reserve				
Balance at the beginning of the year	138.23	117.07		
Transfer from Retained Earnings	12.48	21.16		
Balance as at end of the year	150.71	138.23		
Foreign Currency Translation Reserve				
Balance at the beginning of the year	12.03	15.44		
Transfer from Statement of Profit and Loss	3.97	(3.42)		
Balance as at end of the year	16.00	12.03		
Total	21,847.50	17,170.35		

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

Particulars	31 st March, 2022	31 st March, 2021
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.		
28. Interest Income		
On financial assets measured at amortised cost-		
Interest on loans	105.77	346.34
Interest on deposits with banks	1,070.88	945.62
Interest on Margin funding	2,955.66	1,191.20
Total	4,132.31	2,483.16
29. Dividend Income		
From Securities	20.55	7.83
Total	20.55	7.83
30. Fees and commission income		
Commission Received (Net)	149.00	112.42
Brokerage	8,566.25	6,135.29
Depository Receipts	287.53	219.10
Management Fees	56.32	24.22
Income from Education Fees	6.42	-
Insurance Commission	19.74	9.36
Fees From Merchant Banking	168.65	232.48
Total	9,253.91	6,732.87
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)	391.83	1,043.85
(ii) Profit/(loss) on securities held for trade	1,196.23	544.66
(iii) Profit/(loss) on mutual funds	0.15	0.29
(B) Others		
- Profit/(loss) on sale of investments (net) at fair value through profit or loss	1,544.13	244.90
Total	3,132.34	1,833.69
Fair value changes		
Realised gain	2,009.48	1,758.49
Unrealised gain	1,122.87	75.20
Total	3,132.34	1,833.69
32. Sale of products		
Sale of Plot	428.59	504.48
Total	428.59	504.48

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

Particulars	31 st March, 2022	31 st March, 2021
33. Other operating income		
Others Income	1.12	4.13
Total	1.12	4.13
34. Other Income		
Bad debts recovered	-	14.11
Income from Rent	3.10	1.80
Profit on Sale of Fixed Assets	-	0.98
Interest on Income tax refund	0.29	8.00
Miscellaneous income	28.78	25.16
Total	32.18	50.06
35. Finance Costs		
On financial liabilities measured at amortised cost-		
Interest on Borrowings	471.48	256.34
Interest paid on Margin Money	128.44	85.13
Other Interest expenses	1.42	2.45
Total	601.34	343.91
36. Fees and Commission Expense		
Sub Brokerage/Referral Fees	4,492.40	2,671.33
Depository charges	112.58	101.07
Exchange Transaction Charges	752.74	602.52
Custodian Charges	-	2.53
Clearing Charges	19.48	24.33
Merchant Banking Expenses	9.63	24.39
Total	5,386.83	3,426.16
37. Impairment on financial instruments		
On Financial Assets measured at amortised cost-		
Trade Receivables	700.39	300.17
Loans	0.61	(2.11)
Bad Debts written off	8.79	11.11
Total	709.79	309.16
38. Cost of Sale		
Opening Stock	2,649.84	2,847.01
Add:- Land development cost		
Operating & Project Expenses Incurred During the Year:-		
Preliminaries & Site Expenses	15.39	9.60
Civil, Electrical, Contracting etc.	1.19	12.01
Total	2,666.42	2,868.62
Less : Closing Stock	2,468.67	2,649.84
Total	197.75	218.78
39. Employee Benefits Expenses (Includes Managerial Remuneration)		
Salaries, wages and bonus	1,773.84	1,609.12
Contribution to provident and other fund (Refer Note No.50)	23.22	18.45
Gratuity expense (Refer Note No.50)	19.45	54.97
Staff welfare expenses	22.69	18.74
Total	1,839.20	1,701.27

