

Date: 01/09/2020

To,
The Department of Corporate Services,
Bombay Stock Exchange Limited.,
P J Towers, Dalal Street,
Mumbai- 400001

Sub. : 28th Annual Report for the Year 2019-20

Ref. : ISIN – INE420B01028

Dear Sir/Madam,

In terms of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. We are enclosing herewith Annual Report for the year 2019-20 of the Company.

Kindly take on record the above and oblige.

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-452001 T: +91-731-4217100 F: +91-731-4217199

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 F: +91-22-42254880

CIN: L67120MP1992PLC007182

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

Vision, Mission & Values

Vision:

To be the pre-eminent financial services provider, aiming to provide quality service, investment insight and maintaining healthy client relationships.

- » Be fair, empathetic and responsive in serving our client
- » Always earn and be worthy of our client's trust
- » Respect our colleagues and reinforce the spirit of teamwork
- » Strive relentlessly to improve what we do and how we do it



Mission:

To help investors reach their financial goals by offering them objective advice and investment solutions, unmatched research and leading edge-tools.

Values:



Self – Reliant Arihant

₹ **90.87** crores
Total Revenue

₹ **17.48** crores
Profit After Tax



21%
Return on Capital
Employed



₹ **149.61** crores
Total Net Worth



1.65 lacs
Strong Customer Base



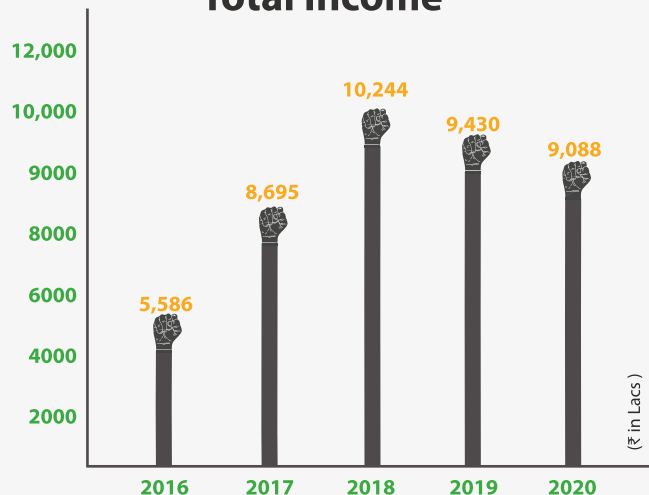
265
Happy Employees



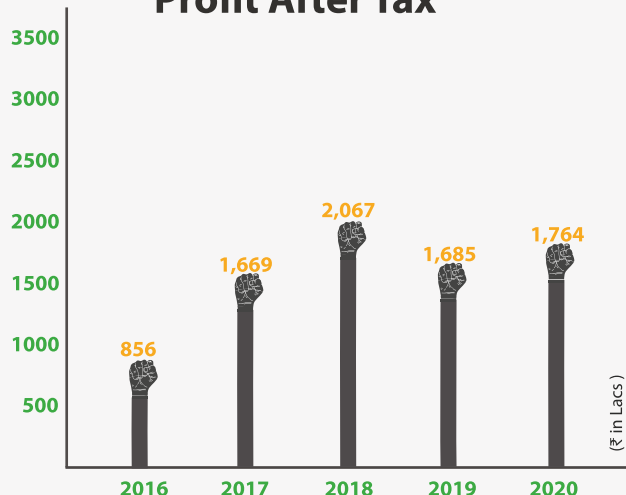
40,000 sq ft
Office Space

Consolidated Performance Highlights

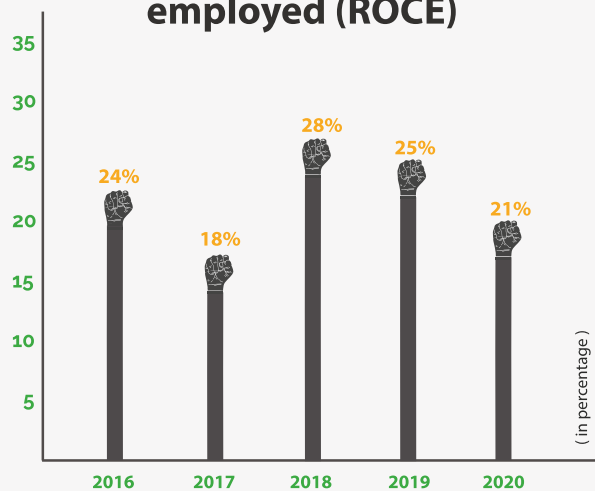
Total Income



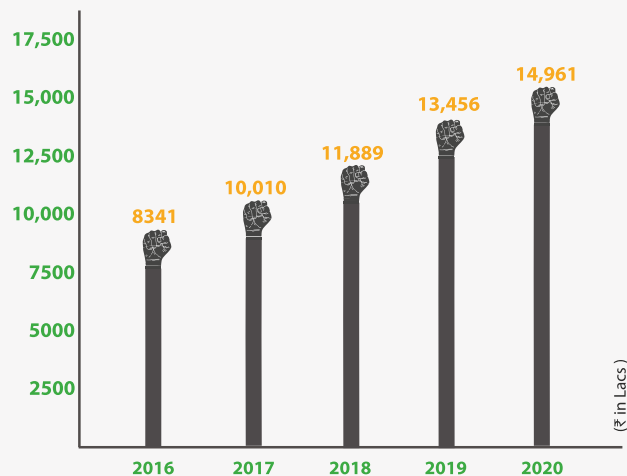
Profit After Tax



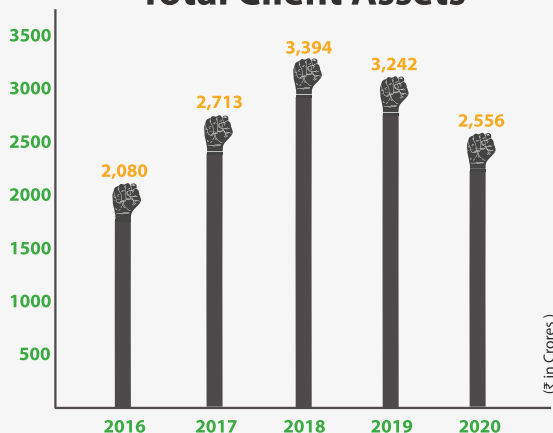
Return on capital employed (ROCE)



Net Worth



Total Client Assets



Arihant Offerings - Moving Towards आत्मनिर्भरता

Retail Broking

Offerings

Equities and Derivatives, Commodities and Currency, Equity, Commodity and Currency Research, Initial Public Offering (IPO), Offer for Sale (OFS), Buyback, Rights Issue, Margin Trade Funding (MTF), Loan Against Shares, Securities Lending & Borrowing Mechanism (SLBM)

Catering to

Retail, HNI and Corporates

Our Strength

- » Serving over 1.65 lacs happy customers
- » Across 900 investment centers pan India
- » Reach in 200 cities
- » Arihant Mobile – next generation trading application
- » Robust digital architecture

Institutional Broking

Offerings

Broking Services, Equity Research

Catering to

Domestic Mutual Funds, Insurance Companies, Banks, Financial Institutions and few Foreign Portfolio Investors (FPIs)

Our Strength

- » 75+ active institutional clients
- » SEBI registered research analyst 50+ stocks under research coverage backed by management meet and in-depth research
- » Tracking IT, Auto, Cement, BFSI, FMCG and Mid-Cap sector actively
- » Tracking Nifty 200 companies' earnings

Merchant Banking

Offerings

- » **Capital Market Services:**
Equity Capital Market (ECM) transactions
Initial Public Offers, Rights Issues, Qualified Institutional Placements, Open Offers, Buyback, Delisting, Preferential Issues, SME IPO, FPO
- » **Corporate Finance:**
Private Equity, Project Finance, Trade Finance, VC/Angel Funding, Debt Restructuring
- » **Valuation Services:**
Business Valuation, FDI/ODI Valuation, Sweat Equity, Fairness Opinion, ESOP Valuation
- » **Corporate Advisory:**
Mergers and Acquisitions, Transaction Advisory, Corporate Restructuring, ESOP Advisory

Catering to

Mid and Large sized Corporates

Our Strength

- » Experienced team with a collective experience of over 100 years
- » Completed over 50 Equity Capital Market transactions over the past years
- » Completed over 200 valuations for regulatory / non-regulatory purposes
- » Credible advice and ethical business practices

Private Wealth Management

Offerings

Mutual Funds, Bonds, NCDs, Insurance, Portfolio Management Services (PMS), National Pension System (NPS)

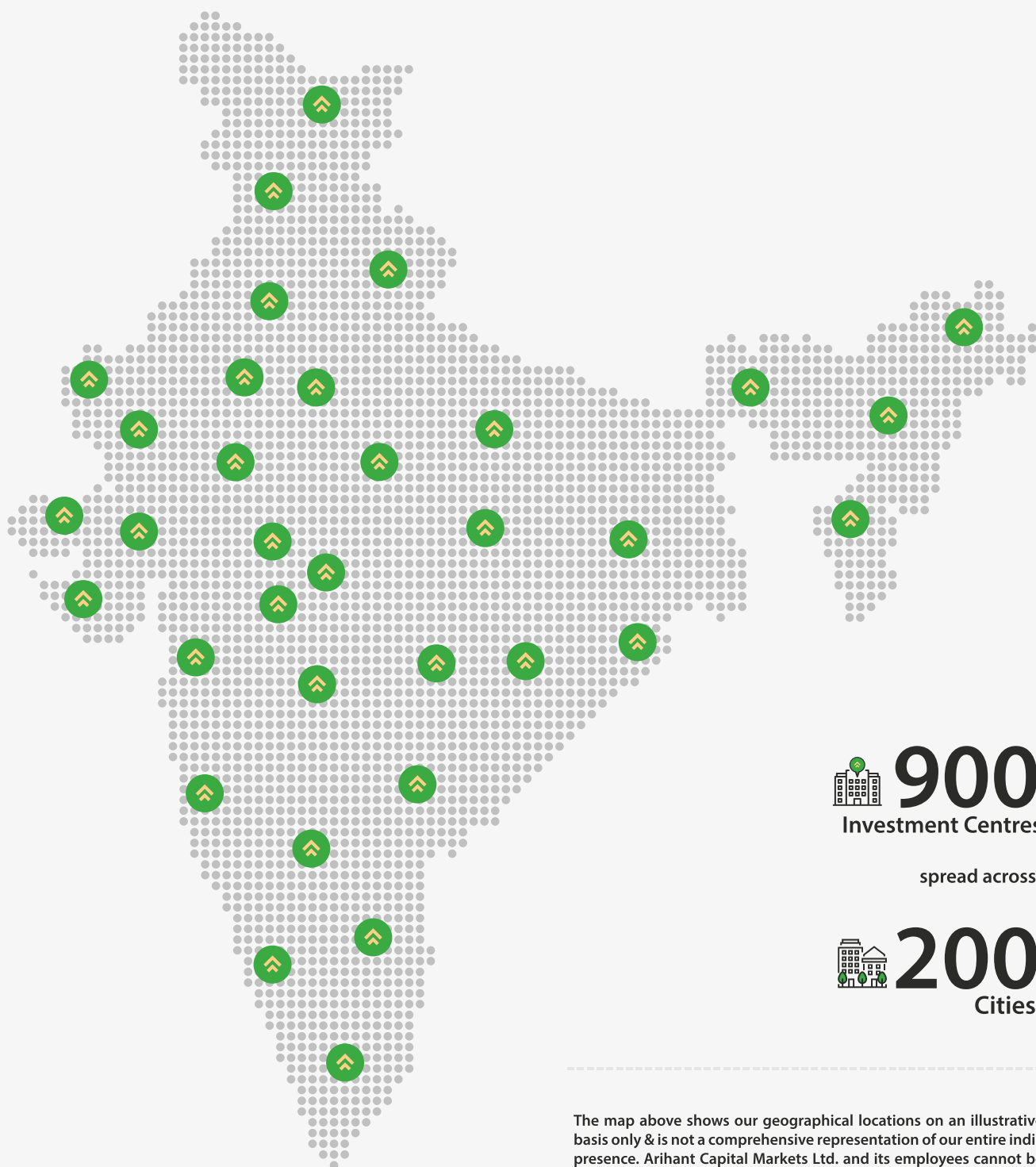
Catering to

Retail and HNI Investors

Our Strength

- » Secured insurance broking license under IRDAI
- » Secured Portfolio Management Services License (PMS) and set up own PMS Fund
- » Became a registered Point of Presence service provider appointed by PFRDA for National Pension Scheme (NPS)
- » Conducted several investor workshops pan India across corporates and associations

Strengthening Our Reach



The map above shows our geographical locations on an illustrative basis only & is not a comprehensive representation of our entire india presence. Arihant Capital Markets Ltd. and its employees cannot be held responsible for misrepresentation of any information in the above design.

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Board's Report	09	+	
	15	+	Annexure to Board Report
Management Discussion & Analysis Report	28	+	
	32	+	Report on Corporate Governance
Independent Auditors' Report on Standalone Financial Statements	45	+	
	52	+	Standalone Balance Sheet
Independent Auditors' Report on Consolidated Financial Statements	90	+	
	96	+	Consolidated Balance sheet

Chairman's Message



Dear Shareholders,

On behalf of Arihant Capital Markets Limited and its Board of Directors, I am delighted to present before you the 28th Annual Report of the Company.

I hope all of you and your families are keeping safe and well.

We are all living through unprecedented times as Covid-19 pandemic continues to impact every aspect of our lives. My heart goes out to the families of all those who have lost their lives and have been deeply hit by the covid-crisis. Let me also, on behalf of

Arihant Capital, salute our healthcare workers on the frontline, who have risked and sometimes lost their lives in this battle against a raging pandemic.

The pandemic struck India at a time when the underlying economic conditions were subdued. It severely impacted the movement of people and travel, which paralysed the business environment globally. This resulted into heightened levels of uncertainty causing severe correction in global equity and commodity markets.

To contain the virus spread, India enforced one of the strictest and longest lockdowns in the world on March 25, 2020, resulting in a halt on most economic activities and affecting millions of people as they lost their jobs and revenue streams. This situation mirrored in large parts of the world. Flight to safety triggered major sell offs and emerging economies also saw huge capital outflows, growing bond spreads and currency depreciation. NIFTY plummeted 23% in March 2020 alone, recording one of its biggest quarterly fall declining around 30% qoq. For the entire financial year ending 31st March 2020, NIFTY was down 26%; while NIFTY Midcap 100 and NIFTY Smallcap 100 indices fell by 36% and 46%, respectively.

Decline in asset and commodity prices and drop in equity markets reached unprecedented levels. Oil prices fell off a cliff going in the negative zone, the first time ever in history owing to uncertainty around the prospects of production cuts due to the pandemic. Against this backdrop, India's growth in FY2020 moderated to 4.2%.

During these challenging times, our focus had been on, and remains on, the safety of our employees, and the financial well-being of our company. We had been agile in adopting to the "new normal" with the support and commitment of our employees and the robust systems and processes that were set in place. We had proactively strengthened the operational and technological infrastructure needed, to ensure continuity of normal operations. This allowed business as usual at Arihant even with 95% of our employees working from home during lockdown.

We also launched a program to be especially more conscious of our costs, incorporate sustainability into our practices, improve efficiency and maintain a strong focus on conserving cash.

I am deeply thankful to our employees who handled this unprecedented situation with zero disruption and have shown strong resilience. I am overwhelmed with the trust of our directors, shareholders, vendors and all our stakeholders for running the business. We are actively working to blunt the near-term impacts related to COVID19, while leveraging our strengths to press ahead.

In the backdrop of all the challenges, your Company has demonstrated stability, growth and satisfactory profitability.

Company Performance

I am pleased to inform you that despite the volatility in the markets, your Company's total income for the year stood at Rs 90.87 crores as compared to Rs 94.29 crores, while profit after tax was Rs 17.48 crores as compared to Rs 16.75 crores previous year respectively.

We are pleased to announce that the Board of Directors have recommended a dividend of 20% for the year.

Going forward, enhancing scale and efficiency in our existing business model, while setting up new streams of revenue will enable our full-service model to support a diverse revenue mix over time creating long-term value for shareholders. Arihant's underlying fundamentals remain firmly intact, with strong growth and engagement across our businesses that will help to create value for our investors and customers.

Going forward, our overall priorities remain simple:

- To embark on a new journey of moving away from being a tech-enabled organization to a tech-led one.
- Continued business growth through client-first approach
- Solid revenue growth by scaling existing business verticals
- Investing in people and processes who can make us resilient in every situation
- Increasing our feet on street of direct channel pan India

We will continue our focus and commitment to invest considerable resources into enhancement and implementation of technology, at all levels, with a customer-centric approach. Our focus is on leveraging technology to simplify investments for our customers be it registering their KYC, making investment in equity, mutual funds, gold, and insurance, customer service or any other engagement.

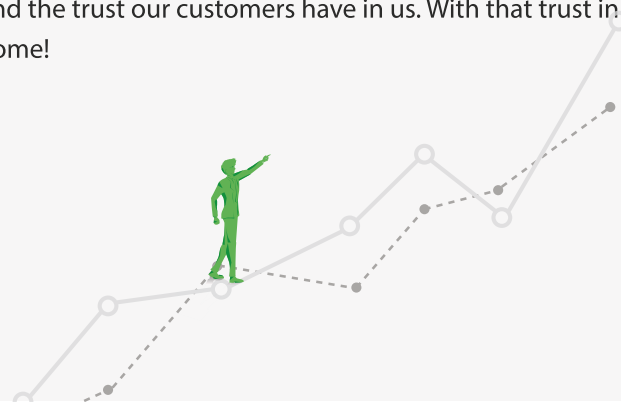
Due to the ongoing COVID-19 crisis, the growth outlook for the Indian economy, as for most other global economies, remains tepid. India's GDP is likely to contract in FY21, which would be the first such instance in almost four decades. However, as they say behind every cloud, lies a silver lining. Stock broking being categorized under essential services, turned out to be pandemic proof business emerging out as a clear winner with volumes gearing up owing to sheer retail liquidity into the system. Interestingly, despite having such a well-established stock market, the country with more than 50 crore smartphone users has only 4.32 crore demat account holders and 9 crore odd mutual funds folios. Hence, the potential in financial services remains immensely untapped despite the competitive landscape growing by leaps and bounds.

Like all other challenges, I am sure, as a country, we will emerge stronger from this situation. I strongly believe that every crisis presents an opportunity, and it is up to us to respond, and rediscover ourselves.

I believe, your company has emerged stronger from the challenges and learnings of the past year. All of this would not have been possible without the hard work of our employees and the trust our customers have in us. With that trust in place, I am optimistic that the best of your company is yet to come!

Ashok Kumar Jain

Chairman and Managing Director
Arihant Capital Markets Limited



Other Board Members



Mrs. Anita S. Gandhi

Whole Time Director

Mrs. Gandhi, B.Com, ACA, CMA, aged 58 years, has over 32 years of experience in the field of finance including corporate finance, primary market and secondary market research. In her 5 year stint with Pidilite Industries Ltd, she was actively involved in the financial affairs of the Company including working capital arrangements, term loan syndication, commercial paper placements, credit rating of the company and public issue of the company. She entered capital markets in 1994 when Indian capital markets were opening up and joined JM Share & Stock Brokers Ltd in the primary markets division and on launch of National Stock Exchange of India, she was responsible for setting up of Institutional Desk of the Company for NSE, which she successfully executed. Since then she is actively involved in the institutional segment with various brokerages. She joined Arihant in 2002 as an Institutional Head and has played a key role in the growth of institutional business of the Company.



Mr. Akhilesh Rathi

Director

Mr. Rathi, MBA, aged 53 years, has more than twenty five years of rich and diversified experience in finance, trade, textile, real estate and service industry. Mr. Rathi is currently serving on the board of various companies, which among others include, Bhaskar Infrastructure Ltd, a company of Dainik Bhaskar Group, New City of Bombay Manufacturing Mills Ltd and Savitt Universal Ltd. He is also a member of various trade associations and trustee of various social and religious trusts. Mr. Rathi has been on the board of the company since 1994, and has played an instrumental role on the strategic planning and growth of the Company.



Mr. Sunil Kumar Jain

Director

Mr. Jain, M.Com, aged 50 years has more than two decades of rich experience in the field of capital market has played a pivotal role in the growth of the company. He is a noted value investor renowned for his stock picking strategies in the industry and manages his own portfolio.



Mr. Paragbhai Shah

Director

Mr. Shah, B.E. (Mechanical), aged 49 years, is the group chairman of E-Global group of companies. Operating under famous brand Endel & Endeavour, Eglobal is innovator and manufacturer in industrial weighing, MHE equipments, industrial automation & software development. He has played an instrumental role in formulation of short-term and long-term strategic growth plans, budgeting plans and branding operations for continuous improvement in the operations of all group companies. Their operations are spread across India, Middle East and East Africa region.



Mr. Ashish Maheswari

Director

Mr. Maheswari, MBA Finance, aged 46 years, has over two decades of experience in stock broking and management consulting. He acts as an advisor to several large corporates on restructuring their investment plan. A renowned face on CNBC, ET Now, Zee Business and across various media channels, he has a solid understanding of equities, fundamental analysis and is an expert at identification of undervalued companies.