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

Particulars	31 st March, 2022	31 st March, 2021
40. Depreciation and amortisation expense		
Depreciation on Property, plant & equipment	96.55	108.27
Amortisation on other intangible assets	22.17	18.28
Total	118.72	126.56
41. Other Expenses		
Advertisement	33.22	30.26
Auditors' Remuneration (Refer Note No.42)	11.52	11.73
Bank Charges	128.37	76.78
Business Development	73.87	23.97
Corporate Social Responsibility (Refer Note No.68)	60.63	80.85
Communication including V-Sat	114.16	105.60
Digital Marketing	-	0.29
Electricity	50.59	51.49
Foreign Exchange Loss (Net)	0.03	-
Insurance	15.67	15.43
Legal and Professional	284.17	132.08
Loss on sale of Fixed Assets	1.56	27.27
Membership Fee & Subscription	26.96	20.95
Miscellaneous	83.71	41.43
Office Expenses	26.31	26.40
Rent	130.61	123.93
Repairs & Maintenance	73.66	75.16
Software Maintenance	439.68	258.28
Stationery & Printing	14.90	5.35
Travelling, Conveyance and Motor Car	87.34	54.31
Total	1,656.96	1,161.57
42. Remuneration To Auditors (Exclusive of Taxes)		
As Auditors:		
Statutory audit	8.84	8.85
Tax audit	1.00	1.05
Limited review	0.90	0.90
Other services	0.78	0.93
Total	11.52	11.73
43. Exceptional Item		
Gain on deemed disposal of associate	-	30.99
Share of Profit / (Loss) of Associates (Net of Tax)	18.71	-
Gain on Disposal of Investments (Net)(Refer note. 52)	(68.72)	-
-In Subsidiaries Carried at Cost		
Total	(50.01)	30.99
44. Tax Expense		
A. The major components of income tax expense for the year are as under		
(A) Current tax expense		
Current tax for the year	1,296.85	1,162.95
Tax adjustment in respect of earlier years	(17.11)	(182.97)
Total current tax expense (A)	1,279.74	979.98
(B) Deferred tax expense		
Change in deferred tax	210.53	(72.84)
Net deferred tax expense (B)	210.53	(72.84)
Total (A+B)	1,490.27	907.14

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

Particulars	31 st March, 2022	31 st March, 2021		
B. Reconciliation of tax expenses and the accounting profit for the year is as under				
Profit / (loss) before income tax expense	6,490.40	4,328.83		
Tax at the rate of 25.17%	1,633.50	1,089.48		
Difference due to :				
Tax effect of expense allowed on payment basis	6.04	11.96		
Tax on expense not tax deductible	15.54	26.95		
Tax adjustment relating to fair valuation of equity instrument	(378.77)	(45.83)		
Tax impact of Expense Deductible for tax purpose	0.01	(0.18)		
Tax effect of Impairment Loss	(104.62)	75.55		
Tax impact of Carried forward losses	11.94	(6.62)		
Tax effect of different depreciation	(4.04)	(0.41)		
Tax effect on chapter VI	(2.87)	(1.97)		
Tax adjustment on Profit already taxed of previous years	-	(4.52)		
Tax adjustment of previous years	(17.11)	(182.97)		
Tax on income exempt from tax	0.26	(0.07)		
Tax on income taxable at different rate	108.99	7.73		
Others	13.18	10.90		
Provision for Impairment on subsidiaries	(2.31)	-		
Current tax expense (A)	1,279.74	979.98		
Change in deferred tax liabilities	15.43	28.21		
Change in deferred tax assets	195.10	(101.05)		
Deferred tax expense (B)	210.53	(72.84)		
Total Tax Expense (A+B)	1,490.27	907.14		
Effective Tax Rate	22.96%	20.96%		
C. Movement of deferred tax assets and liabilities				
	(₹ in Lacs)			
Particulars	Year Ended 31 st March, 2022			
	31 st March, 2021	Credit/(Charge) in Profit or Loss	Recognised in OCI	31 st March, 2022
Deferred tax liability on account of :				
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	73.57	(10.07)	-	83.64
Fair valuation of Securities for trade as per Ind AS	(3.86)	(3.86)	-	-
Expenses allowable u/s. 43B on payment basis				
-Gratuity	-	-	-	-
-Bonus	-	-	-	-
Fair valuation of Mutual Funds held for investment as per Ind AS	0.07	0.07	-	-
Fair valuation of Equity Instruments as per Ind AS	1.85	(1.56)	-	3.42
Total deferred tax liabilities (A)	71.63	(15.43)	-	87.06
Deferred tax assets on account of:				
Expenses allowable u/s. 43B on payment basis				
-Gratuity	45.79	2.11	(0.49)	47.41
-Bonus	4.90	(0.97)	-	3.93
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	0.49	0.26	-	0.75
Preliminary Expense	-	-	-	-
Loss carried forward	13.49	1.10	-	14.59
Fair valuation of Equity Instruments as per Ind AS	(20.87)	(92.99)	-	(113.86)
Impairment of Trade Receivable	104.62	(104.62)	-	-
Total deferred tax assets (B)	148.41	(195.10)	(0.49)	(47.19)
Net deferred tax Liability / (Assets) (A-B)	(76.78)	(210.53)	(0.49)	134.24

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

Particulars	Year Ended 31 st March, 2021			31 st March, 2021
	31 st March, 2020	Credit/(Charge) in Profit or Loss	Recognised in OCI	
Deferred tax liability on account of :				
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	76.59	3.03	-	73.57
Fair valuation of Securities for trade as per Ind AS	17.73	21.59	-	(3.86)
Expenses allowable u/s. 43B on payment basis				
-Gratuity	(30.80)	(32.64)	1.84	-
-Bonus	(4.91)	(4.91)	-	-
Fair valuation of Mutual Funds held for investment as per Ind AS	-	(0.07)	-	0.07
Fair valuation of Equity Instruments as per Ind AS	(13.36)	(15.21)	-	1.85
Total deferred tax liabilities (A)	45.26	(28.21)	1.84	71.63
Deferred tax assets on account of:				
Expenses allowable u/s. 43B on payment basis				
-Gratuity	1.18	44.61	-	45.79
-Bonus	-	4.90	-	4.90
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	(0.86)	1.35	-	0.49
Preliminary Expense	0.18	(0.18)	-	-
Loss carried forward	17.79	(4.30)	-	13.49
Fair valuation of Equity Instruments as per Ind AS	-	(20.87)	-	(20.87)
Impairment of Trade Receivable	29.08	75.55	-	104.62
Total deferred tax assets (B)	47.36	101.05	-	148.41
Net deferred tax Liability / (Assets) (A-B)	(2.11)	72.84	1.84	(76.78)
				(₹ in Lacs)
Particulars	31 st March, 2022	31 st March, 2021		
45. Earnings Per Equity Share				
A) Profit attributable to Equity holders of Company				
Profit attributable to equity holders	5,036.10	3,467.47		
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	24.19	16.65		
46. Proposed dividend				
The Board of Directors has recommended final dividend of ₹ 0.15 per share for the financial year 2021-22.				

Consolidated Notes Forming Part Of Financial Statement
47. Contingent Liability and Commitment (to the extent not provided for)

(₹ in Lacs)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Contingent liabilities:		
Bank Guarantees given*	15,500.00	13,092.75
Demand in respect of income tax matters for which appeal is pending	50.48	-
Claim against the Group	-	39.03
Capital commitments:		
There are no Capital commitment as at the year end.		
* Bank Guarantees details		
1. ICCL Bombay Stock Exchange Ltd (under mandatory rules for membership)	123.75	123.75
2. ICCL Bombay Stock Exchange Ltd (towards additional margin)	15,301.25	-
3. Axis Bank Ltd - Clearing Member of company in NSE F&O segment (towards margin requirement)	-	5,478.00
4. National Securities Clearing Corporation Ltd (towards additional margin)	-	7,026.00
5. National Securities Clearing Corporation Ltd (under mandatory rules for membership)	75.00	75.00
6. MCXCCL (towards additional margin requirement)	-	390.00

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:

(₹ in Lacs)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
The Principal amount remaining unpaid at the year end	41.12	14.19
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	41.12	14.19

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, 2022 and 31st March, 2021. 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.

(₹ in Lacs)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Broking & Related Income	9,190.86	6,700.55
Interest Income	4,132.31	2,483.16
Sale of plots	428.59	504.48
Asset Management & Advisory fees	56.63	32.32
Total	13,808.39	9,720.51

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 Company recognised ₹18.55 Lacs (Previous Year ₹14.60 Lacs) for provident fund contributions in the Statement of Profit and Loss.

The Company recognised ₹4.67 Lacs (Previous Year: ₹3.85 Lacs) 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 Lacs. (Previous Year ₹ 20 Lacs).

Consolidated Notes Forming Part Of 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 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:

(₹ in Lacs)

Particulars	Defined Benefit Obligation	
	As at 31 st March, 2022	As at 31 st March, 2021
Opening balance	181.93	127.06
Included in profit or loss -		
Current service cost	11.90	48.59
Interest cost	7.54	6.38
Total (A)	201.38	182.03
Included in OCI -		
Actuarial loss (gain) arising from:		
Demographic assumptions	(0.00)	-
Financial assumptions	(3.60)	3.67
Experience adjustment	1.64	3.64
Total (B)	(1.96)	7.31
Other		
Benefits paid	(11.05)	(7.41)
Total (C)	(11.05)	(7.41)
Closing balance (A+B+C)	188.36	181.93

C. Defined Benefit Obligations

(i) Actuarial assumptions: The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	As at 31 st March, 2022	As at 31 st March, 2021
Mortality Table	IALM (2012-14) Urban.	IALM (2006-08) Ult.
Retirement age	60,65 & 70 years	60, 65 and 70 years
Attrition Rate	29.00% p.a.	29.00% p.a.
Discount rate	5.15% p.a.	4.25% 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.