Company Information

COMPANY SECRETARY

Mr. Mahesh Pancholi

CHIEF FINANCIAL OFFICER

Mr. Tarun Goyal

AUDITORS

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

CORPORATE OFFICE

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

REGISTRAR & TRANSFER AGENT

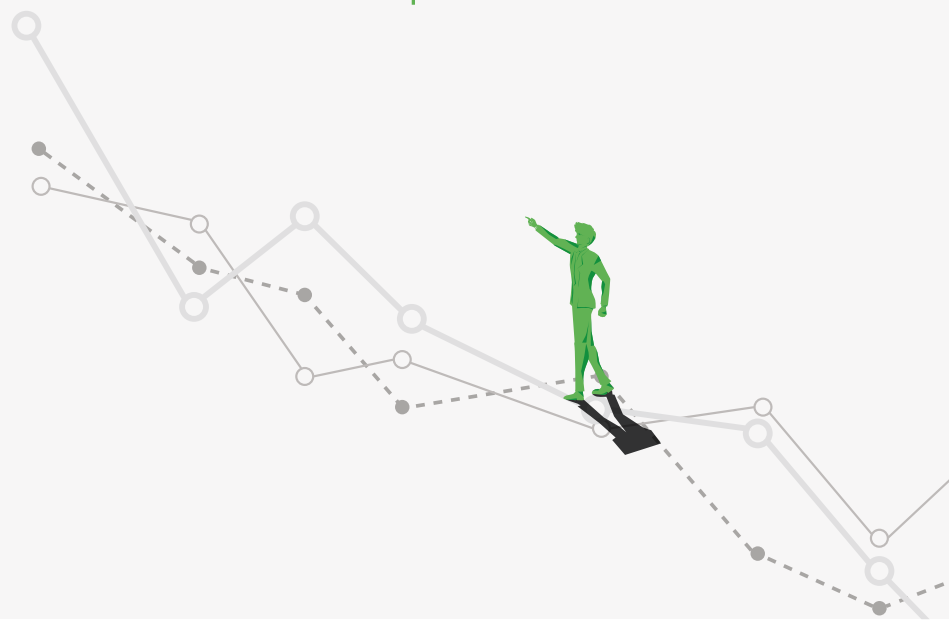
Ankit Consultancy Private Limited
Plot No. 60, Electronic Complex
Pardeshipura,
Indore – 452 010 (M.P.)
T. +91-731-2551745
F. +91-731-4065798

REGISTERED OFFICE

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

Email: compliance@arihantcapital.com

Visit us at: www.arihantcapital.com



Awards & Accolades

Arihant Merchant Banking Division felicitated on the occasion of 200 SME listings at NSE EMERGE



Recipient of Excellence in Omni Presence Technology by IDC Asia Pacific



Awarded as Top Performer in New Accounts Opened by NSDL



Awarded Best Performer in Account Growth Rate by NSDL



Awarded as a Leader in Go Green Initiative by NSDL



Awarded as a Star Performer in Mutual Funds by BSE



Annual Business Partner Summit, Udaipur



Milestones of the Year

Arihant Capital is proud to be



Secured Insurance Broking License from IRDAI and launched Insurance Broking Services.



Secured PMS License from SEBI set up Arihant's PMS Fund

ISO 9001 : 2015 Certified Company

Investor Awareness Program



Serving our Community: CSR Initiatives

We make a living by what we get, but we make a life by what we give

- Winston Churchill

We are firm believers in creating sustainable social impact by integrating our communities with our business objectives. Our firm values emphasize on community development initiatives like education, helping the underprivileged and working towards environment protection.

During FY 2019-20, our CSR activities largely focused on promoting education, healthcare and plantation.

Covid- 19 Relief Funds:

- Arihant Capital has contributed an amount of **₹ 21 lacs** to PM Cares Fund.
- Our team distributed sanitizers to police team, the front warriors who worked in the most challenging conditions for our safety.
- Our team also distributed 1000 food packets to the migrant workers who were affected by the lockdown.



PAN : AAETP3993P



Scan QR To Verify Receipt

Receipt No : PMCARES/SBIC/UTIBR52020033000484446

Date : 30-03-2020

Dear **ARIHANT CAPITAL MARKETS LIMITED**

Thank you very much for contributing to PM CARES Fund.

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

Under Secretary
PM CARES Fund

Received with thanks from: **ARIHANT CAPITAL MARKETS LIMITED**

Donation made to the PM CARES Fund through RTGS mode of bank (IFSC UTIB0000043).

The sum of **INR 2,100,000.00 (Rupees Twenty One Lakhs Only)**

(Contributions to PM CARES Fund have been notified for 100% deduction from Taxable Income under Section 80G of Income Tax Act, 1961)

Prime Minister's Office, New Delhi



Empowering with Education – the most powerful tool to change the world:

We contributed towards development of school in Palda region in association with Lions Club, Indore and Kareli, Jabalpur



Mega Tree Plantation Drive:

Arihant Capital organized a mega tree plantation drive 2000 trees at Pithampur City Homes along with its team.



Health Check-up :

We organized health camp at our office premises to get medical checkups.



Our Most Valuable Asset: Our People

Employee Engagement:

At Arihant Capital, we recognize that creating a positive and healthy working environment is integral for employee satisfaction and overall success of our organization. Our people practices are derived from Arihant's core values - integrity, transparency, excellence, innovation and empathy.



Arihant's Rock & Roll
Annual Party



Yoga Day



New Year Celebration



Diwali Celebration



Diwali Celebration

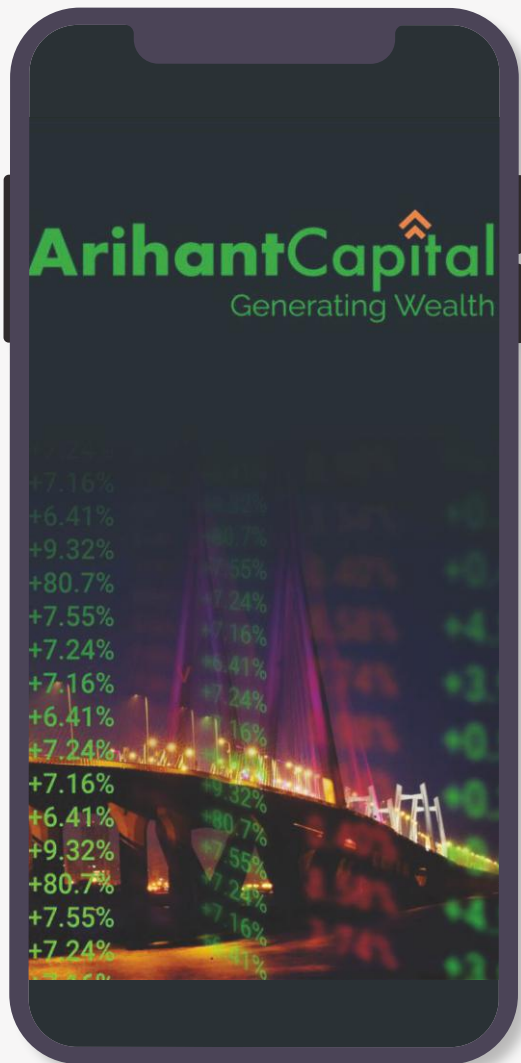


Marathon Organized
by BSE, Mumbai



Cricket Tournament
Organized by MCX, Indore

Arihant Mobile



Swipe to Trade

Swipe to trade seamlessly across multiple products – equities, commodities, currency



Instant Fund Transfer

Transfer funds through netbanking or UPI and get instant limit



In-depth Research Tools

Balance Sheet, P&L and corporate actions, stock news, market news – all the information you need to make informed investment decisions



Advanced Charting Tools

Advanced charts to enable you to decide entry and exit points in your position



Value Added Features

Bracket order, GTD order, Equity SIP, customized alerts, real-time backoffice



Digital Arihant

आत्मनिर्भर की ओर

Wealth4me:

Upgraded Mutual Funds & Financial Planning App



Whatsapp Facility:

Backoffice Reports on Whatsapp



New Client Level:

Intuitive Dashboard, Consolidated Report View



RE- KYC:

Online KYC updation of existing customers

NOTICE

Notice is hereby given that the **TWENTY EIGHTH ANNUAL GENERAL MEETING (AGM)** of the members of **ARIHANT CAPITAL MARKETS LIMITED (CIN: L67120MP1992PLC007182)** will be held on **Saturday, 26th September, 2020 at 12:30 P.M. The Annual General Meeting shall be held by means of Video Conferencing (“VC”) Other Audio Visual Means (“OAVM”) on account of outbreak of COVID – 19 Pandemic and in accordance with the relevant circulars issued by the Ministry of Corporate Affairs,** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company (including Audited Consolidated Financial Statements) for the financial year ended March 31, 2020 and the Reports of the Board of Directors and Auditors Report thereon.
2. To declare Dividend for the Financial Year 2019-20.
3. To appoint a director in place of Mrs. Anita Surendra Gandhi (DIN: 02864338), who retires by rotation and being eligible offers herself for re-appointment.

SPECIAL BUSINESS:

4. **To re-appoint Mrs. Anita Surendra Gandhi (DIN: 02864338) as a Whole Time Director.**

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT subject to the provisions of Sections 196, 197, 203 and all other applicable provisions of the Companies Act, 2013 (the Act) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and subject to such approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities in granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded for the re-appointment of Mrs. Anita Surendra Gandhi, Whole Time Director of the Company for a period of One year with effect from 1st February, 2020.

RESOLVED FURTHER THAT the salary and perquisites (including allowances) payable or allowable to the Whole Time Director be as follows:

1. Basic Salary ₹ 2,09,000 per month.
2. Housing: Furnished/Unfurnished accommodation or House Rent Allowance in lieu thereof not exceeding 40% of the Basic salary.
3. Conveyance: Company will reimburse actual conveyance and traveling expenses incurred.
4. Performance Pay: Such amount as may be determined by the Nomination and Remuneration Committee, not exceeding 2 times of the basic salary.
5. Mrs. Gandhi prior to her appointment as Whole Time Director in the Company, has served in her capacity as an employee of the Company. She shall be eligible for Stock Options, as and when the event happens.

Provided that the remuneration payable by way of salary, perquisites, performance pay, other allowances and benefits does not exceed the limits laid down in Section 197 of the Companies Act, 2013, including any statutory modifications or re-enactment thereof

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

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

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

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

RESOLVED FURTHER THAT 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."

Except Mrs. Anita Surendra Gandhi, none of the directors are interested in this resolution.

By the order of the Board of Directors

Mahesh Pancholi
(Company Secretary)
M. No. F7143

Place: Indore

Dated: 09/07/2020

NOTES :

1. In The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular no 20/2020 dated May 5, 2020 read with circular no 14/2020 dated April 8, 2020 and circular no 17/2020 dated April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC /OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through Video Conferencing (VC)/Other Audio Visual Means (OAVM).
3. The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by Companies and has issued a circular on April 21, 2011 stating that the service of document by a Company can be made through electronic mode. Electronic copy of the Annual Report for the FY 2019-20 is being sent to all the members whose email ID's are registered with the Company/Depository Participants Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company/Ankit Consultancy Pvt. Ltd., the Registrar and Share Transfer Agent in case the shares are held by them in physical form.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held

pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

5. 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:- maresh.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
6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. 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 authorised agency. The facility of casting votes by a member using remote e voting system as well as venue voting on the date of the AGM will be provided by NSDL.
8. The Register of Members, Beneficial Owner and Share Transfer Books of the Company will remain closed from Sunday, September 20, 2020 to Saturday, September 26, 2020, both days inclusive in connection with the AGM and the purpose of payment of dividend, if declared at the Annual General Meeting.
9. The dividend on Equity Shares, if declared at the AGM, will be payable on or after Monday, October 05, 2020 to those members whose names appear as Members in the Register of Members of the Company on Sunday, September 20, 2020 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.
10. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 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 2019-20 will also be available on the Company's website www.arihantcapital.com, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and on the website of NSDL (agency for providing the Remote e-Voting facility) <https://www.evoting.nsdl.com>
11. Members who hold shares in dematerialized form are requested to quote Depository Account Number (Client ID No.) for recording of attendance at the meeting.
12. Members are requested to notify to the Company immediately, quoting Registered Folio No., change in their address, if any, with the pin code number.
13. 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.
14. 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.
15. Shareholders who are still holding physical share certificate are advised to dematerialize their shareholding to avail benefit of dematerialization.
16. Dividend for the financial year ended 31st March, 2013, 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, 2013 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.

17. 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.
18. 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 Notice as Annexure-I. The Directors have furnished the requisite declarations for their appointment/re-appointment.
19. 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.
20. 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.
21. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
22. 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.
23. Voting through electronic means
 - I. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the company is pleased to provide members facility to exercise their right to vote at 28th Annual General Meeting (AGM) by electronic means /remote e voting and the business may be transacted through E-Voting Services provided by NSDL.
 - II. The remote e-voting period commences on Wednesday, 23rd day of September, 2020 (9.00 A.M.) and ends on Friday, 25th day of September, 2020 (5.00 P.M). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Sunday, 20th day of September, 2020, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
 - III. Members holding shares in physical or in Demat form as on Sunday, 20th day of September, 2020, shall only be eligible for remote e-voting.
 - IV. Members will be provided with the facility for voting through electronic voting system during the VC/OAVM proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote E-Voting, will be eligible to exercise their right to vote at the end on discussion on the resolution on which voting is to be held, upon announcement by the Chairperson. Members who have cast their vote on resolution(s) by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution(s) again.
 - V. The remote e-Voting module on the day of the AGM shall be disabled by NSDL for voting after the conclusion of the Meeting.
 - VI. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
 - VII. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of notice through email and holding shares as of cut-off date i.e. Sunday, 20th day of September, 2020 may obtain the login ID and password by sending a request. However, if he/she is already registered with NSDL

- for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- VIII. The Board of Directors has appointed CS Virendra G Bhatt, Company Secretary in Whole Time Practice (ICSI Membership No. ACS 1157 CP No. 124) as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- IX. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website at www.arihantcapital.com within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
- X. The details of the process and manner for remote e-voting are explained herein below.

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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 'Shareholders' section
3. A new screen will open. You will have to enter your User ID, your Password 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 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:

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 EVEN is 101456 then user ID is 101456001***

5. Your password details 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. In case you have not registered your email address with the Company/ Depository, please follow instructions mentioned below in this notice

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.
 - 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.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the Home page of E-Voting. Click on E-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

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 bhattivirendra1945@yahoo.co.in with a copy marked to evoting@nsdl.co.in
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 evoting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no. 1800-222-990 or send a request to 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 or ankit_4321@yahoo.com

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 or ankit_4321@yahoo.com

2. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by providing the details mentioned in Point (1) or (2) as the case may be.

Instructions For Members For Attending The AGM Through VC/OAVM Are As Under:

- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL E-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members 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. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- Members are encouraged to join the meeting through laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at mahesh.pancholi@arihantcapital.com
- Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.
- Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

ANNEXURE TO NOTICE

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

Item No. 4

Mrs. Anita Surendra Gandhi has a wide experience in the field of finance including corporate finance, primary market and secondary market research. She was actively involved in the financial affairs of the company including working capital arrangements, term loan syndication, commercial paper placements, credit rating of the company and public issue of the Company. She is a member of The Institute of Chartered Accountants of India and a member of The Institute of Cost and Works Accountants of India. The Board, subject to requisite approvals and in accordance with the recommendations of the Nomination & remuneration committee, approved the re-appointment and remuneration payable to Mrs. Gandhi for a period of one year from 1st February, 2020.

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

Your Directors recommend this resolution as a Special resolution for approval of the members. A brief profile of Mrs. Anita S. Gandhi is enclosed at the end of this notice.

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

By the order of the Board of Directors

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

Place: Indore

Dated: 09/07/2020

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

Particulars	Mrs. Anita Gandhi
DIN No.	02864338
Date of Birth	11/12/1963
Date of Appointment	30/01/2010
Qualifications	CA,CMA
Expertise in Specific functional Area	Wide experience in primary and secondary market research, institutional broking.
Directorship held in other public companies (excluding private companies, foreign companies and section 8 companies)	Nil
Memberships/ Chairmanship of Committees of other public companies (includes only Audit Committee and Stakeholders Relationship Committee)	Nil
No. of shares held in the company	Nil

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the Twenty Eighth Annual Report on the business and operations of your Company and the Financial Statements for the year ended 31st March 2020.

Financial Highlights

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

(Amount in ₹)

Particulars	Standalone		Consolidated	
	2019-2020	2018-2019	2019-2020	2018-2019
Total Income	79,25,89,922	79,76,45,301	90,87,63,915	94,29,73,241
Profit Before Depreciation	24,44,14,665	23,19,44,587	24,20,31,969	25,31,72,055
Depreciation	1,15,34,422	1,14,38,359	1,28,06,883	1,19,80,707
Profit Before Tax	23,28,80,243	22,05,06,228	22,92,25,086	24,11,91,348
Provision for Taxation	5,52,74,392	6,52,08,925	5,43,47,303	7,36,56,649
Net Profit After Taxation	17,76,05,850	15,52,97,304	17,48,77,783	16,75,34,699
Total Comprehensive Income	17,75,95,891	15,55,03,252	17,64,08,758	16,85,17,931
Appropriations:				
Transfer to General Reserve	15,00,00,000	15,00,00,000	15,20,00,000	15,75,00,000
Dividend (inclusive of dividend tax)	-1,73,85,093	-1,88,27,030	-2,59,44,520	-1,88,27,030
Balance Carried to Balance Sheet	13,09,13,184	12,07,02,386	14,29,72,169	15,56,80,807

Review of Operations

During the year under review, the company has posted total income of ₹ 7,925.89 lacs (previous year ₹ 7,976.45 lacs) on a Standalone basis and a net profit after tax, for the year 2019-20, of ₹ 1,776.05 lacs compared to ₹ 1,552.97 lacs in the previous year. On a consolidated basis during the year under review, the company has posted total income of ₹ 9,087.63 lacs (previous year ₹ 9,429.73 lacs). The consolidated net profit during the same period stands at ₹ 1,748.77 lacs as compared to ₹ 1,675.34 lacs in the previous year.

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

Transfer to General Reserves

The Company proposes to transfer ₹15 Cr to the general reserves out of the amount available for appropriations.

Share Capital

The paid up Equity Share Capital as at March 31, 2020 stood at ₹10.41 Crore. There has been no change in the capital structure of company during the year under review.

Dividend

Your Directors are pleased to recommend the dividend ₹1/- (20% per share) on the Equity Shares of the Company for the financial year 2019-20. The dividend payout is subject to approval of member at the ensuing 28th Annual General Meeting.

Public Deposits

During the Financial Year 2019-20 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 or Deposit) Rules 2014.

Subsidiaries

As on 31st March, 2020 Your Company had eight wholly owned subsidiaries. During the year, the Board of Directors reviewed the business operations and financial performance of the said Companies.

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

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

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

Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Anita Surendra Gandhi who is due to retire by rotation at the forthcoming Annual General Meeting and, being eligible, offers herself for re-appointment. The Board recommends her re-appointment for the consideration of the members of the company at the ensuing Annual General Meeting.

Independent Directors

All Independent Directors have given declarations that they meet criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (1) (b) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

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

Remuneration and Nomination Policy

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

Board and Committee Meetings

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

Particulars of Loans, Guarantees or Investments by Company

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

Whistle Blower Policy/ Vigil Mechanism

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

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

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

Transfer of Amounts to Investor Education and Protection Fund

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

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

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

Accordingly, the Company issued the reminder letters to such shareholders to claim the dividend accordingly informed them that in the event of failure to claim said 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 IEPF Authority

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

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

A. Conservation of Energy

The steps taken or impact on conservation of energy:

- I. The operations of your Company are not energy intensive. However, adequate measures have been initiated to reduce energy consumption.
- II. The capital investment on energy conservation equipments : NIL

B. Technology Absorption:

- I. The efforts made towards technology absorption: Not Applicable.
- II. The benefits derived like product Improvement, cost reduction, product development or import substitution : Not Applicable
- III. In case of imported technology (imported during the last three years reckoned from the beginning of the Financial

- Year) : Not Applicable
- IV. Company has not incurred any expenditure on Research and Development during the year under review.
- C. **Foreign Exchange earning & outgo** : Foreign exchange earned in terms of actual inflow ₹ Nil (previous Year ₹1386596)

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

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

Risk Management & Internal Financial Control and Its Adequacy

Company has an effective risk management framework for identifying, prioritizing and mitigating risks which may impact attainment of short and long term business goals of your company. 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 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 Internal Financial control framework has been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets from unauthorized use, executing transaction with proper authorization and ensuring compliances with corporate policies.

COVID-19 Impact

The COVID-19 pandemic continues to spread rapidly across the globe including India. The COVID-19 outbreak was declared a global pandemic by the World Health Organization and has caused social and economic disruption.

The Indian government had announced nationwide lockdown in India. In this nation-wide lock-down period, though all the services across the nation were suspended (except the specified essential services), some establishments including securities market intermediaries could operate and were exempted from the lock-down. Accordingly, your Company continued its operations through minimal staff working at office premises and rest all working from home.