Particulars	As at 31 st March, 2022		As at 31 st March, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(3.79)	4.02	(3.82)	4.06
Future salary growth (1% movement)	3.56	(3.41)	3.45	(3.30)
Employee Turnover (1% movement)	(0.23)	0.23	(0.31)	0.32

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.

Consolidated Notes Forming Part Of 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 st March, 2022	As at 31 st March, 2021
Expected benefits for Year 1	52.07	51.93
Expected benefits for Year 2	40.71	37.87
Expected benefits for Year 3	44.73	28.53
Expected benefits for Year 4	19.05	31.17
Expected benefits for Year 5	14.79	13.31
Sum of Years 6 to 10	30.84	28.80
Sum of Years 11 and above	7.79	7.47

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. Jitendra Jain	Independent Director (w.e.f.14/06/2021)
Mr. Arpit Jain	Joint Managing Director
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) Associate

- Electrum Capital Private Limited (Formerly known as Electrum Investment Managers Private Limited)
- Electrum Portfolio Managers Limited (Formerly Arihant Asset Management Limited) (Subsidiary of associate)(w.e.f 23/11/2021)

d) Enterprises over which Control

Shyam Developers
 Savitt Universal Limited

Transactions with related parties											
Nature of Transaction	Name of the Related Party	Key Management Personnel			Relatives of KMP			Enterprise over which control		Total	
		31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21		
Incomes											
Rent	Electrum Capital Private Limited	-	-	-	-	-	-	-	-	0.70	-
	Electrum Portfolio Managers Limited	-	-	-	-	-	-	-	-	1.00	-
	Total	-	-	-	-	-	-	-	-	1.70	-
Commission	Electrum Capital Private Limited	-	-	-	-	-	-	-	-	2.90	-
	Total	-	-	-	-	-	-	-	-	2.90	-
	Grand Total	-	-	-	-	-	-	-	-	4.60	-
Expenses											
Salary & Incentive	Ashok Kumar Jain	162.04	401.52	-	-	-	-	-	-	162.04	401.52
	Anita Gandhi	38.60	36.08	-	-	-	-	-	-	38.60	36.08
	Arpit Jain	18.57	3.00	-	14.73	-	-	-	-	18.57	17.73
	Kiran Jain	-	-	-	-	-	-	-	-	-	-
	Mahesh Pancholi	12.19	9.90	-	-	-	-	-	-	12.19	9.90
	Mohini Doshi	-	-	6.17	5.95	-	-	-	-	6.17	5.95
	Swati Jain	-	-	-	-	-	-	-	-	-	-
	Shruti Jain	-	-	24.00	23.00	-	-	-	-	24.00	23.00
	Tarun Goyal	14.83	13.48	-	-	-	-	-	-	14.83	13.48
	Total	246.23	463.98	30.17	43.68	-	-	-	-	276.41	507.66
Rent	Ashok Kumar Jain	15.00	14.63	-	-	-	-	-	-	15.00	14.63
	Kiran Jain	-	-	38.84	41.37	-	-	-	-	38.84	41.37
	Ashok Kumar Jain HUF	-	-	5.87	5.81	-	-	-	-	5.87	5.81
	Arpit Jain	5.87	0.99	-	4.81	-	-	-	-	5.87	5.81
	Shyam Developers	-	-	-	-	-	-	15.00	9.80	15.00	9.80
	Total	20.87	15.62	44.71	51.99	-	-	15.00	9.80	80.58	77.41

Consolidated Notes Forming Part Of Financial Statement

(₹ in Laacs)