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

- Contribution of ₹ 21 Lacs to PM Cares Fund
- Work from Home’ facility for employees was provided in advance before announcement of lockdown without compromising any commitments
- No entry in Offices / Branches for external visitors
- The Company has taken variety of safety steps, such as maintenance of social distancing, sanitizing the office space and vehicle on regular basis, enforcing regular cleaning of hands and wearing of masks
- Conducting Virtual Meetings
- We have access to all information through our network connected with servers and there has been no hampering in accessing the database.
- The Company has complied with all the applicable legal requirements, wherever possible, during the lockdown period.

Performance Evaluation

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

Director's Responsibility Statement

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

- (i) The Company has, in the preparation of the annual accounts for the year ended March 31, 2020, followed the applicable accounting standards along with proper explanations relating to material departures, if any.
- (ii) They had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs as at 31st March 2020 and of the profit or loss of the Company for the year ended.
- (iii) They have taken proper and sufficient care to the best of their knowledge for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) They have prepared the annual accounts for the financial year ended 31st March 2020 on a going concern basis.
- (v) They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
- (vi) They had devised proper systems to ensure compliance with the provisions of all applicable laws and those systems are adequate and operating effectively.

Auditors and Auditors Report

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

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

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

Management Discussion and Analysis Report

The Management Discussion and Analysis Report covering the matters listed in Clause 34(2)(e) of the SEBI (LODR), 2015, for the year under review is given as a separate in the Annual Report.

Corporate Governance

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

Corporate Social Responsibility

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

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

Extract of Annual Return

As provide under Section 92(3) of the act and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the extract of the Annual return is given in “**Annexure A**” in the prescribed Form MGT-9, which is a part of this report.

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 2020. The Secretarial Audit Report issued in this regard is annexed as “**Annexure – B**”

The secretarial audit report does contain any qualifications, reservations, adverse remarks or disclaimer.

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.

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 any company’s operation in future.

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 2019-2020.

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 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.

Place: Indore

Dated: 09/07/2020

For and on behalf of the Board of Directors

**Ashok Kumar Jain
(Chairman)**

**FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31/03/2020**

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

I. REGISTRATION AND OTHER DETAILS:

i	CIN	L67120MP1992PLC007182
ii	Registration Date	25/06/1992
iii	Name of the Company	Arihant Capital Markets Ltd.
iv	Category/Sub-Category of the Company	Company limited by shares/ Indian non Govt. company
v	Address of the Registered office and contact details	6, Lad Colony, Y.N. Road Indore MP- 452001 T. +91-731-4217100 F. +91-731-4217199 Email : compliance@arihantcapital.com
vi	Whether listed company	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Ankit Consultancy Private Limited Plot No. 60, Electronic Complex Pardeshipura, Indore – 452 010 (M.P.) T. +91-731-2551745 F. +91-731-4065798

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Securities brokerage services	99715210	98%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

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

6	AHINSA LIFESPACE INFRAHEIGHT LIMITED Add: E/5, Ratlam Kothi Area, Indore-452001 (M.P.)	U70102MP2014PLC032196	Subsidiary Company	100%	Section 2(87)
7	ARIHANT ASSET MANAGEMENT LIMITED (Formerly known as - ARIHANT HOUSING FINANCE COPRPORATION LIMITED) Add: 1011, Solitaire Corporate Park, building No. 10, 1 st Floor, Chakala, Andheri (E), Mumbai-400 093	U67190MH2014PLC265689	Subsidiary Company	100%	Section 2(87)
8	ARIHANT CAPITAL (IFSC) LIMITED Add: Unit No. 424, Signature Building, Fourth Floor, Block 13B, Zone-1, GIFT SEZ GIFT CITY Gandhinagar GJ 382355 IN	U65990GJ2016PLC094776	Subsidiary Company	100%	Section 2(87)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01/04/2019)				No. of Shares held at the end of the year (31/03/2020)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
(1) Indian									
a) Individual/Huf	15421052	-	15421052	74.06	15421052	-	15421052	74.06	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	15421052	-	15421052	74.06	15421052	-	15421052	74.06	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	15421052	-	15421052	74.06	15421052	-	15421052	74.06	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
l) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-

2. Non-Institutions									
a) Bodies Corp.									
i) Indian	335153	67520	402673	1.93	249496	67520	317016	1.52	-0.41
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2433563	313024	2746587	13.19	2353297	292664	2645961	12.71	-0.48
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1948069	-	1948069	9.36	2299695	-	2299695	11.04	1.68
c) Others (specify)	-	-	-	-	-	-	-	-	-
i)NRI & OCB	293563	-	293563	1.41	103641	-	103641	0.50	-0.91
ii) Clearing Member	10616	-	10616	0.05	35195	-	35195	0.17	0.12
Sub-total (B)(2):-	5020964	380544	5401508	25.94	5041324	360184	5401508	25.94	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5020964	380544	5401508	25.94	5041324	360184	5401508	25.94	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	20442016	380544	20822560	100.00	20462376	360184	20822560	100.00	0.00

(ii) Shareholding of Promoters

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

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

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A.	N.A.	N.A.	N.A.
	At the End of the year	-	-	-	-

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

S. No.	Top 10 Shareholder's	Shareholding at the beginning of the year 01.04.2019		Cumulative Shareholding at the end of the year 31.03.2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Manorama Jain	673252	3.23	760276	3.65
2	Vijaya Jain	303215	1.46	303215	1.46
3	Vinodkumar Harakchand Daga	290895	1.40	464388	2.23
4	Parshva Kumar Daga	118202	0.57	118202	0.57
5	Niraj Kumar Vinod Kumar Daga	88493	0.42	0.00	0.00
6	Garishma Neeraj Daga	85000	0.41	0.00	0.00
7	Ankit Agrawal	82000	0.39	82000	0.39
8	Gaurav Paliwal	61100	0.29	69100	0.33
9	Sushila Paras Kumar Daga	60058	0.29	60058	0.29
10	Kasyap Sweetners Pvt. Ltd.	57600	0.28	57600	0.28
11	Alpha Packaging P Ltd	9600	0.05	9600	0.05
12	Omprakash Agrawal	6925	0.03	58387	0.28
13	Poonam Gopalani	6720	0.03	6720	0.03
14	Safal Capital (India) Limited	52358	0.25	0.00	0.00

(v) **Shareholding of Directors and Key Managerial Personnel:**

S. No.	Name of Director/KMP		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Ashok Kumar Jain (Managing Director)	01/04/2019	6063040	29.12	6063040	29.12
		31/03/2020	-	-	6063040	29.12
2.	Mr. Sunil Kumar Jain (Director)	01/04/2019	1606656	7.71	1606656	7.71
		31/03/2020	-	-	1606656	7.71
3.	Mr. Akhilesh Rathi (Director)	01/04/2019	39847	0.19	39847	0.19
		31/03/2020	-	-	39847	0.19
4.	Mr. Mahesh Pancholi (Company Secretary)	01/04/2019	272	-	272	-
		31/03/2020	-	-	272	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year		-	-	
i) Principal Amount	9770.24	-	-	9770.24
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	9770.24		-	9770.24
Change in Indebtedness during the financial year		-	-	
Addition	2730.26			2730.26
Reduction	9021.43			9021.43
Net Change	-6291.18			-6291.18
Indebtedness at the end of the financial year		-	-	
i) Principal Amount	3452.60			3452.60
ii) Interest due but not paid	26.46	-	-	26.46
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3479.06			3479.06

I. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

S. No.	Particulars of Remuneration	Mr. Ashok Kumar Jain (Managing Director)	Mrs. Anita S. Gandhi (Whole Time Director)	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60,00,000	32,36,660	92,36,660
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,13,324	-	1,13,324
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	1,30,00,000		1,30,00,000
	- as % of profit	10		10
	- Others, specify...			
5	Others, please specify			
	Total (A)	1,91,13,324	32,36,660	2,23,49,984

B. Remuneration to other directors:

(Amount in ₹)

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Akhilesh Rathi	Mr. Sunil Kumar Jain	Mr. Parag Rameshbhai Shah	Mr. Ashish Maheshwari	
1	Independent Directors					
	Fee for attending board / committee meetings	1,00,000	-	1,00,000	1,00,000	3,00,000
	Commission	-	-	-	-	
	Others, please specify	-	-	-	-	
	Total (1)	1,00,000	-	1,00,000	1,00,000	3,00,000
2	Other Non-Executive Directors					
	Fee for attending board / committee meetings	-	1,00,000	-	-	1,00,000
	Commission	-	-	-	-	
	Others, please specify	-	-	-	-	
	Total (2)	-	1,00,000	-	-	1,00,000
	Total (B)=(1+2)	1,00,000	1,00,000	1,00,000	1,00,000	4,00,000
	Total Managerial Remuneration	-	-	-	-	2,23,49,984
	Overall Ceiling as per the Act	-	-	-	-	2,55,21,674

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

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

(Amount in ₹)

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	CFO	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11,72,730	12,82,262	24,54,992
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- Others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	11,72,730	12,82,262	24,54,992

I. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for breach of any section of the Companies Act, 2013, against the Company or its Directors or ther officers in default, if any, during the year. SEBI has imposed the penalty details as follows :

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1.	The Securities Exchange Board of India	Violation of provisions of clause 12(e) of the Annexure to SEBI Circular No.: MIRSD/SE/Cir-19/2009 dated 03 rd December, 2009 and also Circular No.: SMD/SED/CIR/93/23321 dated 18 th November, 1993 which specifies the norms for regulation of transactions between clients and brokers.	The SEBI has imposed penalty of Rs. 1,00,000/- under the provisions of Section 15 HB of the SEBI Act and Rs. 5,00,000/- under the provisions of Section 23D of SCRA.	The Company had filed an appeal before Securities Appellate Tribunal ('SAT') for review of penalty levied by SEBI. Final hearing on the said matter is not yet finalized by SAT.

**Form MR-3
SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2020**

[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 (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, 2020 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 for the financial year ended on 31st March, 2020, according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made there under and the Companies Act, 1956 to the extent applicable;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the audit period)
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the company during the audit period); 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 Bombay Stock Exchange Limited (BSE).

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including one Woman Director.

Adequate notice is given to all directors to schedule Board Meetings including Committees thereof, along with the agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the directors.

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

We further report that based on the information provided and the representation made by the Company and also review of the compliance Certificates /reports taken on records by the Board of Directors of the Company, in our opinion there are adequate system and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines referred to herein above.

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

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

For Ajit Jain & Co.
(Company Secretary)

Date: 24/06/2020

Place: Indore

Ajit jain (Proprietor)
M.No. 3933
UDIN - F003933B000375997
CP NO - 2876

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.

For Ajit Jain & Co.
(Company Secretary)

Ajit jain (Proprietor)
M.No. 3933
CP no. :2876
UDIN - F003933B000375997

Date: 24/06/2020
Place: Indore

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.

The CSR activities shall mean all the Corporate Social Responsibility activities/ programs/ initiatives of the company, either ongoing or new, dealing with the activities mentioned in thrust areas. We focus on our social and environmental responsibilities to fulfill the needs and expectations of the communities around us. The activities shall conform to those specified the CSR Committee and approved by the Board.

During the year Arihant Capital Markets Limited has Supported COVID -19 relief measures Pan India by contributing to the PM CARES Fund.

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

2. The Composition of the CSR Committee.

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

3. Average net profit of the company for last three financial year` .

The average Net Profit for the last three year is ₹ 2506.59 lacs

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

The Company was required to spend ₹ 50.13 lacs towards CSR for the Financial Year 2019-2020.

5. Details of CSR spent during the Financial Year:

- a) Total amount to be spent for the Financial Year 2019-20: ₹ 50.13 lacs
- b) Amount Spent: ₹ 58.03 lacs (Including Amount Spent ₹ 38.13 lacs in (FY 2018-19)
- c) Amount unspent: ₹ 30.23 (FY 2019-20) Unspent amount to be spent in the future in prospects government project, health care, education etc.
- d) Manner in which the amount spent during the Financial Year: Attached

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

Please refer to item no. 5(c) above.

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

Ashok Kumar Jain
Chairman

Date : 09/07/2020

Place : Indore

Manner in which the amount spent during the Financial Year is detailed below: (Amt. in Lacs)

S. No.	CSR Project or Activity identified	Sector in which the project is covered	Project or programs 1. Local area or other 2. Specify the State and District where projects or programmes were undertaken	Amount Outlay(budget) project or programmes wise	Amount spent on the projects or programmes Subheads 1. Direct 2. Overhead	Cumulative Expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
1.	Contribution to Lions Club Indore Unique Charitable Trust	For Promoting health care and sanitation and making available safe drinking water	Indore	2.00	2.00	2.00	Direct
2.	Contribution to Thyrocare	Promoting preventive health care and sanitation and making available safe drinking water	Indore	1.18	1.18	1.18	Direct
3.	Contribution to School Fees - Kins Convent School, Adarsh Bal Vinay Mandir Higher Secondary School, Shree Maheshwari Shaikshani K And Parmarthik Nyas, Shri Jagatbharti Education And Charitable Trust,	Promoting education , including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Indore/Ahmedabad	13.33	13.33	13.33	Direct
4.	Contribution to "Seva Bharti Shiksha Samiti"	Eradicating hunger, Poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water:	Indore	1.51	1.51	1.51	Direct
5.	Contribution to Manav seva Trust	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	Indore	2.00	2.00	2.00	Direct
6.	Contribution to Mahaveer Kund Kund Kahan nandishwar Digamber Jain Vidhapit Khaniyandha	Promoting education , including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Shivpuri (M.P.)	2.00	2.00	2.00	Direct
7.	Contribution to Prime Minister National Cares Fund	Contribution to the prime minister's national relief fund [for Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PMCARES Fund)]	PAN India	21.00	21.00	21.00	Direct
8.	Contribution to Pandit Todarmal Sarvodaya Trust	Promoting preventive health care and sanitation and making available safe drinking water.	Jaipur	5.00	5.00	5.00	Direct
9.	Contribution to Kalyanmal Badriprasad Garg Parmarthik Trust	Eradicating hunger, Poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Indore	7.00	7.00	7.00	Direct
10.	Contribution to All India Marwari Yuva Man	Eradicating hunger, Poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Indore	1.00	1.00	1.00	Direct
11.	Salary Expenses Incurred by company towards CSR Work	CSR Expenses.	Indore	2.00	2.00	2.00	Direct
	Sub total				58.03	58.03	-
	Overhead				-	-	-
	Total CSR Spend				58.03	58.03	-

ANNEXURE-D

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

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2019-20, ratio of the remuneration of each Director to the median remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the comparison of remuneration of each Key Managerial Personnel(KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director /KMP for the FY 2019-20 (Rs. in Lacs)	% increase in Remuneration in the FY 2019-20	Ratio of Remuneration of each Director to Median remuneration of employees
1.	Ashok Kumar Jain*	60.00	7.14%	21.01
2.	Mrs. Anita S. Gandhi*	32.36	-	11.33
3.	Sunil Kumar Jain	-	-	-
4.	Akhilesh Rathi	-	-	-
5.	Parag Rameshbhai Shah	-	-	-
6.	Ashish Maheshwari	-	-	-
7.	Mahesh Pancholi*	11.72	5.67%	N.A.
8.	Tarun Goyal*	12.82	4.39%	N.A.

*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 3.48% in the median remuneration of employees.
- (iv) There were 233 permanent employees on the rolls of Company on March 31, 2020.
It is hereby affirmed that the remuneration paid is as per Remuneration Policy for Directors, Key Managerial Personnel and other Employees adopted by Company.

Annexure-E

FORM NO. AOC.1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

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

Sr. No.	Particulars	1	2	3	4	5	6	7	8
1	Name of the subsidiary	Arihant Financial Services Limited	Arihant Lifespace Infra Developers Limited	Arihant Futures & Commodities Limited	Arihant Insurance Broking Services Limited	Arihant Investment Advisers Private Limited (Formerly Known as Arihant Financial Planners & Advisors Private Limited)	Arihant Asset Management Limited (Formerly Known as Arihant Housing Finance Corporation Limited)	Ahinsa Lifespace Infraheight Limited	Arihant Capital (IFSC) Limited
2	Paid Up Share capital	25,00,000	45,00,000	35,50,000	75,00,000	25,00,000	2,50,00,000	1,90,00,000	1,40,00,000
3	Reserves & surplus	6,82,65,131	10,68,06,880	12,67,47,827	8,41,729	17,86,869	50,35,483	-3,70,427	1,57,724
4	Total assets	16,00,31,758	38,83,95,017	13,25,05,175	85,55,174	43,66,828	3,03,79,853	1,86,77,073	1,42,33,354
5	Total Liabilities	16,00,31,758	38,83,95,017	13,25,05,175	85,55,174	43,66,828	3,03,79,853	1,86,77,073	1,42,33,354
6	Investments	-	-	-	-	-	-	-	-
7	Turnover/Total Income	3,00,35,367	6,59,10,090	4,58,28,748	6,37,545	8,10,836	29,03,027	0	36,248
8	Profit before taxation	-41,97,811	47,74,010	-41,33,184	-7,28,960	4,21,076	13,10,699	-20,570	-10,80,418
9	Provision for taxation	-12,28,521	12,57,035	-9,98,329	-1,84,270	1,05,735	3,30,396	-1,230	-2,07,905
10	Profit after taxation	-29,69,290	35,16,975	-31,34,854	-5,44,690	3,15,341	9,80,303	-19,340	-8,72,513
11	Proposed Dividend	-	-	-	-	-	-	-	-
12	% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Management Discussion and Analysis Report

FY2019-20: A Glance

Global outlook

The world economy grew by 2.9% in CY2019 compared with the 3.6% in the previous year, the lowest since the global financial crisis, as per the International Monetary Fund (IMF). The US economy grew by 2.3%, while China and India grew by 6.1% and 4.2%, respectively. The slowdown has been more pronounced in emerging economies like China, India and Brazil, among others. Weak business confidence due to rising trade barriers between the US and China, geopolitical tensions in other regions and fears of a no-deal Brexit have been key factors leading to the slow growth in CY2019. Accommodative easing of monetary policy by Central Banks of several countries and reform initiatives by Governments arrested the slowdown to an extent. There has also been increasing concerns over climate change and governments and businesses are being called to act more responsibly. In response to these factors, organizations globally are focusing on being more agile, being closer to consumers and conducting business in a more sustainable and responsible manner.

Indian Economy outlook

According to the IMF, the Indian economy grew by 4.2% in FY 2019-20 due to sharper than expected slowdown in domestic demand and lingering stress in the Non-Banking Financial Company (NBFC) sector. The sluggish demand is attributed to the decline in consumption growth (tightening of credit terms and poor consumer sentiment), investment and exports. The Government of India also announced a number of policy measures to boost investment, such as reduction in Corporate Tax rate from 30% to 22%, which was complemented by the easing of repo rates by the Reserve Bank of India.

Outlook for 2020-21: The path leads to a cautious year ahead:

Global Economy:

The initial outlook for the ensuing year was for stronger growth, especially over the subdued CY 2019 economic performance, buoyed by favourable news on US-China trade negotiations, the UK transitioning to a new economic relationship with Europe by December 2020 and a healthy performance of Emerging Markets. However, CY2020 saw a significantly changed scenario with the outbreak of the COVID-19 pandemic. This was followed by strong actions by the Governments across the world in the form of a global lockdown to stem the rate of spread of the disease. Despite relief measures provided in the form of easing of monetary policy by Central Banks and fiscal packages announced by some Governments, we are expected to see a contraction in Global Economy which is projected to be -4.9% in CY2020 as per IMF. A gradual recovery next year is expected, however, it is marked with uncertainty depending on the ground situation, that is, the duration of lockdown, growth in infection rate with the opening up of economies, timeline for development of vaccine and others.

Indian Economic Highlights:

Similar to the global outlook, the Indian economy was projected to grow at a stronger pace in FY 2020-21 than the previous year, supported by monetary and fiscal stimulus and lower oil prices. However, the unprecedented COVID-19 pandemic, and the subsequent nationwide lockdown by the Government, along with other necessary measures to contain the pandemic, have made experts revise their forecasts significantly. Indian GDP in FY 2020-21 is expected to contract by 4.5% as per IMF. In the short term, the lockdown could also potentially lead to a financial distress, both for consumers and Companies, including disruptions in money supply and general liquidity.

Who we are and what we do

Established as a stock broking company in 1992, we are today one of India's leading integrated financial services company. Initiated with the idea to make financial products and services easily understandable and accessible to all, the Company along with its wholly owned subsidiaries now offers the entire gamut of financial services through its 900+ investment centres spread across India servicing over 1.65 lac customers that includes retail, high net worth individuals and domestic and foreign financial institutions. Here is a list of products and services offered by your Company:

- Equities and Derivatives
- Mutual Funds
- Priority Client Group (PCG)
- Insurance (Life & General)
- Loan Against Shares (RBI Registered NBFC)
- Commodities & Currency
- Fixed Income
- Portfolio Management Services (PMS)
- National Pension Scheme (NPS)
- Merchant Banking (Category I)

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

Review of Operations

The operations function at your Company have been designed to deliver a superior and differentiated customer experience. During the FY your company's consolidated income stood at ₹90.87 Cr and reported a profit after tax of ₹17.48 Cr.