Nature of Transaction	Name of the Related Party	Key Management Personnel		Relatives of KMP		Associate		Enterprise over which control		Total
		31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	
Sitting Fees	Sunil Kumar Jain	2.40	1.40	-	-	-	-	-	-	2.40
	Paragbhai Shah	2.00	1.15	-	-	-	-	-	-	2.00
	Ashish Maheshwari	2.60	2.20	-	-	-	-	-	-	2.60
	Akhilesh Rathi	2.40	0.75	-	-	-	-	-	-	2.40
	Jitendra Jain	2.40	-	-	-	-	-	-	-	2.40
Total		11.80	5.50	-	-	-	-	-	-	11.80
Legal & Professional Fees	Swati Jain	-	-	14.40	19.97	-	-	-	-	14.40
Total		-	-	14.40	19.97	-	-	-	-	14.40
Interest	Akhilesh Rathi	19.23	-	-	-	-	-	-	-	19.23
	Savitt Universal Limited	-	-	-	-	-	12.42	-	-	12.42
Total		19.23	-	-	-	-	12.42	-	-	31.65
Commission	Electrum Capital Private Limited	-	-	-	-	28.33	-	-	-	28.33
Total		-	-	-	-	28.33	-	-	-	28.33
Grand Total		298.13	485.10	89.28	115.64	28.33	27.42	9.80	443.16	610.54
Assets										
Rent Deposits	Ashok Kumar Jain	3.50	3.50	-	-	-	-	-	-	3.50
	Kiran Jain	-	-	22.81	23.44	-	-	-	-	22.81
	Ashok Kumar Jain HUF	-	-	4.66	4.97	-	-	-	-	4.66
	Arpit Jain	4.66	4.97	-	-	-	-	-	-	4.66
	Shyam Developers	-	-	-	-	-	3.75	-	-	3.75
Total		8.16	8.47	27.47	28.41	-	3.75	-	-	39.38
Liabilities										
Rent Deposits Taken	Electrum Capital Private Limited	-	-	-	-	0.30	-	-	-	0.30
Total		-	-	-	-	0.30	-	-	-	0.30
Loan Taken	Ashok Kumar Jain	-	570.50	-	-	-	-	-	-	570.50
	Akhilesh Rathi	650.00	-	-	-	-	-	-	-	650.00
Total		650.00	570.50	-	-	-	-	-	-	650.00

Consolidated Notes Forming Part Of Financial Statement

52. Disposal of Subsidiary

The Company has sold entire Shareholding of its wholly owned subsidiary Electrum Portfolio Managers Limited on 22.11.2021 for a total consideration of ₹ 308.29 Lacs and Arihant Lifespace Infra Developers Limited on 23.02.2022 for a total consideration of ₹ 1201.50 Lacs.

52.1 Gain/(Loss) on disposal of wholly owned subsidiary Electrum Portfolio Managers Limited

(₹ in Lacs)

Particulars	As at November 22, 2021
Sale Consideration	308.29
Less: Net Asset Disposed off	(377.00)
Total	(68.72)

52.2 Gain/(Loss) on disposal of wholly owned subsidiary Arihant Lifespace Infra Developers Limited

(₹ in Lacs)

Particulars	As at February 23, 2022
Sale Consideration	1,201.50
Less: Net Asset Disposed off	(1,201.50)
Total	-

53. Foreign Currency Transactions

(i) Expenditure in foreign currency (₹ in Lacs)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Software Expenses	13.81	-
Membership Fees	3.35	3.34
Loss on sale of derivatives and clearing charges	-	0.00
Total	17.16	3.34

(ii) Income in foreign currency

(₹ in Lacs)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Income from Royalty	6.27	-
Interest on Fixed Deposit	0.42	0.60
Total	6.69	0.60

Consolidated Notes Forming Part Of Financial Statement
54. Ageing Schedule for Trade Receivables
For the year ended 31st March, 2022

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	23,850.54	12.15	1.51	7.57	5.53	23,877.28
(ii) Undisputed Trade Receivables-Considered Doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

For the year ended 31st March, 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	14,169.11	182.28	120.23	12.28	21.37	14,505.27
(ii) Undisputed Trade Receivables-Considered Doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	24.50	39.22	1,052.37	-	-	1,116.08

55. Ageing Schedule for Trade Payables
For the year ended 31st March, 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	41.12	-	-	-	41.12
(ii) Others	23,526.05	11.13	8.40	13.29	23,558.87
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-

For the year ended 31st March, 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	14.19	-	-	-	14.19
(ii) Others	15,649.34	14.50	12.12	16.95	15,692.91
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-

Consolidated Notes Forming Part Of Financial Statement

56. Intangible assets under development					
Ageing schedule for Financial Year 2021-22					
(₹ in Lacs)					
Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	2.00	-	-	2.00
Ageing schedule for Financial Year 2020-21					
(₹ in Lacs)					
Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.00	-	-	-	2.00

57. Details of borrowings from banks or financial institutions on the basis of security of current assets

The quarterly returns or statements of current assets filed by the Company with banks or financial institutions for the working capital limit are in agreement with the books of accounts.

58. Registration of charges or satisfaction with Registrar of Companies

The company has filed all the registration of charges, modification or satisfaction with ROC within the statutory period as required by the Companies Act, 2013.

59. Additional Regulatory Information as per Companies Act, 2013

- The Company has not granted loans or advances in nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.
- The title deeds, comprising all the immovable properties are held in the name of company and no immovable property is jointly held with others.
- There is no tangible assets (Capital-work-in progress) under development.
- The company has not revalued its Property, Plant and Equipment and Intangible Assets.
- No proceeding have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The company is not declared willful defaulter by any bank or financial Institution or other lender.
- The company has not entered into transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- The company has not applied for any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013.
- Utilization of Borrowed funds and share premium:
 - No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - No funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."
- The Company has not used the borrowings from banks and financial institutions for the purpose other than for which it was taken.