During the year under review, your Company secured insurance license from Insurance Regulatory and Development Authority of India (IRDAI) under its subsidiary Arihant Insurance Broking Services Limited and commenced insurance broking business. Further, your Company also acquired Portfolio Management Service (PMS) license from SEBI and set up Arihant Growth and Opportunity Fund. We also introduced an all new mobile application for mutual funds and financial goal planning for our clients, Wealth4Me and upgraded existing Arihant Mobile application with a host of new features, in our attempt to enhance user experience. Digital transformation has been our number one priority since day one and we are working continuously on it to stay ahead of the curve. We strive continuously towards improving our systems and processes and in pursuit of the same, we also acquired ISO 9001:2015 quality management system certification.

With our ongoing strategy to build a full-service model to support a diverse revenue mix over time, 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

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

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

- **Economic risk:** The major sources of our revenues are derived from equity brokerage business. Hence, like other players in the market, our business is highly sensitive to economic and political conditions prevalent in the country and across the globe. Any sustained down turn in general economic conditions or Indian equity markets and severe market fluctuations would likely result in reduced client trading volumes and net revenues, and hence, will have a material adverse effect on our profitability.
- **Technological risk plays a significant role in our industry:** The substantial amount of costs involved in deployment of technology is a critical factor. Obsolescence is another major concern as upgradation of technology is an ongoing exercise. Any significant changes in technology would pose pressure on our profitability.
- **Market risk:** The Company aims to mitigate market risks by using investment policies, Investment committees, and requirement of investment justifications and regular monitoring of performance.
- **Reputation Risk:** Over the years, the company pays special attention to issues that may create a reputational risk. Events that can negatively impact the organisation position are handled cautiously ensuring utmost compliance with relevant laws.
- **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 value of securities and the failure by parties to honour their commitments on a timely basis could have a material adverse effect on the profitability of our operations.
- **Competition Risk:** The competitive landscape in financial services sector is becoming increasingly crowded. Disruptive business models by the new age fintech companies like discount broking, robo-advisory and entry of payment bank companies in this field is leading to evolution of the business model and the Company's growth will depend on its ability to compete effectively.
- **Compliance Risk:** Compliance is defined as the outcome for adhering to a rule. Compliance risks result from violations or non-compliance with Laws and Regulations, Code of Business Conduct and Contractual Compliance having material impact on the Company's financial, organizational and reputational standings. The Company has strong compliance management framework, supported by adequate tools and IT systems, to identify, assign and monitor compliance with applicable Rules and Regulations. In addition, an independent internal auditor reviews compliance management framework and submits their findings to the Audit Committee.
- **Conflict of Interest:** There is a risk that there will be situations when interests of the Management Company (or persons related to it) and the Company or shareholders will differ or interests of individual shareholders will differ, i.e. there will be a conflict of interest. The Management Company has to implement appropriate measures for avoiding conflicts of interest, which enable to perform the activities of managing the risk of conflicts of interest and managing conflicts of interest independently, in order to avoid/reduce the risk of conflicts of interest or properly manage a conflict of interest when it occurs.

Human Resources

The Company believes that the employees are the most valuable asset and the key to our success and hence focuses on building a competent team and provide a conducive environment under which the employees can work to their potential and grow professionally as well as personally.

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

Corporate Social Responsibility (CSR)

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

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

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

- Addressing identified needs of the underprivileged through initiative directed towards promoting education including preventive health care.
- Addressing the cause of environmental sustainability by creating awareness on minimizing the use of plastic, promoting eco-friendly products and other measures to save the planet
- Any other activity falling within the scope of schedule VII to the Act.

During the year, the Company has spent more than Rs 58.03 Lacs on CSR activities.

The details of CSR activities area part of Board Report.

Internal Control System

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

Risk management

Your company has a risk management framework, appropriate to the size of the company and environment under which it operates. The risk management process covers risk identification, assessment, analysis and mitigations and policies are framed appropriate for various risk categories namely Credit risk, Market risk, Operational risk and Regulatory risk. The Audit Committee reviews these policies and processes regularly and is periodically informed about the risk assessment, impact of risk on the business and mitigation plans.

The Environment

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

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

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.

Opportunities and Threats

Opportunities

- Commitment to superior quality and process execution.
- Increasing financial services industry's share of wallet for disposable income.
- Leadership in sophisticated solutions that enable our clients to optimize the efficiency of their business.
- Leveraging technology to enable best practices and processes.
- Corporates looking at consolidation / acquisitions / restructuring opens out opportunities for the corporate advisory business.

Threats

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

Strength

'Arihant Capital Markets Limited' is a trusted brand in financial services space in India. People look upto Arihant for trust-worthy and ethical services and honest and fair opinion for investing their hard earned money. Arihant has an experienced top management team with a successful track record. It has established leadership in franchisee business that is spread across the length and breadth of the nation. Arihant has multiple business partner models in franchising and is strongly committed to enhance growth and profitability of each of its franchisee. It believes that its understanding of equity as a class asset and business fundamental drives the quality of research and differentiates from its competitors. Company is having well experienced and competent team which successfully contributes towards business expansion.

Strategy

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

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

Statutory Compliance

The Company has a well-structured, documented and demonstrable compliance framework that helps the management monitor and report compliance risk and exposure to the Board. The Chief Compliance officer makes a declaration at each Board Meeting regarding compliance with provisions of various statutes after obtaining confirmation from all the operating departments across all subsidiary companies within India.

Outlook and challenges

The continual growth in the Finance sector is expected to give the necessary support to the Finance industry. The Company is making all efforts to accelerate growth of its business. It expects to improve its position in the market by focusing on technologically advanced and more profitable products/market segments. However, the challenges remain on being able to leverage these initiatives to carve out a space in the competitive broking industry and be able to take Company to the masses efficiently and at optimal cost.

Cautionary Statement

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

Report on Corporate Governance

In accordance with the Regulation 34(3) read with the schedule V of the SEBI (Listing Obligation and Disclosure Requirement) regulation, 2015 (Listing Regulation) the report containing the details of Corporate Governance systems and processes at Arihant Capital Markets Limited is as follows:

1) Company's philosophy on corporate governance

Corporate Governance is about meeting our strategic goals responsibly and transparently, while being accountable to our stakeholders. 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.

Arihant Capital Markets Limited constantly believes in adopting and adhering to the best recognized corporate governance practices and continuously benchmarking itself against each such practice. The cardinal principles such as independence, accountability, responsibility, transparency, fair and timely disclosures, credibility, sustainability, etc. serve as the means for implementing the philosophy of corporate governance in true letter and in spirit.

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. On March 31, 2020 the Board consists of 6 (Six) Directors out of which 2 (two) are executive directors 3 (three) are independent directors.

The composition of the Board and details of the Board of Directors and their directorships/memberships held in committees of other companies as on 31st March 2020 are as under:

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

The independent directors have confirmed that they satisfy the criteria laid down for independent directors as stipulated with Companies Act, 2013 and "SEBI (LODR) Regulations, 2015".

- Other than Mr. Ashok Kumar Jain and Mr. Sunil Kumar Jain who are related as brothers, none of the directors are related to one another.
- None of the Directors hold office in more than ten Public Companies. None of the Independent Directors of the company serve as an Independent Director in more than seven listed companies. All Directors are also in compliance with the limit on Independent Directorships of listed companies as prescribed under SEBI (LODR) Regulations, 2015.
- Other directorships do not include alternate directorships, directorships of private limited companies, 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

Four Board meetings were held during the Financial Year ended 31st March 2020. These were held on 21-May-2019, 09-August-2019, 16-November-2019, and 08-Feb-2020. The maximum time gap between any two board meetings was less than 120 days.

The details of director's attendance at board meetings held during financial year 2019-20 and at the last Annual General Meeting are as under:

S. No.	Name of the Directors	No. of Board Meetings		Whether attended the last AGM
		Held	Attended	
1.	Mr. Ashok Kumar Jain	4	4	Yes
2.	Mr. Sunil Kumar Jain	4	4	Yes
3.	Mr. Akhilesh Rathi	4	4	Yes
4.	Mrs. Anita Surendra Gandhi	4	3	No
5.	Mr. Parag Rameshbhai Shah	4	4	No
6.	Mr. Ashish Maheshwari	4	4	No

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

- Briefing on their role, responsibilities, duties, and obligations as a member of the Board.
- Nature of business and business model of the Company, Company's strategic and operating plans.
- Matters relating to Corporate Governance, Code of Business Conduct, Risk Management, Compliance Programs, Internal Audit, etc.

As a process when a new independent director is appointed, a familiarization programme as described above is conducted by the senior management team and whenever a new member is appointed to a Board Committee, information relevant to the functioning of the Committee and the role and responsibility of Committee members is informed. Each of our Independent Directors had attended such orientation process/familiarization programme when they were inducted into the Board and these programs are generally spread over two days.

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

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 Four (4) meetings during the financial year 2019-20 and the gap between any two meetings did not exceed 120 days. The Dates on which the Audit Committee Meetings held were: 21-May-2019, 09-August -2019, 16-November-2019, and 08-Feb-2020. 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	4	4
2.	Mr. Sunil Kumar Jain	Member	4	4
3.	Mr. Parag Rameshbhai Shah	Member	4	4
4.	Mr. Ashish Maheshwari	Member	4	4

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. Two meetings of the committee was held during the financial year 2019-20.

The terms of reference of Nomination and remuneration committee include deciding Company's policies on specific remuneration packages for Executive directors, designing and implementation of performance appraisal systems and discretionary performance bonus payments for them and such other functions as may be delegated to it by the Board of Directors.

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

During The Year under review, the Independent Directors met on February 08, 2020

5) Remuneration of Directors

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

(Amount in ₹)

S. No.	Name of the Director	Salary	Perquisite	Commission	Total
1.	Mr. Ashok Kumar Jain	60,00,000	1,13,324	1,30,00,000	1,91,13,324
2.	Mrs. Anita S. Gandhi	32,36,660	-	-	32,36,660

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

(Amount in ₹)

S. No.	Name of the Director	No. of Equity Shares	Sitting fees
1.	Mr. Sunil Kumar Jain	1606656	1,00,000
2.	Mr. Akhilesh Rathi	39847	1,00,000
3.	Mr. Parag Rameshbhai Shah	0	1,00,000
4.	Mr. Ashish Maheshwari	0	1,00,000

6) Stakeholders Relationship Committee

The Stakeholders Relationship committee has been constituted by the Board in compliance with the requirement of Section 178(5) of the Act and Regulation 20 of the Listing Regulations. During the financial year 2019-20, the Committee met 4 times i.e., on 21-May-2019, 09-August -2019, 16-November-2019, and 08-Feb-2020. 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 14 complaints and resolved. There were no complaints outstanding as on March 31, 2020.

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 2019-20, on 16-November-2019 & 8-February-2020. 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) General body meetings

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

Financial Year	Venue	Date	Time
2016 - 2017	Hotel Lemon Tree, R.N.T. Marg, Indore (MP)	09/09/2017	12:30 P.M.
2017 - 2018	Hotel Lemon Tree, R.N.T. Marg, Indore (MP)	25/09/2018	12:30 P.M.
2018 - 2019	Hotel Lemon Tree, R.N.T. Marg, Indore (MP)	05/08/2019	12:30 P.M.

Special resolution/ Postal ballot

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

2018

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

2019

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

b) **Person who conducted the postal ballot exercise**

The Board appointed Mr. Virendra G. Bhatt, Practicing Company Secretary as Scrutinizer to conduct the postal ballot voting process in a fair and transparent manner.

c) **Procedure for Postal Ballot**

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

9) **General shareholder information:**

Details required to be provided in this segment is presenting by us as a Separate Section "General Shareholder Information" on page number 39 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 (Free Press) and Hindi language (Choutha Sansar). The auditors' observations/suggestions/qualifications, if any, have been adequately explained wherever in the appropriate notes to accounts and are self explanatory

11) **Other Disclosures**

- i. The Company does not have any material related parties' transactions which have potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in Note No. 47 of the annual accounts of the Company forming part of the annual report. The policy on dealing with related party transactions is available on the website of the Company www.arihantcapital.com as well as disclosed half yearly/yearly on Consolidated Basis on BSE.
- ii. There were no instances of non-compliance on any matter related to the capital markets, resulting in disciplinary action against the Company, during the last three years. Except one matter which is under consideration. Detail describe in MGT-9.
- iii. The Company has implemented the mandatory requirements of corporate governance as set out in the listing agreement with stock exchanges. In respect of compliance with the non-mandatory requirements, the Company has constituted a Nomination and Remuneration committee, details where of are given under the heading of Nomination and Remuneration committee.
- iv. The Board of Directors has approved the vigil mechanism/Whistle blower policy of the Company which provides a framework to promote a responsible and secure whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company. It provides for a vigil mechanism to channelize reporting of such instances/ complaints/ grievances to ensure proper governance. The Audit Committee oversees the vigil mechanism.
- v. 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.
- vi. 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.
- vii. 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

12) **Management discussion and analysis report**

Management Discussion and Analysis Report forms a part of the Annual Report.

13) **Code for prevention of insider-trading practices**

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.

14) **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 2019-20. A declaration to this effect signed by the Chairman & Managing Director is given in this Annual Report.

15) Total fees paid to Statutory Auditors of the Company

Total fees of ₹9,10,904 (Rupees Nine Lakh Ten Thousand Nine Hundred Four only) for financial year 2019-2020 for all services, was paid by the Company and its Subsidiaries on a consolidated basis to the Statutory Auditor.

16) CEO / CFO certification

As required under Regulation 17 (8) and Regulation 33 (2) (a) of the SEBI (LODR) Regulations, 2015 with the BSE, the CEO/CFO certificate for the financial year 2019-20 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 09th July, 2020.

17) Subsidiary Companies

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

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

18) Material Subsidiary

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

19) Whistle Blower/Vigil Mechanism

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

20) 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.

21) 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, 2020.

For Arihant Capital Markets Ltd

Date: 09.07.2020

Place: Indore

**Ashok Kumar Jain
Chairman and Managing Director**

GENERAL SHAREHOLDER'S INFORMATION

- 1 Date and Time of 28th AGM** September 26th, 2020, 12:30 P.M.
- 2 Venue of Annual General Meeting (AGM)** The 28th Annual General Meeting (AGM) of the Company will be held on Saturday, the 26th day of September, 2020 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 and MCA General Circular No. 20/2020, dated 5th May, 2020 and as such there is no requirement to have a venue for the AGM
- 3 Date(s) of Book Closure** 20.09.2020 to 26.09.2020 (both days inclusive)
- 4 Financial Calendar Financial Results for* -**
 Quarter ending June 30th, 2020 Second week of August, 2020
 Quarter ending September 30th, 2020 Second week of November, 2020
 Quarter ending December 31st, 2020 Second week of February, 2021
 Year ending March 31st, 2021 Last week of May, 2021
 *tentative dates
- 5 Financial Year** 1st April 2020 to 31st March 2021
- 6 Dividend Payment Date** On or after 05th October, 2020
- 7 Listing of Equity Shares on the Stock Exchange at**
 The BSE Limited
 P.J. Towers, Dalal Street,
 Mumbai-400001
 The Annual Listing Fees as applicable have been paid.
- 8 CIN of the Company** L67120MP1992PLC007182
- 9 Security Code** 511605
- 10 ISIN** INE420B01028
- 11 Stock Market Data:** Monthly high and low stock price along with volumes of equity shares traded on BSE for the FY2019-20 is given below:

Month	High (₹)	Low (₹)	Volume (No)
April 2019	63.95	56.45	45,663
May 2019	72.75	55.50	58,718
June 2019	70.30	50.00	35,811
July 2019	57.90	41.65	64,003
August 2019	52.25	38.75	79,748
September 2019	57.80	47.20	98,239
October 2019	52.65	43.75	68,372
November 2019	51.75	40.00	58,021
December 2019	50.55	40.35	48,221
January 2020	49.45	42.25	44,683
February 2020	49.00	40.10	33,900
March 2020	43.25	24.10	1,10,974

12. Distribution schedule as on March 31st, 2020

Shareholding of Nominal Value of		No. of Shares-holders	% of Total holders	Share Amount in ₹	% of Total Equity
₹	₹				
UPTO	1000	2,319	50.70	893550	0.86
1001	2000	698	15.26	1058770	1.02
2001	3000	290	6.34	730075	0.70
3001	4000	504	11.02	1648630	1.58
4001	5000	210	4.59	1012600	0.97
5001	10000	257	5.62	1928280	1.85
10001	20000	130	2.84	1897125	1.82
20001	30000	62	1.36	1553805	1.49
30001	40000	32	0.70	1104665	1.06
40001	50000	11	0.24	494310	0.47
50001	100000	25	0.55	1672605	1.61
100000	ABOVE	36	0.79	90118385	86.56
Total		4574	100.00	104112800	100.00

13 Dematerialization of Shares About 98.27 per cent of Company's paid up equity share capital has been dematerialized up to March 31st, 2020

14 Dematerialized at NSDL & CDSL 20462376
Physical 360184

15 Shareholding Pattern as on March 31, 2020:

Category	No. of Shares Held	% of Shareholding
Promoters & Promoters Group	15421052	74.06
Mutual Funds & Institutional Investors	NIL	NIL
Corporate Bodies	194811	0.94
Indian Public	5067861	24.34
NRI / OCB	103641	0.50
Others – Clearing Members	35195	0.17
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.

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

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

17 Investor Correspondence/Query

A Investor Correspondence

For transfer / dematerialization of shares, payment of dividend, for shares held in physical form and any other query relating to the shares of the Company please contact:

Registrar and Share Transfer Agent:

Ankit Consultancy Private Limited,
Plot No. 60, Electronic Complex,
Pardeshipura, Indore (M.P.)
T. +91-731-2551745-46
F. +91-731-4065798

For shares held in demat form

to the depository participant

B Any other matters and unsolved complaints

Company Secretary
Arihant Capital Markets Limited
6, Lad Colony YN Road, Indore - 452001, (M.P.)
Telephone No. : 731- 4217261
Fax No. : 731- 4217199
Email: mahesh.pancholi@arihantcapital.com

Notes:

- I. Annual listing fee for the Year 2020-21 has been paid to the BSE Limited, Mumbai.
- II. Annual Custody Fee for the Year 2020-21 has been paid to NSDL and CDSL.
- III. Distribution schedule and Shareholding Pattern as on March 31st, 2020.
- IV. During the Financial Year 2018-19, the Company has credited Rs. 2,31,112/- lying unpaid/unclaimed in the dividend account (2011-12) 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 2012-13, to the Investor Education and Protection Fund in term of the provisions of the Companies Act, 2013.
- V. The Company has also uploaded the details of unpaid/unclaimed amounts lying with the company as on August 05, 2019 (date of last Annual General Meeting) on the MCA website under the provision of IEPF (uploading of information regarding unpaid and unclaimed amount lying with the companies) Rules, 2012.
- VI. In term of Schedule V (F) of the SEBI (LODR) Regulation,2015 the Company has opened Unclaimed Suspense Account, namely "Arihant Capital Markets Ltd. - Unclaimed Suspense Account" and the unclaimed shares lying with the registrar of the Company have been dematerialized and credited to "Arihant Capital Markets Ltd. - Unclaimed Suspense Account". As per Schedule V (F) of the SEBI (LODR) Regulation,2015, the details of the shares in the Suspense Account are as follows:

Particulars	Number of Shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1 st , 2019	41	78040
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	1	240
Number of shareholders and aggregate number of shares transferred to the Unclaimed Suspense account during the year	0	0
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31 st , 2020	40	77800

The voting rights on the shares in the suspense accounts as on March 31st, 2020 shall remain frozen till the rightful owners of such shares claim the shares.

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

- VIII. Electronic Clearing Service: The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividends. Dividend will be credited to the Member's bank account through NECS wherever complete core banking details are available with the company. In cases where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. The Company complies with the SEBI requirement. NECS form is attached to the Notice, if not provided.
- IX. The Company's financial results and official press releases are displayed on the Company's website www.arihantcapital.com.
- X. The financial statements, shareholding pattern, quarterly compliances and other relevant corporate communication are filed with Bombay Stock Exchange Limited electronically through BSE Listing Centre.
- XI. SEBI has mandated submission of Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in electronic form are, therefore, requested to furnish their PAN details to their DP, if not already provided. Members holding shares in physical form are required to mandatory submit the copy of their PAN, if not already provided to registrar and Share Transfer Agent.
- XII. In case of loss /misplacement of share certificates, investors should immediately lodge a FIR/Complaint with the police and inform the Company /Registrar and Share Transfer Agent along with a copy of FIR /acknowledge copy of complaint.
- XIII. We solicit suggestion for improving our investor services.

CERTIFICATE ON COMPLIANCE WITH CORPORATE GOVERNANCE

To
The Members
Arihant Capital Markets Limited

We have examined the relevant records of Arihant Capital Markets Limited, for the purpose of certifying compliance with the conditions of Corporate Governance for the year ended 31st March 2020, as stipulated in the SEBI (LODR) Regulation, 2015. ("Listing Regulation"). We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of certification.

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

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

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

For Ajit Jain & Co.
Company Secretary
Date: July 08, 2020
Place: Indore

CS Ajit Jain
Proprietor
FCS: 3933
COP: 2876

UDIN:F003933B000425860

CEO/CFO CERTIFICATE

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

Dear Sirs

- (a) We have reviewed the balance sheet, profit and loss account and all its schedules and notes on accounts, as well as the cash flow statement as at March 31st, 2020 and that to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) We further certify that, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware. We have taken necessary steps or propose to take necessary actions to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that there is:
- No significant change in internal control over financial reporting during the year.
 - No significant change in accounting policies during the year under review and
 - No instance of any fraud in the Company in which the management has any role.