Consolidated Notes Forming Part Of Financial Statement

60. Disclosure relating to various ratios

Additional regulatory information required under clause (xvi) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the Company as it is in broking business and not an NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934.

61. 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:

(₹ in Lacs)

Particulars	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
As at 31st March, 2022								
Financial assets								
Cash and cash equivalents	-	-	3,753.14	3,753.14	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	20,549.55	20,549.55	-	-	-	-
Securities for trade	2,682.77	-	-	2,682.77	2,682.77	-	-	2,682.77
Receivables								
Trade receivables	-	-	23,877.28	23,877.28	-	-	-	-
Loans	-	-	1,357.54	1,357.54	-	-	-	-
Investments	2,576.33	-	-	2,576.33	2,562.23	-	14.10	2,576.33
Other financial assets	-	-	1,418.09	1,418.09	-	-	-	-
Total financial assets	5,259.09	-	50,955.60	56,214.70	5,244.99	-	14.10	5,259.09
Financial liabilities								
Derivative financial instruments	-	-	37.51	37.51	-	-	-	-
Payables								
I) Trade Payables								
Total outstanding dues of micro & small enterprises	-	-	41.12	41.12	-	-	-	-
Total outstanding dues of creditors other than micro & small enterprises	-	-	23,558.87	23,558.87	-	-	-	-
Borrowings	-	-	8,237.80	8,237.80	-	-	-	-
Other financial Liabilities	-	-	2,023.01	2,023.01	-	-	-	-
Total financial liabilities	-	-	33,898.31	33,898.31	-	-	-	-

Consolidated Notes Forming Part Of Financial Statement

The carrying value and fair value of financial instruments by categories as of 31 March 2021 are as follows: (₹ in Lacs)

Particulars	Carrying Amount				Fair Value			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
As at 31st March, 2021								
Financial assets								
Cash and cash equivalents	-	-	2,477.99	2,477.99	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	18,993.18	18,993.18	-	-	-	-
Securities for trade	987.11	-	-	987.11	987.11	-	-	987.11
Receivables								
Trade receivables	-	-	15,205.66	15,205.66	-	-	-	-
Loans	-	-	964.07	964.07	-	-	-	-
Investments	1,618.65	-	-	1,618.65	1,604.55	-	14.10	1,618.65
Other financial assets	-	-	557.94	557.94	-	-	-	-
Total financial assets	2,605.75	-	38,198.85	40,804.60	2,591.65	-	14.10	2,605.75
Financial liabilities								
Derivative financial instruments	-	-	8.43	8.43	-	-	-	-
Payables								
I) Trade Payables								
Total outstanding dues of micro & small enterprises	-	-	14.19	14.19	-	-	-	-
Total outstanding dues of creditors other than micro & small enterprises	-	-	15,692.91	15,692.91	-	-	-	-
Borrowings	-	-	5,625.79	5,625.79	-	-	-	-
Other financial Liabilities	-	-	4,829.74	4,829.74	-	-	-	-
Total financial liabilities	-	-	26,171.07	26,171.07	-	-	-	-

Consolidated Notes Forming Part Of 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.

62. 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.

Consolidated Notes Forming Part Of Financial Statement

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

(₹ in Lacs)

Particulars	31st March,2022			31st March,2021		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross Trade Receivables	23,877.28	-	-	14,505.27	1,116.08	-
Impairment loss	-	-	-	-	(415.70)	-
Net Trade Receivables	23,877.28	-	-	14,505.27	700.39	-
Gross Loans	1,360.94	-	-	966.87	-	-
Impairment loss	(3.40)	-	-	(2.79)	-	-
Net Loans	1,357.54	-	-	964.07	-	-

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

Movements in the allowances for impairment in respect is as follows:								
Particulars	Carrying Amount				Carrying Amount			
	31st March, 2022				31st March, 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening Balance	2.79	415.70	-	418.49	3.83	116.60	-	120.43
Impairment loss recognised during the year	0.61	700.39	-	701.00	(1.04)	299.09	-	298.05
Debtors Written Off	-	(1,116.08)	-	(1,116.08)	-	-	-	-
Closing Balance	3.40	-	-	3.40	2.79	415.70	-	418.49

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, 2022

(₹ in Lacs)

Particulars	Carrying Amount	Less than 1 year	1-3 year	3-5 year	More than 5 year
Derivative financial instruments	37.51	37.51	-	-	-
Trade Payables	23,599.99	23,599.99	-	-	-
Borrowings	8,237.80	8,237.80	-	-	-
Other financial Liabilities	2,023.01	2,023.01	-	-	-