Place: Indore
Date: July 09, 2020

Tarun Goyal
CFO

Ashok Kumar Jain
CMD

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, YN Road, Indore

Madhya Pradesh- 452001

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Arihant Capital Markets Limited** having CIN L67120MP1992PLC007182 and having registered office at 6, Lad Colony, YN 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, 2020 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

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.

Place: Mumbai

Date:10/06/2020

Virendra G. Bhatt
Practising Company Secretary

ACS No.: 1157

C P No.: 124

UDIN: A001157B000330442

Note: Due to COVID-19 and continued lockdown, we are unable to verify the information physically, therefore we rely on the information provided by the company in electronic mode.

INDEPENDENT AUDITORS' REPORT

TO,
THE MEMBERS
ARIHANT CAPITAL MARKETS LIMITED

Report on the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **ARIHANT CAPITAL MARKETS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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 financial statements, including, a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, ("the Act"), in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and 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 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 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 financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Impact of Covid-19 on Audit

Due to outbreak of pandemic Covid 19 and consequent country wide lockdown enforced by Government of India, we could not carry out normal audit procedures by visiting the office and audit was carried out using "Work from Home" approach. This is considered as Key Audit Matter, since alternate audit procedures were performed for carrying out the audit.

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

- Remote Access to financial accounting and taxation software on laptops of team members.
- Various data and confirmation were received either electronically through email or through data sharing on drive.
- For various audit procedures, reliance was placed on scanned copies of original documents shared with us electronically.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the standalone 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 standalone financial statements that give a true and fair view of the state of affairs, Profit/Loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the 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)(l) 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 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 financial statements, including the disclosures, and whether the 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "A", a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. Further, as required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Statement of Changes in Equity and the statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 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 41 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31st March 2020.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30th December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31st March 2020.
3. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

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

CA Dinesh Ajmera
Partner
Membership No. :402629
UDIN : 20402629AAAAAE1014
Indore, July 9, 2020

ANNEXURE "A" REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF ARIHANT CAPITAL MARKETS LIMITED ON THE STANDALONE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2020

1. (a) The Company has maintained proper records to show full particulars, including quantitative details and situation of its fixed assets.
(b) The fixed assets of the Company are physically verified by the management at regular intervals. During the year, as informed to us, no discrepancies have been noticed on such verification.
(c) According to the information and explanations given to us and the records examined by us, we report that the title deeds, comprising all the immovable properties of buildings are held in the Company's name as at the balance sheet date.
2. The securities held as stock in trade have been verified by the Management with the statement of holdings provided by depository participants and brokers at reasonable intervals. In our opinion, the frequency of verification is reasonable and no material discrepancies between the book records and the statement of holdings provided by NSDL, other depository participants and brokers have been noticed.
3. The company has granted unsecured loan to companies covered in the register maintained under section 189 of the Companies Act, 2013.
(a) The rate of interest and other terms and conditions on which the loan had been granted to the body corporate listed in the register maintained under section 189 of the Act are not prejudicial to the interest of the company.
(b) There are no stipulations for the repayment schedule however the rate of interest is stipulated for the loan granted to the body corporate listed in the register maintained under section 189 of the Act. The borrower has been regular in the payment of interest.
(c) As per records of the Company and according to the information and explanation given to us, no amount of principal and interest is overdue.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given.
5. According to the information and explanation given to us, the company has not accepted deposits from the public within the meaning of the directives issued by the Reserve Bank of India, under provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
6. According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 in respect of the activities carried by the company.
7. a) According to the information and explanations given to us and on the basis of our examination of the records

of the Company, account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2020, for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, the following dues outstanding of income tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of Due	Amount	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1,69,85,250	1,69,85,250	2013-14	CIT Appeals
Income Tax Act, 1961	Income Tax	42,44,752	10,06,869	2014-15	CIT Appeals
Income Tax Act, 1961	Income Tax	5,39,430	5,39,430	2017-18	CIT Appeals

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks, financial institutions or government and there are no dues to debenture holders during the year.
9. In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
10. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
13. According to the information and explanation given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in financial statements as required by the applicable Indian accounting standards.
14. According to the information and explanation given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
15. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
16. According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

CA Dinesh Ajmera
Partner
Membership No. :402629
UDIN : 20402629AAAAAE1014
Indore, July 9, 2020

ANNEXURE “B” AS REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING OF “REPORT ON LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF ARIHANT CAPITAL MARKETS LIMITED ON THE STANDALONE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2020

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

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Arihant Capital Markets Limited (“the Company”) as of 31st March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31st March 2020, based on the internal financial controls with reference to 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 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 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 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 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 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 financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone 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; 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 financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial with reference to standalone 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 financial statements to future periods are subject to the risk that the internal financial control with reference to standalone 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 : 20402629AAAAAE1014
Indore, July 9, 2020

Standalone Balance sheet as at 31st March,2020

Particulars	Note No.	31 st March, 2020 (₹)	31 st March, 2019 (₹)	1 st April, 2018 (₹)
ASSETS				
1 Financial assets				
a. Cash and cash equivalents	4	50,95,76,271	7,78,66,799	7,65,46,492
b. Bank balance other than (a) above	5	105,02,18,213	78,46,70,797	33,20,07,865
c. Securities for trade	6	9,64,88,092	9,45,48,546	12,84,36,611
d. Receivables				
Trade receivables	7	64,32,58,261	127,96,42,323	115,71,08,939
e. Loans	8	16,30,67,706	7,80,00,000	9,23,16,209
f. Investments	9	21,28,04,900	19,47,81,280	16,97,70,930
g. Other financial assets	10	17,69,39,175	12,69,11,690	39,38,08,050
		285,23,52,618	263,64,21,436	234,99,95,096
2 Non financial assets				
a. Current tax assets (net)	11	22,37,212	0	7,57,302
b. Property, plant and equipment	12	8,79,42,948	9,01,06,239	9,39,66,605
c. Other intangible assets	13	60,42,517	68,26,636	69,60,708
d. Other non financial assets	14	1,97,52,267	2,81,66,625	2,15,03,623
		11,59,74,944	12,50,99,501	12,31,88,238
Total Assets		296,83,27,562	276,15,20,936	247,31,83,335
LIABILITIES & EQUITY				
LIABILITIES				
1 Financial Liabilities				
a. Derivative financial instruments	44	1,96,010	-	-
b. Payables				
I) Trade Payables				
i) Total outstanding dues of micro & small enterprises				
ii) Total outstanding dues of creditors other than 15 micro & small enterprises	15	115,29,19,629	41,60,07,288	41,43,75,701
c. Borrowings	16	34,79,06,416	97,70,24,227	91,43,46,408
d. Other financial Liabilities	17	17,38,29,188	23,71,27,137	15,61,78,389
		167,48,51,243	163,01,58,652	148,49,00,498
2 Non Financial Liabilities				
a. Current Tax Liabilities (net)	18	-	40,26,567	-
b. Provisions	19	2,09,11,760	1,74,97,694	1,61,27,862
c. Deferred Tax Liabilities (net)	20	45,25,704	47,11,509	66,04,664
d. Other non financial liabilities	21	2,26,70,732	1,99,69,188	1,70,69,208
		4,81,08,196	4,62,04,958	3,98,01,734
3 Equity				
a. Equity share capital	22	10,41,12,800	10,41,12,800	10,41,12,800
b. Other equity	23	114,12,55,324	98,10,44,526	84,43,68,303
		124,53,68,124	108,51,57,326	94,84,81,103
Total Liabilities & Equity		296,83,27,562	276,15,20,936	247,31,83,335

Significant Accounting Policies and Notes on Financial Statements 1 to 57

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 : 20402629AAAAAE1014

Indore, 09th July, 2020

Ashok Kumar Jain
(Chairman & Managing
Director)
DIN-00184729

Anita S Gandhi
(Whole Time
Director)
DIN-02864338

Mahesh Pancholi
(Company
Secretary)

Tarun Goyal
(CFO)

For and on behalf of the Board

Standalone Statement of Profit and Loss for the year ended 31st March 2020

Particulars	Note No.	31 st March, 2020 (₹)	31 st March, 2019 (₹)
Income			
I Revenue from Operations			
Interest Income	24	27,28,68,273	27,63,53,902
Dividend Income	25	76,34,524	14,14,200
Fees & Commission Income	26	46,01,79,671	49,95,42,622
Net Gain on fair value changes	27	4,97,97,797	1,75,78,471
Others Operating Income	28	9,13,146	3,19,944
II Other Income	29	11,96,511	24,36,161
III Total Income (I+II)		79,25,89,922	79,76,45,301
IV Expenses			
Finance costs	30	7,71,76,029	8,65,60,548
Fees and commission expense	31	23,18,72,296	25,87,48,962
Impairment on financial instruments	32	50,41,392	5,97,598
Employee Benefits Expenses	33	14,40,63,586	13,32,85,332
Depreciation and Amortization Expenses	34	1,15,34,422	1,14,38,359
Other Expenses	35	9,00,21,953	8,65,08,274
Total		55,97,09,679	57,71,39,072
V Profit Before Exceptional Items and Tax (III-IV)		23,28,80,243	22,05,06,228
VI Exceptional items		-	-
VII Profit Before Tax (V-VI)		23,28,80,243	22,05,06,228
VIII Tax Expenses	37		
Current Tax		5,54,56,848	6,71,86,690
Deferred Tax		-1,82,456	-19,77,765
Total Tax Expenses		5,52,74,392	6,52,08,925
IX Profit/(loss) for the year		17,76,05,850	15,52,97,304
X Other Comprehensive Income			
(A) Items that will not be reclassified to profit & loss			
Remeasurements of the defined benefit plans		-13,309	2,90,560
Tax effect relating to above item		3,350	-84,611
	(A)	-9,959	2,05,949
(B) Items that will be reclassified to profit & loss			
Tax effect relating to above item		-	-
	(B)	-	-
Total Other Comprehensive Income		-9,959	2,05,949
XI Total Comprehensive Income for the period		17,75,95,891	15,55,03,252
XII Earnings per Share	38		
Equity Shares of ₹5 each			
Basic		8.53	7.46
Diluted		8.53	7.46

Significant Accounting Policies and Notes on Financial Statements 1 to 57

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 : 20402629AAAAAE1014

 Indore, 09th July, 2020

Ashok Kumar Jain
 (Chairman & Managing
 Director)
 DIN-00184729

Anita S Gandhi
 (Whole Time
 Director)
 DIN-02864338

Mahesh Pancholi
 (Company
 Secretary)

Tarun Goyal
 (CFO)

For and on behalf of the Board

Standalone Cash Flow Statement for the year ended 31st March,2020

Particulars	31 st March, 2020 (₹)	31 st March, 2019 (₹)
A Cash flow (used in) / generated from operating activities		
Profit before tax	23,28,80,243	22,05,06,228
Add / (less) : Adjustments		
Net (gain)/loss on Fair value changes of Securities for trade	-70,43,939	-24,92,126
(Profit) / Loss on sale of fixed assets	-13,489	-9,69,140
(Profit) / Loss on sale of Investments	35,77,438	80,24,984
Depreciation / amortisation	1,15,34,422	1,14,38,359
Interest paid on borrowings	6,85,21,403	8,26,07,190
Dividend income	-76,34,524	-14,14,200
Operating profit before working capital changes	30,18,21,554	31,77,01,295
<u>Adjustments for changes in working capital:</u>		
-(Increase)/Decrease in Other bank balance	-26,55,47,416	-45,26,62,932
-(Increase)/Decrease in Securities for Trade	51,04,394	3,63,80,190
-(Increase)/Decrease in Trade receivables	63,63,84,062	-12,25,33,384
-(Increase)/Decrease in Loans	-8,50,67,706	1,43,16,209
-(Increase)/Decrease in Other financial assets	-5,00,27,485	26,68,96,360
-(Increase)/Decrease in Other non financial assets	76,04,293	-81,37,870
-Increase/(Decrease) in Derivative financial instruments	1,96,010	-
-Increase/(Decrease) in Trade payables	73,69,12,340	16,31,588
-Increase/(Decrease) in Other financial liabilities	-6,32,97,949	8,09,48,748
-Increase/(Decrease) in Other non financial liabilities	27,01,544	28,99,980
-Increase/(Decrease) in Provisions	34,00,757	16,60,392
Cash generated from operations	123,01,84,398	13,91,00,576
Income tax paid (net)	-6,09,10,562	-6,09,27,952
Net cash (used in) / generated from operating activities (A)	116,92,73,836	7,81,72,624
B Cash flow (used in) / generated from Investing activities		
- (Purchase) / Proceeds from sale of property, plant and equipment	-85,73,523	-64,74,782
- (Purchase) / Proceeds from sale of investments	-2,16,01,058	-3,30,35,334
- Dividend income received	76,34,524	14,14,200
Net cash (used in)/ generated from investing activities(B)	-2,25,40,057	-3,80,95,916
C Cash flow (used in) / generated from Financing activities		
- Dividend paid	-1,56,16,920	-1,56,16,920
- Dividend distribution tax paid	-17,68,173	-32,10,110
- Interest paid	-6,85,21,403	-8,26,07,190
- Increase/ (Decrease) in Borrowings	-62,91,17,811	6,26,77,819
Net cash (used in) / generated from financing activities (C)	-71,50,24,307	-3,87,56,401
Net increase in cash and cash equivalents (A+B+C)	43,17,09,472	13,20,307
Cash and cash equivalents at the beginning of the period	7,78,66,799	7,65,46,492
Cash and cash equivalents at the end of the period	50,95,76,271	7,78,66,799
Cash and cash equivalents comprise of		
Cash and cheques in hand	9,36,433	3,20,675
Balances with scheduled banks	50,86,39,838	7,75,46,124
Total	50,95,76,271	7,78,66,799
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 57

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 : 20402629AAAAAE1014

Indore, 09th July, 2020

Ashok Kumar Jain
(Chairman & Managing
Director)
DIN-00184729

Anita S Gandhi
(Whole Time
Director)
DIN-02864338

Mahesh Pancholi
(Company
Secretary)

Tarun Goyal
(CFO)

For and on behalf of the Board

Statement of Changes in Equity For the year ended 31 March, 2020

A. EQUITY SHARE CAPITAL

(Amount in ₹)

Particular	Amount
Balance as at 1-April-2018	10,41,12,800
Changes in equity share capital during the year	-
Balance as at 31-March-2019	10,41,12,800
Changes in equity share capital during the year	-
Balance as at 31-March-2020	10,41,12,800

B. OTHER EQUITY

(Amount in ₹)

Particulars	Reserve & Surplus		Total Equity
	Retained Earnings	General Reserve	
As At 1, April,2018	13,40,26,164	71,03,42,139	84,43,68,303
Profit for the period	15,52,97,304	-	15,52,97,304
Other comprehensive income	2,05,949	-	2,05,949
Transfer to General Reserve	(150000000)	15,00,00,000	-
Interim Equity Dividend	(15616920)	-	(15616920)
Dividend distribution tax	(3210110)	-	(3210110)
Balance as at 31, March 2019	12,07,02,386	86,03,42,139	98,10,44,526
As At 1, April,2019	12,07,02,386	86,03,42,139	98,10,44,526
Profit for the period	17,76,05,850	-	17,76,05,850
Other comprehensive income	(9,959)	-	(9,959)
Transfer to General Reserve	(150000000)	15,00,00,000	-
Interim Equity Dividend	(15616920)	-	(15616920)
Dividend distribution tax	(1768173)	-	(1768173)
Balance as on 31, March 2020	13,09,13,184	101,03,42,139	114,12,55,324

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 : 20402629AAAAAE1014
Indore, 09th July, 2020

Ashok Kumar Jain
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(Whole Time
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(Company
Secretary)

Tarun Goyal
(CFO)

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 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.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of Preparation

(i) Compliance with Ind AS

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (“the Act”) read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act

The financial statements up to and including the year ended 31 March 2019 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) under the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), and other generally accepted accounting principles in India (collectively referred to as “Indian GAAP” or “Previous GAAP”)

These financial statements for the year ended 31 March 2020 are the first financial statements of the Company under Ind AS. Refer Note 53 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company’s financial position, financial performance and cash flows.

The transition to Ind AS has been carried out in accordance with Ind AS 101 “First Time Adoption of Indian Accounting Standards”. Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2018.

The financial statements have been prepared using the significant accounting policies and measurement bases summarized as below. These accounting policies have been applied consistently over all the periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the certain Financial instruments that are measured at fair value.

(iii) Functional & Presentation Currency

The financial statements are presented in Indian Rupees (INR) which is also the Company’s functional currency.

(iv) Preparation of financial statements

The 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 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 51.

(v) Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgments, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognized in the period in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. The estimates and judgments that have significant impact on carrying amount of assets and liabilities at each balance sheet date are discussed at Note 3.

2.2. Revenue 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 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 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 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 Company's right to receive payment is established.

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.

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.

2.4. 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.

2.5. 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 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 recognised immediately in profit or loss.

Fair value of financial instruments:

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

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

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

ECL are probability-weighted estimate of credit losses. For trade receivables company follows simplified approach which requires expected lifetime losses to be recognised. 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 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 Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial asset is derecognised 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 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 Company 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 Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

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.

2.6. 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.

Transition to Ind-AS

On transition to Ind-AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2018 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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 recognised 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.

Transition to Ind-AS

On transition to Ind-AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at April 01, 2018 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

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 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 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 recognised 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 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.

2.14. 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 standalone 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. Nonmonetary 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.

2.15. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.16. 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.

2.17. Rounding of amounts

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

2.18. 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.

2.19. Derivative financial instruments

Derivative financial instruments are initially recognised 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 recognised in standalone statement of profit and loss immediately.

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 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 Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

Notes Forming Part Of Standalone Financial Statement

Particulars	31 st March, 2020 (₹)	31 st March, 2019 (₹)	1 st April, 2018 (₹)				
4. Cash and Cash Equivalents							
Cash in hand	9,36,433	3,20,675	4,21,519				
Balances with banks							
In current accounts	50,86,39,838	7,75,46,124	7,61,24,974				
Total	50,95,76,271	7,78,66,799	7,65,46,492				
5. Bank Balances other than above							
Earmarked balances (Unpaid dividend account)	24,68,113	24,45,642	23,07,865				
Fixed Deposit with banks*	104,77,50,100	78,22,25,155	32,97,00,000				
Total	105,02,18,213	78,46,70,797	33,20,07,865				
* Fixed Deposit with bank includes Deposits under the lien of :							
NSE Clearing Limited	20,96,00,000	7,02,00,000	7,92,00,000				
Axis Bank Ltd for NSEF&O segment	65,02,00,000	44,78,00,000	8,92,00,000				
Axis Bank Ltd for MSEIL currency derivative segment	-	-	5,00,000				
National Stock Exchange Limited	-	5,56,00,055	-				
National Commodity Exchange Limited	3,82,50,000	-	-				
Multi Commodity Exchange of India Limited	7,31,50,000	-	-				
Bank for guarantees issued	7,55,50,100	20,84,75,100	16,02,75,000				
Total	104,67,50,100	78,20,75,155	32,91,75,000				
6. Securities for trade							
Particulars	FV ₹	31 st March, 2020 Quantity	31 st March, 2020 ₹	31 st March, 2019 Quantity	31 st March, 2019 ₹	31 st March, 2018 Quantity	31 st March, 2018 ₹
Quoted Equity Shares							
Aditya Birla Capital Limited	10	0	0	0	0	214000	3,12,33,300
Albert David Limited	10	0	0	0	0	20254	74,16,002
Axis Bank Limited	2	25000	94,82,500	0	0	0	0
Avenue Supermarts Limited	10	6000	1,32,04,200	0	0	0	0
Bajaj Holding & Investment Limited	10	0	0	0	0	22607	6,02,36,352
Century Plyboards (India) Limited	1	0	0	0	0	37115	1,21,21,759
Century Textiles & Industries Limited	10	0	0	0	0	9159	1,04,65,073
Colgate Palmolive (India) Limited	1	7104	89,00,957	0	0	0	0
GlaxoSmithKline Pharmaceuticals Limited	10	2000	24,90,500	0	0	0	0
Godrej Consumer Products Limited	1	1600	8,33,040	0	0	0	0
Graphite India Ltd	2	0	0	0	0	0	0
Gruh Finance Limited	2	0	0	36033	99,37,901	0	0
HDFC Life Insurance Company Limited	10	10000	44,16,000	81000	3,06,01,800	0	0
ICICI Prudential Life Insurance Company Limited	10	20000	71,14,000	0	0	0	0
ICICI Securities Limited	5	10000	27,71,000	0	0	0	0
Kotak Mahindra Bank Limited	5	0	0	10000	1,33,45,000	0	0
Oberoi Realty Limited	10	5000	16,71,000	10000	52,83,000	0	0
Pfizer Ltd	10	1000	40,24,650	0	0	0	0
The Phoenix Mills Limited	2	157	89,812	0	0	0	0
Pidilite Industries Limited	1	200	2,71,320	0	0	0	0
Sbi Life Insurance Company Ltd	10	61478	3,94,04,324	0	0	0	0
Reliance Industries Limited	10	0	0	2000	27,26,500	0	0
Sun Pharmaceutical Industries Limited	1	0	0	29700	1,42,21,845	0	0
Tata Consumer Products Limited	1	6156	18,14,789	0	0	0	0
Trent Limited	1	0	0	30000	1,08,57,000	0	0
Voltas Limited	1	0	0	0	0	10000	62,09,000
Whirlpool of India Limited	10	0	0	5000	75,75,500	500	7,55,125
Total			9,64,88,092		9,45,48,546		12,84,36,611