Consolidated Notes Forming Part Of Financial Statement

The table below provide details regarding the contractual maturities of significant financial liabilities as of 31st March,2021

(₹ in Lacs)

Particulars	Carrying Amount	Less than 1 year	1-3 year	3-5 year	More than 5 year
Derivative financial instruments	8.43	8.43	-	-	-
Trade Payables	15,707.10	15,707.10	-	-	-
Borrowings	5,625.79	5,625.79	-	-	-
Other financial Liabilities	4,829.74	4,829.74	-	-	-

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.

63. 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.

(₹ in Lacs)

Particulars	31 st March, 2022	31 st March, 2021
Borrowings	8,237.80	5,625.79
Less: Cash & bank balances	24,302.70	21,471.17
Net Debt (A)	(16,064.90)	(15,845.37)
Total Equity (B)	22,888.63	18,211.48
Gearing Ratio (A/B)	(0.70)	(0.87)

Consolidated Notes Forming Part Of Financial Statement
64. 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

(₹ in Lacs)

Particulars	31st.Mar.2022		31st.Mar.2021		Total
	Within 12 month	After 12 month	Within 12 month	After 12 month	
Assets					Total
Financial assets					
Cash and cash equivalents	3,753.14	-	2,477.99	-	2,477.99
Bank balance other than above	20,549.55	-	18,993.18	-	18,993.18
Securities for trade	2,682.77	-	987.11	-	987.11
Trade receivables	23,877.28	-	15,205.66	-	15,205.66
Loans	1,357.54	-	964.07	-	964.07
Investments	-	2,576.33	220.39	1,398.25	1,618.65
Other financial assets	1,109.20	308.89	557.94	-	557.94
	53,329.48	2,885.22	39,406.35	1,398.25	40,804.60
Non-Financial assets					
Inventories	-	-	2,649.84	-	2,649.84
Current tax assets (net)	5.09	-	1.45	-	1.45
Deferred tax assets (net)	-	21.48	117.04	-	117.04
Investment Property	-	185.27	-	185.27	185.27
Property, plant and equipment	-	924.50	-	1,747.03	1,747.03
Other intangible assets	-	71.93	-	67.21	67.21
Intangible assets under development	-	2.00	2.00	-	2.00
Other non financial assets	338.98	116.51	572.39	-	572.39
	344.07	1,321.69	3,342.72	1,999.51	5,342.23
Total Assets	53,673.54	4,206.91	42,749.07	3,397.76	46,146.83
Liabilities					
Financial Liabilities					
Derivative financial instruments	37.51	-	8.43	-	8.43
Trade payables	23,599.99	-	15,707.10	-	15,707.10
Borrowings	8,237.80	-	5,625.79	-	5,625.79
Other financial Liabilities	2,023.01	-	4,829.74	-	4,829.74
	33,898.31	-	26,171.07	-	26,171.07
Non-Financial Liabilities					
Current Tax Liabilities (net)	237.59	-	107.25	-	107.25
Provisions	122.72	188.36	100.60	181.93	282.53
Deferred Tax Liabilities (net)	-	150.13	-	40.26	40.26
Other non financial liabilities	394.71	-	1,334.25	-	1,334.25
	755.02	338.50	1,542.09	222.19	1,764.28
	34,653.33	338.50	27,713.16	222.19	27,935.35
Total Liabilities	34,653.33	338.50	27,713.16	222.19	27,935.35

Consolidated Notes Forming Part Of Financial Statement

65. Investments in associate (accounted for using the equity method)

The aggregate summarized financial information in respect of the Company's associates that are accounted for using the equity method is set forth below: (₹ in Lacs)

Particulars	As at	
	31 st March,2022	31 st March,2021
Carrying amount of the Company's interest in associates accounted for using the equity method	287.98	183.29