Notes Forming Part Of Standalone Financial Statement

Particulars	31 st March, 2020 (₹)	31 st March, 2019 (₹)	1 st April, 2018 (₹)
7.Trade Receivables			
Considered good- Secured			
Considered good - Unsecured	64,32,58,261	127,96,42,323	115,71,08,939
Trade Receivables which have significant increase in credit risk			
Trade Receivables - Credit impaired			
	64,32,58,261	127,96,42,323	115,71,08,939
Less:Impairment loss allowance	-	-	-
Total	64,32,58,261	127,96,42,323	115,71,08,939
Out of which:			
Due from Directors	Nil	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	Nil
8. Loans			
[A] Loans			
- Amortised Cost			
Loans to related parties (Refer Note No. 47)	16,30,67,706	7,80,00,000	9,23,16,209
Total (Gross)	16,30,67,706	7,80,00,000	9,23,16,209
Less: Impairment Allowance	-	-	-
Total (Net)	16,30,67,706	7,80,00,000	9,23,16,209
[B]			
i) Secured by tangible assets	-	-	-
ii) Unsecured	16,30,67,706	7,80,00,000	9,23,16,209
Total (Gross)	16,30,67,706	7,80,00,000	9,23,16,209
Less: Impairment Allowance	-	-	-
Total (Net)	16,30,67,706	7,80,00,000	9,23,16,209
[C] Loans in India			
i) Public Sector	-	-	-
ii) Others	16,30,67,706	7,80,00,000	9,23,16,209
Total (Gross)	16,30,67,706	7,80,00,000	9,23,16,209
Less: Impairment Allowance	0	0	0
Total (Net)	16,30,67,706	7,80,00,000	9,23,16,209
Note: There is no loan asset measured at FVOCI or FVTPL			
Stage wise break up of loans -			
Low credit risk (Stage 1)	16,30,67,706	7,80,00,000	9,23,16,209
Significant increase in credit risk (Stage 2)			
Credit impaired (Stage 3)			
Total	16,30,67,706	7,80,00,000	9,23,16,209

Notes Forming Part Of Standalone Financial Statement

9. Investments

(Amount in ₹)

Particulars	Face Value	31 st March, 2020		31 st March, 2019		1 st April, 2018	
		No. of Share	Value	No. of Share	Value	No. of Share	Value
Equity Instruments							
(A) At Fair Value through Profit or Loss							
D. P. Abhushan Limited	10	208000	1,26,04,800	0	0	0	0
Nitiraj Engineers Limited	10	363600	2,01,61,620	220800	1,01,56,800	157200	1,03,59,480
Spectrum Electrical Industries Limited	10	784000	4,15,52,000	782000	4,61,38,000	0	0
Saurashtra Kutch Stock Exchange Limited	100	50	5,05,000	50	5,05,000	50	5,05,000
The Saraswat Co-Operative Bank Limited	10	500	5,000	500	5,000	500	5,000
Quest Global Technologies Limited	10	90000	9,00,000	90000	9,00,000	90000	9,00,000
Maruti Suzuki India Limited	5	0	0	0	0	2700	2,39,24,970
Sub-Total (A)			7,57,28,420		5,77,04,800		3,56,94,450
(B) At Others*							
Arihant Lifespace Infra Developers Limited	10	450000	4,05,00,000	450000	4,05,00,000	450000	4,05,00,000
Arihant Futures & Commodities Limited	10	355000	79,52,045	355000	79,52,045	355000	79,52,045
Arihant Insurance Broking Services Limited	10	750000	75,00,000	750000	75,00,000	750000	75,00,000
Arihant Financial Services Limited	10	250000	2,06,24,435	250000	2,06,24,435	250000	2,06,24,435
Arihant Investment Advisers Private Limited (Formerly known as Arihant Financial Planners & Advisors Private Limited)	10	250000	25,00,000	250000	25,00,000	250000	25,00,000
Ahinsa Lifespace Infraheight Ltd .	10	1900000	1,90,00,000	1900000	1,90,00,000	1900000	1,90,00,000
Arihant Capital (IFSC) Limited	10	1400000	1,40,00,000	1400000	1,40,00,000	1100000	1,10,00,000
Arihant Asset Management Limited (Formerly known as Arihant Housing Finance Corporation Limited)	10	2500000	2,50,00,000	2500000	2,50,00,000	2500000	2,50,00,000
Sub-Total (B)			13,70,76,480		13,70,76,480		13,40,76,480
Total (A+B)			21,28,04,900		19,47,81,280		16,97,70,930
i) Investments in India			21,28,04,900		19,47,81,280		16,97,70,930
ii) Investments outside India			0		0		0
Total			21,28,04,900		19,47,81,280		16,97,70,930

* The Company has elected to measure investment in subsidiaries at deemed cost as per Ind AS 27

Particulars	31 st March, 2020 (₹)	31 st March, 2019 (₹)	1 st April, 2018 (₹)
10. Other Financial Assets			
Deposits with Exchanges / Depositories	13,33,10,000	4,86,85,000	2,70,99,920
Deposit with Related parties (Refer Note No.47)	1,60,75,000	1,60,75,000	1,60,75,000
Fixed Deposit with banks having maturity more than 12 months (Refer Note Below)	2,19,00,000	5,51,50,000	34,38,00,000
Accrued Interest on Fixed Deposit	22,62,315	27,84,341	13,10,841
Other Deposits	17,80,742	27,78,359	35,37,037
Other Advances	16,11,117	14,38,990	19,85,252
Total	17,69,39,175	12,69,11,690	39,38,08,050
Note:			
Fixed Deposit with bank includes Deposits under the lien of :			
National Securities Clearing Corporation Limited	-	-	7,92,00,000
Bank for guarantees issued	1,99,00,000	5,31,50,000	9,55,00,000
Axis Bank Ltd for NSE FNO segment	-	-	16,91,00,000
Pension Fund Regulatory and Development Authority.	20,00,000	20,00,000	-
Total	2,19,00,000	5,51,50,000	34,38,00,000
*Fixed deposits are pledged with exchange and banks for meeting margin requirements and for obtaining bank guarantee respectively			
11. Current tax Assets (net)			
Advance Income Tax {Net of Provision for Income tax for 2020 of ₹ 579 Lakhs (for 2018 of ₹ 848.93 Lakhs)}	22,37,212	0	7,57,302
Total	22,37,212	0	7,57,302

Notes Forming Part Of Standalone Financial Statement

12. Property, Plant & Equipment

(Amount in ₹)

Particulars	Building	Furniture & Fixtures	Office Equipments	Computers	Electrical Installations	Motor Vehicles	Total
Gross carrying Amount							
Deemed Cost as on 1 st April, 2018	5,95,20,126	83,02,141	29,56,695	88,96,046	12,49,879	1,30,41,717	9,39,66,605
Additions	-	4,95,675	12,25,769	73,77,163	-	-	90,98,607
Disposals	17,30,947	-	-	4,901	-	11,49,796	28,85,643
Balance as at 31st March, 2019	5,77,89,180	87,97,816	41,82,464	1,62,68,308	12,49,879	1,18,91,921	10,01,79,568
Additions	-	3,01,403	12,89,381	36,58,191	-	28,69,548	81,18,523
Disposals	-	13,520	54,981	81,590	-	-	1,50,091
Balance as at 31st March, 2020	5,77,89,180	90,85,699	54,16,863	1,98,44,909	12,49,879	1,47,61,469	10,81,48,000
Accumulated Depreciation							
Balance as at 1 st April, 2018	0	0	0	0	0	0	0
Additions	10,60,780	11,80,140	9,74,712	50,83,706	1,65,850	17,48,074	1,02,13,262
Disposals	28,235	-	-	-	-	1,11,698	1,39,933
Balance as at 31st March, 2019	10,32,545	11,80,140	9,74,712	50,83,706	1,65,850	16,36,377	1,00,73,329
Additions	10,32,545	10,70,801	10,56,502	52,95,412	1,57,824	15,73,718	1,01,86,803
Disposals	-	1,980	18,066	35,033	-	-	55,079
Balance as at 31st March, 2020	20,65,090	22,48,961	20,13,148	1,03,44,085	3,23,674	32,10,095	2,02,05,053
Net Carrying Amount							
Balance as at 1 st April, 2018	5,95,20,126	83,02,141	29,56,695	88,96,046	12,49,879	1,30,41,717	9,39,66,605
Balance as at 31 st March, 2019	5,67,56,634	76,17,677	32,07,752	1,11,84,602	10,84,029	1,02,55,545	9,01,06,239
Balance as at 31 st March, 2020	5,57,24,089	68,36,739	34,03,715	95,00,824	9,26,205	1,15,51,375	8,79,42,947

The Company has availed the deemed cost exemption as per IND AS 101 in relation to the property, plant and equipment as on the date of transition (1 April 2018) and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1 April 2018 under the previous GAAP.

Particulars	Building	Furniture & Fixtures	Office Equipments	Computers	Electrical Installations	Motor Vehicles	Total
Gross Block	67144313	25532699	13492675	43636638	2363826	18449836	170619987
Accumulated Depreciation	(7624187)	(17230557)	(10535981)	(34740592)	(1113947)	(5408119)	(76653383)
Deemed Cost as on 1st April, 2018	59520126	8302141	2956695	8896046	1249879	13041717	93966605

13. Other Intangible Assets

Particulars	Software	Total
Gross carrying Amount		
Deemed Cost as on 1 st April, 2018	69,60,708	69,60,708
Additions	10,91,025	10,91,025
Disposals	-	-
Balance as at 31st March, 2019	80,51,733	80,51,733
Additions	5,63,500	5,63,500
Disposals	-	-
Balance as at 31st March, 2020	86,15,233	86,15,233
Accumulated Depreciation		
Balance as at 1 st April, 2018	-	-
Additions	12,25,097	12,25,097
Disposals	-	-
Balance as at 31st March, 2019	12,25,097	12,25,097
Additions	13,47,620	13,47,620
Disposals	-	-
Balance as at 31st March, 2020	25,72,717	25,72,717
Net Carrying Amount		
Balance as at 1 st April, 2018	69,60,708	69,60,708
Balance as at 31 st March, 2019	68,26,636	68,26,636
Balance as at 31 st March, 2020	60,42,517	60,42,517

The Company has availed the deemed cost exemption as per IND AS 101 in relation to the intangible assets as on the date of transition (1 April 2018) and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1 April 2018 under the previous GAAP.

Particulars	Software	Total
Gross Block	21137061	21137061
Accumulated Depreciation	(14176353)	(14176353)
Deemed Cost as at 1st April, 2018	6960708	6960708

Notes Forming Part Of Standalone Financial Statement

Particulars	31 st March, 2020 (₹)	31 st March, 2019 (₹)	1 st April, 2018 (₹)
14. Other Non Financial Assets			
Employee Advance	3,54,475	1,25,308	2,83,436
Prepaid expenses	99,97,641	77,54,001	1,00,43,131
Tax Receivables (IT Department)	58,15,250	66,25,315	81,00,184
GST Receivables	20,68,666	1,22,03,064	4,50,097
Other Advances	15,16,235	14,58,938	26,26,776
Total	1,97,52,267	2,81,66,625	2,15,03,623
15. Trade Payables			
Micro, Small and Medium Enterprises (Refer Note No.43)	-	-	-
Other than Micro, Small and Medium Enterprises	115,29,19,629	41,60,07,288	41,43,75,701
Total	115,29,19,629	41,60,07,288	41,43,75,701
16. Borrowings			
[A] Loans repayable on demand			
- Amortised Cost			
i) from banks	34,79,06,416	97,70,24,227	91,43,46,408
ii) from others	-	-	-
Total	34,79,06,416	97,70,24,227	91,43,46,408
[B]			
i) Borrowings in India	34,79,06,416	97,70,24,227	91,43,46,408
ii) Borrowings outside India	-	-	-
Total	34,79,06,416	97,70,24,227	91,43,46,408
[C]			
i) Secured *	34,79,06,416	97,70,24,227	91,43,46,408
ii) Unsecured	-	-	-
Total	34,79,06,416	97,70,24,227	91,43,46,408
*Secured against pledge of securities, trade receivables and property.			
17. Other Financial Liabilities			
Employee Benefits Payable	1,44,94,873	1,75,10,774	1,68,53,726
Franchise Deposit	11,93,41,847	18,60,13,997	9,85,86,953
Other Payable(includes payable to vendors)	3,75,24,355	3,11,56,724	3,84,29,844
Unpaid Dividend*	24,68,113	24,45,642	23,07,865
Total	17,38,29,188	23,71,27,138	15,61,78,389
*Out of the above amount, the company is required to credit a sum of ₹403476/- lying in the unpaid/unclaimed dividend account, on or before 31 st August, 2020 to the Investor Education & Protection Fund pursuant to Sub -section (1) of Section 125 of The Companies Act, 2013.			
18. Current Tax Liabilities (net)			
Income tax payable {Net of Advance Tax & TDS for 2019 of ₹ 661.96 Lakhs}	-	40,26,567	-
	-	40,26,567	-
19. Provisions			
Provision for Gratuity (Refer Note No.46)	1,22,36,917	1,03,23,417	95,33,064
Provision for Bonus	19,49,490	20,78,500	20,41,300
Provision for Expenses	67,25,354	50,95,777	45,53,498
Total	2,09,11,760	1,74,97,694	1,61,27,862
20. Deferred Tax Liabilities (net)			
Deferred Tax Liabilities (net) (Refer Note No.37)	45,25,704	47,11,509	66,04,664
Total	45,25,704	47,11,509	66,04,664

Notes Forming Part Of Standalone Financial Statement

Particulars	31 st March, 2020 (₹)	31 st March, 2019 (₹)	1 st April, 2018 (₹)
21. Other Non Financial Liabilities			
Statutory Dues Payable (including PF, ESIC, Stamp Duty, TDS, Professional Tax and GST)	1,54,70,732	1,22,26,527	1,31,83,224
Other Advances	72,00,000	77,42,661	38,85,984
Total	2,26,70,732	1,99,69,188	1,70,69,208
22. Share Capital			
Authorised			
2,50,00,000 (2,50,00,000) equity share of ₹5/- each	12,50,00,000	12,50,00,000	12,50,00,000
Issued, Subscribed & Paid up			
2,08,22,560 (2,08,22,560) equity share of ₹5/- each	10,41,12,800	10,41,12,800	10,41,12,800
Total	10,41,12,800	10,41,12,800	10,41,12,800
a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period			
<u>Equity Shares of face value ₹5/-</u>			
Share outstanding at the beginning of the period	2,08,22,560	2,08,22,560	2,08,22,560
Share outstanding at the end of period	2,08,22,560	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	60,63,040 (29.12%)	60,63,040 (29.12%)	60,63,040 (29.12%)
Kiran Jain	47,28,320 (22.71%)	47,28,320 (22.71%)	47,28,320 (22.71%)
Sunil Kumar Jain	16,06,656 (7.72%)	16,06,656 (7.72%)	16,06,656 (7.72%)
Arpit Jain	11,47,840 (5.51%)	11,47,840 (5.51%)	11,47,840 (5.51%)
23. Other Equity			
General Reserve			
Balance at the beginning of the year	86,03,42,139	71,03,42,139	71,03,42,139
Transfer from Retained Earnings	15,00,00,000	15,00,00,000	-
Balance as at end of the year	101,03,42,139	86,03,42,139	71,03,42,139
Retained Earnings			
Balance at the beginning of the year	12,07,02,386	13,40,26,164	13,40,26,164
Transfer from Statement of Profit and Loss	17,76,05,850	15,52,97,304	-
Remeasurement of Defined Benefit Plan (Net of Taxes)	-9,959	2,05,949	-
Interim Equity Dividend	-1,56,16,920	-1,56,16,920	-
Dividend distribution tax	-17,68,173	-32,10,110	-
Transfer to General Reserve	-15,00,00,000	-15,00,00,000	-
Balance as at end of the year	13,09,13,184	12,07,02,386	13,40,26,164
Total	114,12,55,324	98,10,44,526	84,43,68,303
General Reserve			
General reserve represents appropriation of surplus in the profit and loss account and is available for distribution to shareholders as dividend.			
Retained Earnings			
Surplus in profit or loss account (Retained Earnings) represents surplus/accumulated profit of the company and is available for distribution to shareholders as dividend.			

Notes Forming Part Of Standalone Financial Statement

Particulars	31 st March, 2020 (₹)	31 st March, 2019 (₹)
24. Interest Income		
On financial assets measured at amortised cost-		
Interest on loans	1,73,02,923	1,68,19,358
Interest on deposits with banks	7,55,85,791	5,37,27,576
Interest on Margin funding	17,99,79,559	20,58,06,968
Total	27,28,68,273	27,63,53,902
25. Dividend Income		
From investments	5,34,524	14,14,200
From subsidiary companies	71,00,000	-
Total	76,34,524	14,14,200
26. Fees and commission income		
Commission Received (Net)	1,18,96,179	1,15,42,479
Brokerage Income	42,15,70,650	44,95,40,658
Depository Receipts	1,54,80,966	1,62,06,516
Fees From Merchant Banking	1,12,31,876	2,22,52,969
Total	46,01,79,671	49,95,42,622
27. 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)	4,59,36,527	2,00,62,960
(ii) Profit/(loss) on securities held for trade	74,38,708	55,40,495
(B) Others		
- Profit/(loss) on sale of investments (net) at fair value through profit or loss	-35,77,438	-80,24,984
Total	4,97,97,797	1,75,78,471
Fair value changes		
Realised gain	5,44,32,036	2,32,32,636
Unrealised gain	-46,34,239	-56,54,165
Total	4,97,97,797	1,75,78,471
28. Other operating income		
Others Income	9,13,146	3,19,944
Total	9,13,146	3,19,944
29. Other Income		
Interest Income on Income Tax Refund	2,96,578	6,96,403
Bad debts recovered	21,975	2,04,490
Profit on Sale of Fixed Assets	13,489	9,69,140
Miscellaneous income	8,64,469	5,66,128
Total	11,96,511	24,36,161
30. Finance Costs		
On financial liabilities measured at amortised cost-		
Interest on Borrowings	6,85,21,403	8,26,07,190
Interest paid on Margin Money	85,57,001	38,99,248
Other Interest expenses	97,625	54,110
Total	7,71,76,029	8,65,60,548
31. Fees and Commission Expense		
Sub Brokerage/Referral Fees	18,67,14,707	21,08,91,021
Depository charges	60,49,120	64,06,029
Exchange Transaction Charges	3,61,96,279	3,56,81,574
Clearing Charges	16,67,703	18,17,730
Merchant Banking Expenses	12,44,487	39,52,609
Total	23,18,72,296	25,87,48,962

Notes Forming Part Of Standalone Financial Statement

Particulars	31 st March, 2020 (₹)	31 st March, 2019 (₹)
32. Impairment on financial instruments		
On financial assets measured at amortised cost-		
Trade Receivable		
Bad Debts written off	50,41,392	5,97,598
Total	50,41,392	5,97,598
33. Employee Benefits Expenses (Includes Managerial Remuneration)		
Salaries, wages and bonus	13,82,11,085	12,78,49,104
Contribution to provident and other fund (Refer Note No.46)	18,04,810	17,04,886
Gratuity expense (Refer Note No.46)	16,44,231	16,41,563
Staff welfare expenses	24,03,460	20,89,779
Total	14,40,63,586	13,32,85,332
34. Depreciation and amortisation expense		
Depreciation on Property, plant & equipment	1,01,86,803	1,02,13,262
Amortisation on other intangible assets	13,47,620	12,25,097
Total	1,15,34,422	1,14,38,359
35. Other Expenses		
Advertisement	21,16,017	27,28,399
Auditors' Remuneration (Refer Note No.36)	7,32,500	7,32,500
Bank Charges	43,54,570	52,26,200
Business Development	48,30,956	50,28,041
Corporate Social Responsibility (Refer Note No. 54)	58,03,250	26,52,100
Communication including V-Sat	83,65,919	90,27,818
Donation	-	11,25,000
Electricity	51,68,102	52,08,505
Insurance	5,72,997	4,12,119
Legal and Professional	73,94,067	89,23,833
Membership Fee & Subscription	37,02,451	24,54,478
Miscellaneous	41,03,864	25,37,723
Office Expenses	18,02,808	16,19,272
Rent	1,18,50,419	1,29,31,926
Repairs & Maintenance	74,69,322	48,60,301
Software Maintenance	1,50,82,249	1,43,84,015
Stationery & Printing	12,12,153	12,92,639
Travelling, Conveyance and Motor Car	54,60,309	53,63,405
Total	9,00,21,953	8,65,08,274
36. Remuneration To Auditors (Exclusive of Taxes)		
As Auditors:		
Statutory audit	5,00,000	5,00,000
Tax audit	1,00,000	1,00,000
Limited review	75,000	75,000
Other services	57,500	57,500
Total	7,32,500	7,32,500