66. Additional Disclosure pertaining to Subsidiaries as per division III of Companies Act, 2013								
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 (₹ in Lacs)	As % of Consolidated Profit /(Loss)	Amount (₹ in Lacs)	As % of Consolidated OCI	Amount (₹ in Lacs)	As % of Total Consolidated Income	Amount (₹ in Lacs)
Parent								
Arihant Capital Markets Limited	88.48%	20,621.85	90.87%	5,406.88	27.00%	1.47	90.81%	5,408.35
Subsidiaries								
Arihant Financial Services Limited	3.76%	875.80	1.05%	62.35	0.00%	-	1.05%	62.35
Arihant Futures & Commodities Limited	5.86%	1,366.67	4.79%	285.22	0.00%	-	4.79%	285.22
Arihant Lifespace Infra Developers Limited*	0.00%	-	0.67%	40.02	0.00%	-	0.67%	40.02
Arihant Insurance Broking Services Limited	0.31%	72.18	(0.09%)	(5.48)	0.00%	-	(0.09%)	(5.48)
Arihant Institute of Financial Education Pvt. Ltd. (Formerly known as Arihant Investment Advisors Private Limited)	0.22%	51.36	0.03%	1.86	0.00%	-	0.03%	1.86
Electrum Portfolio Managers Limited (Formerly Arihant Asset Management Limited)*	0.00%	-	1.01%	59.84	0.00%	-	1.00%	59.84
Ahinsa Lifespace Infraheight Limited	0.80%	185.74	(0.01%)	(0.43)	0.00%	-	(0.01%)	(0.43)
Arihant Capital (IFSC) Limited	0.57%	133.66	(0.08%)	(4.52)	73.00%	3.97	(0.01%)	(0.55)
Sub Total	100.00%	23,307.25	98.24%	5,845.75	100.00%	5.44	98.24%	5,851.20
Associate								
Electrum Capital Private Limited (Formerly known as Electrum Investment Managers Private Limited)		287.98	1.76%	104.69	0.0%	-	1.76%	104.69
Sub Total		287.98	1.76%	104.69	0.0%	-	1.76%	104.69
Total		23,595.23	100.00%	5,950.45	100.00%	5.44	100.00%	5,955.89
Less: Intercompany Elimination and Consolidation Adjustments		(706.60)						
Total		22,888.63						
*Name of Subsidiaries which have been liquidated or sold during the year :								
Arihant Lifespace Infra Developers Limited				Electrum Portfolio Managers Limited				

Consolidated Notes Forming Part Of Financial Statement

67. 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, 2022 and 31 March, 2021 is as under:

Name of the Entities	Country of incorporation	Proportion of ownership interest	
		As at 31st March, 2022	As at 31st March, 2021
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	0.00%	100.00%
Arihant Insurance Broking Services Limited	India	100.00%	100.00%
Arihant Investment Advisors Private Limited (Formerly known as Arihant Financial Planners & Advisors Private Limited)	India	100.00%	100.00%
Electrum Portfolio Managers Limited (Formerly Arihant Asset Management Limited)*	India	0.00%	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%	27.23%

* The company has sold its entire shareholding in wholly owned subsidiary Arihant Lifespace Infra Developers Limited and Electrum Portfolio Managers Limited during the year.

Consolidated Notes Forming Part Of Financial Statement

68. 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 2021-22. CSR initiatives majority 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 ₹ 60.63 Lacs (Previous year ₹ 50.61 Lacs)
 B) Amount spent during the year ended 31 March 2022 on:

Particulars	Year ended 31 st March, 2022		Year ended 31 st March, 2021	
	Amount Paid	Yet to be paid	Amount Paid	Yet to be paid
Construction/acquisition of any asset On purposes other than (a) above	-	-	-	-
	60.63	-	60.63	80.85
Total	60.63	-	60.63	80.85
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
Nil	Nil	60.63	60.63	-0.01

69. Asset held for sale

Investments in Equity Instruments of subsidiaries (fully paid up equity shares of ₹ 10/- each)

Particulars	31 st March, 2022	31 st March, 2021
i) Ahinsa Lifespace Infraheight Limited*	190.00	190.00
ii) Electrum Portfolio Managers Limited (Formerly Arihant Asset Management Limited)*	-	250.00
Total	190.00	440.00

*The company has sold its entire shareholding in subsidiary Electrum Portfolio Managers Limited (Formerly Arihant Asset Management Limited) on 22.11.2021 for a total consideration of ₹308.29 Lacs. The company is also in progress to divest its whole investment in subsidiary Ahinsa Lifespace Infraheight Ltd in the following year. This investment does not constitute major component of the company and hence not classified as discontinued operations.

70. Events after Reporting Date

The Company has Split the face value of equity shares from face value of ₹ 5 per share to face value of ₹ 1 per share on record date April 15, 2022.

71. Previous year figures have been regrouped/reclassified wherever necessary.

72. 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 April 25, 2022.

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 : 22402629AHTPUM7851

Indore, 25th April, 2022

For and on behalf of the Board

Tarun Goyal

Chief Financial
Officer
M.No. 407449

Mahesh Pancholi

Company Secretary
M.No. F7143

Arpit Jain

Joint Managing Director
DIN-06544441

Ashok Kumar Jain


Managing Director
DIN-00184729

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