Notes Forming Part Of Standalone Financial Statement
37. Tax Expense

Particulars	31 st March, 2020 (₹)	31 st March, 2019 (₹)		
I. The major components of income tax expense for the year are as under				
(A) Current tax expense				
Current tax for the year	5,71,63,500	6,61,96,100		
Tax adjustment in respect of earlier years	-17,06,652	9,90,590		
Total current tax expense (A)	5,54,56,848	6,71,86,690		
(B) Deferred taxes				
Change in deferred tax liabilities	-1,82,456	-19,77,765		
Net deferred tax expense (B)	-1,82,456	-19,77,765		
Total(A+B)	5,52,74,392	6,52,08,925		
B. Reconciliation of tax expenses and the accounting profit for the year is as under				
Profit / (loss) before income tax expense	23,28,80,243	22,05,06,228		
Tax at the rate of 25.17% (for 31 March 2019 - 29.12%)	5,86,11,299	6,42,11,414		
Difference due to :				
Tax effect of expenses allowed on payment basis	2,86,158	3,25,595		
Tax on expense not tax deductible	7,30,281	7,13,746		
Tax adjustment relating to fair valuation of equity instrument	-4,36,555	40,87,194		
Tax adjustment of previous years	-17,06,652	9,90,590		
Tax effect of different depreciation	-2,41,037	-9,06,478		
Tax on income exempt from tax	-19,21,457	-26,16,686		
Tax on income taxable at different rate	1,38,177	-108,462		
Others	-3,367	4,89,777		
Current tax expense (A)	5,54,56,848	6,71,86,690		
Deferred tax liability on PPE & Intangible Assets	-9,19,887	-10,87,919		
Deferred tax asset on expense allowed on payment basis	44,353	3,09,607		
Deferred tax asset on fair valuation	6,93,078	-11,99,453		
Deferred tax expense (B)	-1,82,456	-19,77,765		
Total Tax Expense (A+B)	5,52,74,392	6,52,08,925		
Effective Tax Rate	23.74%	29.57%		
The amount of deferred tax income/(expenses) relating to changes in tax rate or the imposition of new taxes:-				
Income due to change in rate	12,66,278	-		
Expense due to change in rate	-6,26,859	-		
Net income for the year	6,39,419	-		
C. Movement of deferred tax assets and liabilities				
	Year Ended 31 st March, 2020			
Particulars	As at 31 st March, 2019	Credit / (Charge) in Profit or Loss	Credit / (Charge) Recognised in OCI	As at 31 st March, 2020
Deferred tax liability on account of :				
Timing difference on PPE & Intangible Assets as per books and Income Tax Act, 1961	85,79,190	9,19,887	-	76,59,303
Fair valuation of Securities for Trade as per Ind AS	7,51,281	-1021,537	-	1,772,819
Total deferred tax liabilities (A)	93,30,471	-101,651	-	94,32,122
Deferred tax assets on account of:				
Expenses allowable u/s. 43B on payment basis				
-Gratuity	30,06,179	70,259	3,350	30,79,787
-Bonus	6,05,259	-1,14,612	-	4,90,648
Fair valuation of Equity Instruments as per Ind AS	10,07,524	3,28,460	-	13,35,984
Total deferred tax assets (B)	46,18,962	2,84,106	3,350	49,06,418
Net deferred tax Liability/(Assets) (A-B)	47,11,509	1,82,456	3,350	45,25,704

Notes Forming Part Of Standalone Financial Statement

(Amount in ₹)

Particulars	Year Ended 31 st March, 2019			
	As at 1 st April, 2018	Credit/(Charge) in Profit or Loss	Recognised in OCI	As at 31 st March, 2019
Deferred tax liability on account of :				
Timing difference on PPE & Intangible Assets as per books and Income Tax Act, 1961	96,67,109	10,87,919	-	85,79,190
Fair valuation of Securities for Trade as per Ind AS	25,574	-7,25,707	-	7,51,281
Total deferred tax liabilities (A)	96,92,683	3,62,212	-	93,30,471
Deferred tax assets on account of:				
Expenses allowable u/s. 43B on payment basis				
-Gratuity	32,99,203	-2,08,413	-84,611	30,06,179
-Bonus	7,06,453	-1,01,194	-	6,05,259
Fair valuation of Equity Instruments as per Ind AS	-9,17,636	19,25,161	-	10,07,524
Total deferred tax assets (B)	30,88,019	16,15,554	-84,611	46,18,962
Net deferred tax Liability/(Assets) (A-B)	66,04,664	19,77,765	-84,611	47,11,509
Particulars	31st March, 2020 (₹)	31st March, 2019 (₹)		
38. Earnings Per Equity Share				
A) Profit attributable to Equity holders of Company				
Profit attributable to equity holders		17,76,05,850	15,52,97,304	
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		8.53	7.46	
39. Foreign currency transactions				
Income in foreign currency (On accrual basis)				
Fees & Commission Income		-	13,86,596	
Total		-	13,86,596	
40. Proposed dividend				
The Board of Directors has recommended Equity dividend of ₹ 1.00 per share for the financial year 2019-20.				
41. Contingent Liability and Commitment (to the extent not provided for)				
Particulars	For the Year ended 31-Mar-20 (₹)	For the Year ended 31-Mar-19 (₹)	As at 1st April 2018 (₹)	
Contingent liabilities:				
Bank Guarantees given*	3,23,75,000	94,71,75,000	96,24,00,000	
Demand in respect of income tax matters for which appeal is pending	2,17,69,432	-	32,79,854	
Claim against the company	Nil	Nil	Nil	
Capital commitments:				
There are no Capital commitment as at the year end.				
* Bank Guarantees details				
1. Corporate Guarantees to banks (for subsidiary Arihant Futures and Commodities Ltd)	1,00,00,000	25,00,00,000	40,00,00,000	
2. ICCL Bombay Stock Exchange Ltd (under mandatory rules for membership)	1,48,75,000	1,58,75,000	1,00,00,000	
3. ICCL Bombay Stock Exchange Ltd (towards additional margin)	0	6,00,00,000	6,35,00,000	
4. National Securities Clearing Corporation Ltd (towards additional margin)	15,00,00,000	12,98,00,000	9,98,00,000	
5. National Securities Clearing Corporation Ltd (under mandatory rules for membership)	75,00,000	75,00,000	75,00,000	
6. Metropolitan Stock Exchange India Ltd (under mandatory rules for membership)	0	15,00,000	15,00,000	
7. Axis Bank Ltd - Clearing Member of company in NSE F&O segment (towards margin requirement)	0	48,25,00,000	38,01,00,000	

Notes Forming Part Of Standalone Financial Statement

42. Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Board of Directors and the Company has only one reportable business segment i.e. Broking Business.

Accordingly, the disclosure requirements of Ind AS 108 are not applicable.

Entity wide disclosure details as per Ind AS 108 on Operating segments are given below:

The following table shows the distribution of the Company's operating revenue by geographical location of customers

Particulars	31 st March, 2020 (₹)	31 st March, 2019 (₹)
Revenue from Operations		
India	79,13,93,411	79,38,22,544
Outside India	-	13,86,596
Total	79,13,93,411	79,52,09,140

The following table shows the carrying amounts of non-current segment assets by geographical area in which the assets are located:

Particulars	31 st March, 2020 (₹)	31 st March, 2019 (₹)
Non-Current Assets*		
India	9,39,85,464	9,69,32,875
Outside India	-	-
Total	9,39,85,464	9,69,32,875

*It includes PPE and Intangible Assets

During the year ended 31st March, 2020 and 2019 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.

43. Due to Micro, Small, & Medium Enterprises

The Company has sent letters to vendors to confirm whether they are covered under Micro, Small and Medium Enterprise Development Act 2006 as well as they have filed required memorandum with prescribed authority. Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) the relevant particulars as at the year end are furnished below:

Particulars	31 st March, 2020 (₹)	31 st March, 2019 (₹)	1 st April, 2018 (₹)
The Principal amount remaining unpaid at the year end	-	-	-
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	-	-	-

Notes Forming Part Of Standalone Financial Statement

44. Derivative Financial Instruments

Particulars	31 st March, 2020 (₹)	31 st March, 2019 (₹)	1 st April, 2018 (₹)
(i) Equity linked derivatives	1,96,010	-	-
Total	1,96,010	-	-
Notional amounts	70,25,070		
Fair value - liabilities	1,96,010		

Note : - The derivatives are used for the purpose of trading.

45. Revenue from Contract with customers

The Company derives revenue primarily from the broking business. Its other major revenue sources is Interest income.

A. Disaggregate revenue information

The table below presents disaggregate revenues from contracts with customers for the year ended 31st March, 2020 and 31st March, 2019. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.

Particulars	31 st March, 2020 (₹)	31 st March, 2019 (₹)
Brokerage Income	421570650	449540658
Fees & Commission Income	11896179	11542479
Interest Income	272868273	276353902
Depository Income	15480966	16206516
Total	72,18,16,068	75,36,43,555

B. Nature and timing of satisfaction of the performance obligation

- 1. Broking Income** - The Company provides trade execution and settlement services to the customers. There is only one performance obligation of execution of the trade and settlement of the transaction which is satisfied at a point in time. The brokerage charged is the transaction price and is recognised as revenue on settlement date basis.
- 2. Fees & Commission Income** - Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract. Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be. Commissions and fees recognised as aforesaid are exclusive of goods and service tax, securities transaction tax, stamp duties and other levies by SEBI and stock exchanges.
- 3. Interest Income** - Interest is earned on delayed payments from clients and amounts funded to them as well as on loans and term deposit with bank. Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable.
- 4. Depository Income** - Income from services rendered on behalf of depository is recognised upon rendering of the services, in accordance with the terms of contract.

46. Employee benefits

A. The Company contributes to the following post-employment defined benefit plans

(i) Defined Contribution Plans:

The Company makes contributions towards Provident Fund and Employees State Insurance Fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The Company recognised ₹13,29,605 (Previous Year ₹10,84,550) for provident fund contributions in the Statement of Profit and Loss.

The Company recognised ₹4,46,205 (Previous Year: ₹6,20,336) for Employees State Insurance Fund contribution in the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

Gratuity

In accordance with Payment of Gratuity Act, the Company provides for gratuity, a defined benefit retirement plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Company subject to maximum of ₹20 lakhs. (Previous Year ₹20 lakhs).

Notes Forming Part Of Standalone Financial Statement

The gratuity benefit is provided through unfunded plan and annual contributions are charged to the statement of profit and loss. Under the scheme, the settlement obligation remains with the Company. Company accounts for the liability for future gratuity benefits based on an actuarial valuation. The net present value of the Company's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date.

B.Movement in Defined Benefit Liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	Defined Benefit Obligation	
	31 st March, 2020 (₹)	31 st March, 2019 (₹)
Opening balance	1,03,23,417	95,33,064
Included in profit or loss -		
Current service cost	9,56,692	9,80,922
Interest cost	6,87,540	6,60,641
Total - A	1,19,67,649	1,11,74,627
Included in OCI -		
Actuarial loss (gain) arising from:		
Demographic assumptions	-	-
Financial assumptions	3,92,662	60,598
Experience adjustment	-3,79,353	-3,51,158
Total - B	13,309	-2,90,560
Other		
Benefits paid	-3,78,230	-5,60,650
Liability transferred in for Employees joined	6,34,189	
Total - C	2,55,959	-5,60,650
Closing balance (A+B+C)	1,22,36,917	1,03,23,417

C. Defined Benefit Obligations

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

	31 st March, 2020	31 st March, 2019
Mortality Table	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Retirement age	60 years	60 years
Attrition Rate	29.00% p.a.	29.00% p.a.
Discount rate	6.66% p.a.	6.93% p.a.
Salary escalation rate	5.00% p.a.	5.00% p.a.

Notes Forming Part Of Standalone Financial Statement

(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.

	31 st March, 2020		31 st March, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	-274584	292728	-219534	233506
Future salary growth (1% movement)	290728	-277679	235007	-224975
Employee Turnover (1% movement)	-20967	21340	-2180	1526

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 pastservice of the employees as at the valuation date:

Maturity profile	31 st March, 2020	31 st March, 2019
Expected benefits for Year 1	3662703	3180761
Expected benefits for Year 2	2460659	2187083
Expected benefits for Year 3	1944433	1666259
Expected benefits for Year 4	1519457	1303841
Expected benefits for Year 5	1145533	1003456
Sum of Years 6 to 10	2586905	2258472
Sum of Years 11 and above	687001	617732

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
- Arihant Insurance Broking Services Limited
- Arihant Investment Advisers Private Limited (Formerly Arihant Financial Planners & Advisors Private Limited)
- Ahinsa Lifespace Infraheight Limited
- Arihant Asset Management Limited (Formerly Arihant Housing Finance Corporation Limited)
- Arihant Capital (IFSC) Limited

b) Key Management Personnel

Mr. Ashok Kumar Jain	Chairman & 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. Pavan Kumar Ved	Director (till 25.09.2018)
Mr. Ashish Maheshwari	Independent Director

c) Relatives of Key Management Personnel

Arpit Jain
Ashok Kumar Jain HUF
Kiran Jain
Shruti Jain

d) Enterprises over which Control

Shyam Developers

Notes Forming Part Of Standalone Financial Statement

(Amount in ₹)

Transactions with related parties											
Nature of Transaction	Name of the Related Party	Key Management Personnel		Relatives of Key Management Personnel		Subsidiaries		Enterprise over which control		Total	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19		
Incomes											
Interest	Arihant Financial Services Limited	-	-	-	-	1,18,27,867	88,02,801	-	-	1,18,27,867	88,02,801
	Arihant Lifespace Infra Developers Limited	-	-	-	-	54,75,056	80,16,557	-	-	54,75,056	80,16,557
	Total	-	-	-	-	1,73,02,923	1,68,19,358	-	-	1,73,02,923	1,68,19,358
Expenses											
Nature of Transaction	Name of the Related Party	Key Management Personnel		Relatives of Key Management Personnel		Subsidiaries		Enterprise over which control		Total	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19		
Salary & Incentive	Ashok Kumar Jain	1,91,13,324	2,06,93,907	-	-	-	-	-	-	1,91,13,324	2,06,93,907
	Anita Gandhi	32,36,660	38,49,600	-	-	-	-	-	-	32,36,660	38,49,600
	Arpit Jain	-	-	18,42,650	-	-	-	-	-	18,42,650	-
	Shruti Jain	-	-	24,00,000	24,00,000	-	-	-	-	24,00,000	24,00,000
	Total	2,23,49,984	2,45,43,507	42,42,650	24,00,000	-	-	-	-	2,65,92,634	2,69,43,507
Rent	Ashok Kumar Jain	15,00,000	14,65,000	-	-	-	-	-	-	15,00,000	14,65,000
	Kiran Jain	-	-	35,25,000	34,90,000	-	-	-	-	35,25,000	34,90,000
	Ashok Kumar Jain HUF	-	-	4,12,500	4,12,500	-	-	-	-	4,12,500	4,12,500
	Arpit Jain	-	-	4,12,500	4,12,500	-	-	-	-	4,12,500	4,12,500
	Shyam Developers	-	-	-	-	-	-	2,52,000	2,52,000	2,52,000	2,52,000
	Total	15,00,000	14,65,000	43,50,000	43,15,000	-	-	2,52,000	2,52,000	61,02,000	60,32,000
Sitting Fees	Suil Kumar Jain	1,00,000	60,000	-	-	-	-	-	-	1,00,000	60,000
	Paragbhai Shah	1,00,000	60,000	-	-	-	-	-	-	1,00,000	60,000
	Pavan Kumar Ved	-	-	40,000	-	-	-	-	-	-	40,000
	Ashish Maheshwari	1,00,000	60,000	-	-	-	-	-	-	1,00,000	60,000
	Akhilesh Rathi	1,00,000	80,000	-	-	-	-	-	-	1,00,000	80,000
	Total	4,00,000	3,00,000	-	-	-	-	-	-	4,00,000	3,00,000

Notes Forming Part Of Standalone Financial Statement

(Amount in ₹)

Loans Given (at year end)	Arihant Lifespace Infra Developers Ltd	-	-	-	10,42,50,494	7,80,00,000	-	-	10,42,50,494	7,80,00,000
	Arihant Financial Services Limited	-	-	5,88,17,212	-	-	-	5,88,17,212	-	-
Total		-	-	-	16,30,67,706	7,80,00,000	-	-	16,30,67,706	7,80,00,000
Advance for Expenses	Arihant Capital (IFSC) Ltd	-	-	-	64,630	20,200	-	-	64,630	20,200
	Ahinsa Lifespace Infraheight Limited	-	-	40,000	-	40,000	-	-	40,000	40,000
Total		-	-	-	1,04,630	60,200	-	-	1,04,630	60,200
Liabilities										
Loan Taken (Maximum Outstanding)	Arihant Financial Services Limited	-	-	-	-	5,05,33,430	-	-	-	5,05,33,430
	Pavan Kumar Ved	-	88,91,509	-	-	-	-	-	-	88,91,509
Total		-	88,91,509	-	-	5,05,33,430	-	-	-	5,94,24,939
Corporate Guarantee Given										
	Arihant Futures & Commodities Ltd	-	-	-	1,00,00,000	25,00,00,000	-	-	1,00,00,000	25,00,00,000
Total		-	-	-	1,00,00,000	25,00,00,000	-	-	1,00,00,000	25,00,00,000
Equity Contribution										
	Arihant Capital (IFSC) Ltd	-	-	-	-	30,00,000	-	-	-	30,00,000
Total		-	-	-	-	30,00,000	-	-	-	30,00,000

Notes forming Part of Standalone Financial Statement

48. Fair value measurement

I. Accounting classification and fair values

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

Particulars	Carrying amount			Fair value				
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	50,95,76,271	50,95,76,271	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	105,02,18,213	105,02,18,213	-	-	-	-
Securities for trade	9,64,88,092	-	-	9,64,88,092	9,64,88,092	-	-	9,64,88,092
Receivables	-	-	-	-	-	-	-	-
Trade receivables	-	-	64,32,58,261	64,32,58,261	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-
Loans	-	-	16,30,67,706	16,30,67,706	-	-	-	-
Investments	7,57,28,420	-	13,70,76,480	21,28,04,900	7,43,18,420	-	14,10,000	7,57,28,420
Other financial assets	-	-	17,69,39,175	17,69,39,175	-	-	-	-
Total financial assets	17,22,16,512	-	268,01,36,106	285,23,52,618	17,08,06,512	-	14,10,000	17,22,16,512
Financial liabilities								
Payables								
Trade Payables	-	-	-	-	-	-	-	-
Total outstanding dues of micro & small enterprises	-	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro & small enterprises	-	-	115,29,19,629	115,29,19,629	-	-	-	-
Borrowings	-	-	34,79,06,416	34,79,06,416	-	-	-	-
Other financial Liabilities	-	-	17,38,29,188	17,38,29,188	-	-	-	-
Total financial liabilities	-	-	167,46,55,233	167,46,55,233	-	-	-	-
The carrying value and fair value of financial instruments by categories as of 31 March 2019 are as follows:								
Particulars	Carrying Amount			Fair Value				
31-Mar-19	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	7,78,66,799	7,78,66,799	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	78,46,70,797	78,46,70,797	-	-	-	-
Securities for trade	9,45,48,546	-	-	9,45,48,546	9,45,48,546	-	-	9,45,48,546
Receivables	-	-	-	-	-	-	-	-
Trade receivables	-	-	127,96,42,323	127,96,42,323	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-
Loans	-	-	7,80,00,000	7,80,00,000	-	-	-	-
Investments	5,77,04,800	-	13,70,76,480	19,47,81,280	5,62,94,800	-	14,10,000	5,77,04,800
Other financial assets	-	-	12,69,11,690	12,69,11,690	-	-	-	-
Total financial assets	15,22,53,346	-	248,41,68,089	263,64,21,436	15,08,43,346	-	14,10,000	15,22,53,346
Financial liabilities								
Payables								
Trade Payables	-	-	-	-	-	-	-	-
Total outstanding dues of micro & small enterprises	-	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro & small enterprises	-	-	41,60,07,288	41,60,07,288	-	-	-	-
Borrowings	-	-	97,70,24,227	97,70,24,227	-	-	-	-
Other financial Liabilities	-	-	23,71,27,137	23,71,27,137	-	-	-	-
Total financial liabilities	-	-	163,01,58,652	163,01,58,652	-	-	-	-

Notes forming Part of Standalone Financial Statement

The carrying value and fair value of financial instruments by categories as of 1 April 2018 are as follows:

(Amount in ₹)

Particulars	Carrying Amount				Fair Value			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
01-Apr-18								
Financial assets								
Cash and cash equivalents	-	-	7,65,46,492	7,65,46,492	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	33,20,07,865	33,20,07,865	-	-	-	-
Securities for trade Receivables	12,84,36,611	-	-	12,84,36,611	12,84,36,611	-	-	12,84,36,611
Trade receivables	-	-	115,71,08,939	115,71,08,939	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-
Loans	-	-	9,23,16,209	9,23,16,209	-	-	-	-
Investments	3,56,94,450	-	13,40,76,480	16,97,70,930	3,42,84,450	-	14,10,000	3,56,94,450
Other financial assets	-	-	39,38,08,050	39,38,08,050	-	-	-	-
Total financial assets	16,41,31,061	-	218,58,64,035	234,99,95,096	16,27,21,061	-	14,10,000	16,41,31,061
Financial liabilities								
Payables	-	-	-	-	-	-	-	-
Trade Payables	-	-	-	-	-	-	-	-
Total outstanding dues of micro & small enterprises	-	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro & small enterprises	-	-	41,43,75,701	41,43,75,701	-	-	-	-
Borrowings	-	-	91,43,46,408	91,43,46,408	-	-	-	-
Other financial Liabilities	-	-	15,61,78,389	15,61,78,389	-	-	-	-
Total financial liabilities	-	-	148,49,00,498	148,49,00,498	-	-	-	-

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.

Notes Forming Part Of Standalone Financial Statement

49. Financial risk management

The company has a risk management framework, appropriate to the size of the Company and environment under which it operates. The objective of its risk management framework is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks and ensure a systematic response in the case of crystallisation of such risks. The board of Directors reviews these policies and processes regularly and is periodically informed about the risk assessment, impact of risk on the business and mitigation plans. The Company is exposed to following risk -

A. Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligation. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relations to such limits

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements. Deposits with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks/ financial institutions as approved by the Board of directors. The management has established accounts receivable policy under which customer accounts are regularly monitored.

Expected Credit Loss (ECL):

The Company applies the Ind AS 109 Simplified approach for trade receivables which requires expected lifetime losses to be recognised. For other assets, the Company uses 12 month ECL approach to measuring expected credit losses (ECLs) where there is no significant increase in credit risk of borrower. If there is significant increase in credit risk full lifetime ECL approach is used.

Inputs considered in the ECL model

In assessing the impairment of financial assets under Expected Credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses

Stage 1 : Financial assets for which credit risk has not increased significantly and that are also not credit impaired

Stage 2 : Financial assets for which credit risk has increased significantly but not credit impaired

Stage 3 : Financial assets for which credit risk has increased significantly and are credit impaired

Notes forming Part of Standalone Financial Statement

B. Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation. Prudent liquidity risk management requires sufficient cash and marketable securities and availability of funds through adequate committed credit facilities to meet obligations when due and to close out market positions.

Ultimate responsibility for liquidity risk management rests with the board of directors, for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities

The table below provide details regarding the contractual maturities of significant financial liabilities as of March 31, 2020

Particulars	Carrying Amount	Less than 1 year	1-3 year	3-5 year	More than 5 year
-------------	-----------------	------------------	----------	----------	------------------

Trade Payables	115,29,19,629	115,29,19,629			
Borrowings	34,79,06,416	34,79,06,416			
Other financial Liabilities	17,38,29,188	17,38,29,188			

The table below provide details regarding the contractual maturities of significant financial liabilities as of March 31, 2019

Particulars	Carrying Amount	Less than 1 year	1-3 year	3-5 year	More than 5 year
-------------	-----------------	------------------	----------	----------	------------------

Trade Payables	41,60,07,288	41,60,07,288			
Borrowings	97,70,24,227	97,70,24,227			
Other financial Liabilities	23,71,27,137	23,71,27,137			

The table below provide details regarding the contractual maturities of significant financial liabilities as of April 01, 2018

Particulars	Carrying Amount	Less than 1 year	1-3 year	3-5 year	More than 5 year
-------------	-----------------	------------------	----------	----------	------------------

Trade Payables	41,43,75,701	41,43,75,701			
Borrowings	91,43,46,408	91,43,46,408			
Other financial Liabilities	15,61,78,389	15,61,78,389			

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 company's all transactions are denominated in Indian rupees only. Hence, the Company is not significantly exposed to currency rate risk.

(ii) Interest rate risk

Interest Rate Risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate as result of changes in market interest rates. The Company's Loans are primarily in fixed interest rates. Hence, the Company is not significantly exposed to interest rate risk.

(iii) Market price risks

The Company is exposed to market price risk, which arises from FVTPL investments. The management monitors the proportion of these investments in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the appropriate authority.

Notes forming Part of Standalone Financial Statement

50. Capital Management

The company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The company monitors its capital by using gearing ratio, which is net debt to total equity. Net debt includes borrowings net of cash and bank balances and total equity comprises of Equity share capital, general reserve and retained earnings.

	31st March, 2020	31st March, 2019	01st April, 2018
Borrowings	347906416	977024227	914346408
Less: Cash & bank balances	1559794484	862537596	408554357
Net Debt (A)	-1211888068	114486631	505792051
Total Equity(B)	1245368124	1085157326	948481103
Gearing Ratio (A/B)	-0.97	0.11	0.53

51. 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

Particulars	31 st March, 2020			31 st March, 2019			01 st April, 2018		
	Within 12 month	After 12 month	Total	Within 12 month	After 12 month	Total	Within 12 month	After 12 month	Total
Assets									
Financial assets									
Cash and cash equivalents	50,95,76,271	-	50,95,76,271	7,78,66,799	-	7,78,66,799	7,65,46,492	-	7,65,46,492
Bank balance other than above	105,02,18,213	-	105,02,18,213	78,46,70,797	-	78,46,70,797	33,20,07,865	-	33,20,07,865
Securities for trade	9,64,88,092	-	9,64,88,092	9,45,48,546	-	9,45,48,546	12,84,36,611	-	12,84,36,611
Trade receivables	64,32,58,261	-	64,32,58,261	127,96,42,323	-	127,96,42,323	115,71,08,939	-	115,71,08,939
Other receivables	-	-	-	-	-	-	-	-	-
Loans	16,30,67,706	-	16,30,67,706	7,80,00,000	-	7,80,00,000	9,23,16,209	-	9,23,16,209
Investments	-	21,28,04,900	21,28,04,900	-	19,47,81,280	19,47,81,280	-	16,97,70,930	16,97,70,930
Other financial assets	13,13,54,175	4,55,85,000	17,69,39,175	5,46,76,690	7,22,35,000	12,69,11,690	3,29,23,050	36,08,85,000	39,38,08,050
	259,39,62,718	25,83,89,900	285,23,52,618	236,94,05,156	26,70,16,280	263,64,21,436	181,93,39,166	53,06,55,930	234,99,95,096
Non-Financial assets									
Current tax assets (net)	2,237,212	-	2,237,212	-	-	-	757,302	-	757,302
Property, plant and equipment	-	87,942,948	87,942,948	-	90,106,239	90,106,239	-	93,966,605	93,966,605
Other intangible assets	-	6,042,517	6,042,517	-	6,826,636	6,826,636	-	6,960,708	6,960,708
Other non financial assets	19,752,267	-	19,752,267	28,166,625	-	28,166,625	21,503,623	-	21,503,623
	21,989,480	93,985,464	115,974,944	28,166,625	96,932,875	125,099,500	22,260,925	100,927,313	123,188,238
Total Assets	261,59,52,197	35,23,75,364	296,83,27,562	239,75,71,781	36,39,49,155	276,15,20,936	184,16,00,092	63,15,83,243	247,31,83,335

Notes forming Part of Standalone Financial Statement

53. Disclosure pursuant to IND AS 101 “First time adoption of Indian Accounting Standards”

A. Reconciliations between previous GAAP and Ind AS

For the purposes of reporting as set out in Note 2, Company has transitioned the basis of accounting from Indian generally accepted accounting principles (“GAAP”) to Ind AS. The accounting policies set out in Note 2 have been applied in preparing the standalone financial statements for the year ended 31 March 2020, the comparative information presented in these financial statements for the year ended 31 March 2019 and in the preparation of an opening Ind AS balance sheet at 1 April 2018 (the “transition date”).

In preparing the opening Ind AS balance sheet, Company have adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of the transition from IGAAP to Ind AS has affected the financial performance, cash flows and financial position is set out in the following tables. On transition, Company has not revised the estimates previously made under IGAAP except where required by Ind AS.

(i) Reconciliation of total equity between previous GAAP and Ind AS:

Particulars	31 st March, 2019	1 st April 2018
Net worth under previous GAAP	1,090,970,894	941,458,430
GAAP adjustments:		
Gain on Fair Valuation of Securities for Trade	2,579,950	87,824
Gain/(loss) on Fair Valuation of Investments	-8,649,760	7,878,061
Deferred tax impact on above adjustments	2,56,243	-9,43,211
Total GAAP adjustments	-5,813,568	7,022,673
Net worth under Ind AS	1,085,157,326	948,481,103

(ii) Reconciliation of profit as per Ind AS with profit reported under previous GAAP:

Particulars	31 st March, 2019
Net profit as per the Previous GAAP	168,339,494
GAAP adjustments:	
Reclassification of net actuarial gain on employee defined benefit obligation to OCI	-290,560
Gain on Fair Valuation of Securities for Trade	2,492,126
Gain/(loss) on Fair Valuation of Investments	-16,527,821
Deferred tax on above	1,284,064
Total GAAP adjustments	-13,042,191
Net profit after tax (before OCI) as per Ind AS	155,297,303
Other comprehensive Income (net of tax)	205,949
Total Comprehensive Income under Ind AS	155,503,252

B. Notes to first-time adoption:

The Company has prepared opening Balance Sheet as per Ind AS as of April 1, 2018 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from I-GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities.

(i) Fair value measurement of investments

Under Previous GAAP, the Company had accounted for long term investments at cost less provision for diminution, other than temporary, in the value of investments and current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets are measured at fair value and changes in fair value are recognised in profit and loss account based on investment classified as FVTPL. Under Previous GAAP, the stock in trade was valued at lower of cost or fair value. Under Ind-AS stock in trade has been classified as Securities for trade at FVTPL and recognised at fair value.

(ii) Remeasurement of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses are recognised in other comprehensive income instead of profit or loss under the previous GAAP. As a result of this change, the profit for the year ended March 31, 2019 decreased by ₹ 2,05,949 (net of tax adjustment). There is no impact on the total equity as at 31 March 2019.

Notes forming Part of Standalone Financial Statement

(iii) Income tax impact

Previous GAAP requires deferred tax accounting using the profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences arising on account of transitional differences adjustments arising out of adoption of Ind AS. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised to the underlying transaction in retained earnings.

(iv) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

(v) Exemptions availed by the company

a. Property, Plant & Equipment

The Company has adopted the carrying value determined in accordance with I-GAAP for all of its property plant & equipment and intangible assets as deemed cost of such assets at the transition date.

b. Leases

The Company's lease asset primarily consist of office premises, the company recognises same as short term lease assets as a optional exemption provided in Ind AS 116 And recognises the lease payment as an operating expenses on a straight line basis over the lease term in the Statement of Profit & Loss Account.

54. 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 2019-20. CSR initiatives majorly includes supporting under privileged in education, medical treatments, etc and various other charitable and noble aids.

A) Gross amount required to be spent by the Company during the year ₹ 50,13,196 (Previous year ₹ 40,35,652)

B) Amount spent during the year ended 31 March 2020 on:

Particulars	31 st March, 2020		31 st March, 2019	
	Amount Paid	Yet to be paid	Total	Amount
Construction/acquisition of any asset	5803250	0	5803250	2652100
On purposes other than above	5803250	0	5803250	2652100
Total				2652100

55. SARS-CoV-2

Covid- 19 outbreak was declared as a global pandemic. Indian Government have followed as approach of complete lockdown since March 23, 2020, during which only defined essential services were operating with limited capacity. Stock broking services has been declared as an essential services and accordingly, the Company has been in operation consistently with minimal permitted staff. Accordingly, as of March 31, 2020 based on the facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern.

56. Events after Reporting Date

There have been no events after the reporting date that require disclosure in these financial statements.

57. Approval of Financial Statements

The financial statements are approved for issue by the Board of Directors in their meeting held on 9th July, 2020

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 : 20402629AAAAAE1014

Indore, 09th July, 2020

Ashok Kumar Jain
 (Chairman & Managing
 Director)
 DIN-00184729

Anita S Gandhi
 (Whole Time
 Director)
 DIN-02864338

Mahesh Pancholi
 (Company
 Secretary)

Tarun Goyal
 (CFO)

For and on behalf of the Board

INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS,
ARIHANT CAPITAL MARKETS LIMITED

Report on the Audit of the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ARIHANT CAPITAL MARKETS LIMITED** ("the Holding Company"), and its subsidiaries (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2020, 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, ("the Act"), in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group as at 31st March, 2020, 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 financial statements' section of our report. We are independent of the Group 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 financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue Recognition

The Group has applied Ind AS 115 – 'Revenue from Contracts with Customers' as on the transition date of 1st April, 2018. Revenue from sale of constructed properties is recognised at a 'Point of Time', when the Group satisfies the performance obligations which generally coincides with completion/possession of the unit.

Recognition of revenue at a point in time based on satisfaction of performance obligation requires estimates and judgements regarding timing of satisfaction of performance obligation, allocation of cost incurred to units and the estimated cost for completion of some final pending works. Due to judgement and estimates involved, revenue recognition is considered as key audit matter.

Our audit procedures on revenue recognition included the following:

- Evaluated that the Group's revenue recognition policy is in accordance with Ind AS 115 and other applicable Indian accounting standards;
- Verified the calculation of adjustment to retained earnings on adoption of Ind AS 115;
- Verified performance obligations satisfied by the Group;
- Verified calculation of revenue to be recognised and matching of related cost;
- Tested buyer agreements/sale deeds, project completion, possession letters to test transfer of controls;
- Verified estimates of cost yet to be incurred before final possession of units.

2. Impact of Covid-19 on Audit

Due to outbreak of pandemic Covid 19 and consequent country wide lockdown enforced by Government of India, we could not carry out normal audit procedures by visiting the office and audit was carried out using “Work from Home” approach. This is considered as Key Audit Matter, since alternate audit procedures were performed for carrying out the audit.

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

- Remote Access to financial accounting and taxation software on laptops of team members.
- Various data and confirmation were received either electronically through email or through data sharing on drive.
- For various audit procedures, reliance was placed on scanned copies of original documents shared with us electronically.

Other Information

The Holding Company’s Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Director’s report, but does not include the consolidated 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 identified above 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management’s Responsibility for the Consolidated 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 financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group 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 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 financial statements, management and Board of Directors 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 Management and Board of Directors are also responsible for overseeing the Group’s financial reporting process.

Auditors’ Responsibility

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)(l) 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 Group'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 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 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.

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.

Report on Other Legal and Regulatory Requirements

1. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, we report that the Group has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books.
 - (c) The consolidated financial statements 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 2020 taken on record by the Board of Directors of the holding company and the report of the subsidiary companies, none of the directors is disqualified as on 31st March, 2020 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 group and the operating effectiveness of such control, refer to our separate report in Annexure “A”
- (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, as detailed in note 46 to the consolidated financial statements, has disclosed the impact of pending litigations on its consolidated financial position as at 31st March 2020
 - ii. The Group did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and subsidiary companies.
 - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these consolidated financial statements since they do not pertain to the financial year ended 31 March 2020.
- 3. With respect to the matter to be included in the Auditors’ Report under Section 197(16) of the Act, we report that the Group has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

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

CA Dinesh Ajmera
Partner
Membership No. :402629
UDIN : 20402629AAAAAH5386
Indore, July 9, 2020

ANNEXURE “A” AS REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING OF “REPORT ON LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF ARIHANT CAPITAL MARKETS LIMITED ON THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2020

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

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting of Arihant Capital Market Limited (“the Holding Company”) and its subsidiary companies, as of that date.

Opinion

In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the 8 subsidiary companies and the Holding Company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on 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 (the “Guidance Note”).

Management’s Responsibility for Internal Financial Controls

The respective management of the holding company and its subsidiaries companies 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 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 is sufficient and appropriate to provide a basis for our audit opinion on the Group’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.

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

CA Dinesh Ajmera
Partner
Membership No. :402629
UDIN : 20402629AAAAAH5386
Indore, July 9, 2020

Consolidated Balance sheet as at 31st March, 2020

Particulars	Note No.	31 st March, 2020 (₹)	31 st March, 2019 (₹)	1 st April, 2018 (₹)
ASSETS				
1 Financial assets				
a. Cash and cash equivalents	4	53,06,29,776	14,66,59,915	19,34,47,028
b. Bank balance other than (a) above	5	105,48,32,356	97,80,41,721	47,30,16,881
c. Securities for trade	6	9,64,88,092	9,45,48,546	12,84,36,611
d. Receivables				
(i) Trade receivables	7	75,23,67,388	128,71,52,458	116,93,44,075
e. Loans	8	11,98,62,342	15,63,29,349	5,15,06,717
f. Investments	9	7,57,28,420	5,77,04,800	3,56,94,450
g. Other financial assets	10	19,38,96,366	14,04,12,712	45,75,69,732
		282,38,04,740	286,08,49,501	250,90,15,494
2 Non financial assets				
a. Inventories	11	28,47,01,188	31,96,00,329	33,77,66,071
b. Current tax assets (net)	12	35,26,112	1,61,268	18,64,556
c. Deferred tax assets (net)	13	47,36,248	6,25,250	5,64,996
d. Investment Property	14	18,527,180	18,527,180	18,527,180
e. Property, plant and equipment	15	18,26,23,682	18,50,84,719	18,42,95,747
f. Other intangible assets	16	70,87,733	69,10,314	70,51,104
g. Other non financial assets	17	3,40,20,725	3,59,20,253	3,89,38,527
		53,52,22,868	56,68,29,313	58,90,08,181
Total Assets		335,90,27,608	342,76,78,814	309,80,23,675
LIABILITIES & EQUITY				
LIABILITIES				
1 Financial Liabilities				
a. Derivative financial instruments	48	1,96,010	0.00	0.00
b. Payables	18			
I) Trade Payables				
i) Total outstanding dues of micro & small enterprises		0.00	0.00	0.00
ii) Total outstanding dues of creditors other than micro & small enterprises		115,33,48,010	60,94,07,774	66,88,66,940
c. Borrowings	19	41,40,31,997	109,16,43,766	95,08,46,408
d. Other financial Liabilities	20	17,50,88,414	26,24,50,947	17,98,15,154
		174,26,64,431	196,35,02,487	179,95,28,502
2 Non Financial Liabilities				
a. Current Tax Liabilities (net)	21	9,58,956	62,89,052	1,58,144
b. Provisions	22	2,26,47,892	2,15,89,639	1,96,39,653
c. Deferred Tax Liabilities (net)	23	45,25,704	47,11,509	66,04,664
d. Other non financial liabilities	24	9,21,17,764	8,59,37,505	7,61,34,991
		12,02,50,316	11,85,27,705	10,25,37,452
3 Equity				
a. Equity share capital	25	10,41,12,800	10,41,12,800	10,41,12,800
b. Other equity	26	139,20,00,061	124,15,35,822	109,18,44,921
		149,61,12,861	134,56,48,622	119,59,57,721
Total Liabilities & Equity		335,90,27,608	342,76,78,814	309,80,23,675

Significant Accounting Policies and Notes on Financial Statements 1 to 63

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 : 20402629AAAAAE1014

Indore, 09th July, 2020

Ashok Kumar Jain
(Chairman & Managing
Director)
DIN-00184729

Anita S Gandhi
(Whole Time
Director)
DIN-02864338

Mahesh Pancholi
(Company
Secretary)

Tarun Goyal
(CFO)

For and on behalf of the Board

Consolidated Statement of Profit and Loss for the year ended 31st March 2020

Particulars		Note No.	31 st March, 2020 (₹)	31 st March, 2019 (₹)
Income				
I	Revenue from Operations			
	Interest Income	27	29,23,70,693	31,03,47,537
	Dividend Income	28	76,58,524	14,14,200
	Fees & Commission Income	29	49,30,07,072	55,32,59,562
	Net Gain on fair value changes	30	4,91,82,732	1,79,86,546
	Sale of products	31	6,38,71,584	4,93,17,511
	Others Operating Income	32	9,13,146	3,19,944
II	Other Income	33	17,60,164	1,03,27,940
III	Total Income (I+II)		90,87,63,915	94,29,73,241
Expenses				
IV	Expenses			
	Finance costs	34	8,07,55,734	9,94,52,794
	Fees and commission expense	35	25,85,75,096	30,13,08,813
	Impairment on financial instruments	36	3,03,54,505	84,51,605
	Cost of Sale	37	3,63,19,036	2,84,28,460
	Employee Benefits Expenses	38	15,75,52,335	15,12,17,477
	Depreciation and Amortization Expenses	39	1,28,06,883	1,19,80,707
	Other Expenses	40	10,31,75,239	10,09,42,037
	Total		67,95,38,829	70,17,81,893
V	Profit Before Exceptional Items and Tax (III-IV)		22,92,25,086	24,11,91,348
VI	Exceptional items		-	-
VII	Profit Before Tax (V-VI)		22,92,25,086	24,11,91,348
VIII	Tax Expenses	42		
	Current Tax		5,87,64,546	7,57,34,079
	Deferred Tax		-44,17,243	-20,77,430
	Total Tax Expenses		5,43,47,303	7,36,56,649
IX	Profit/(loss) for the year		17,48,77,783	16,75,34,699
X	Other Comprehensive Income			
(A)	Items that will not be reclassified to profit & loss			
	Remeasurements of the defined benefit plans		4,78,539	4,32,224
	Tax effect relating to above item		-1,20,439	-1,24,022
		(A)	3,58,100	3,08,202
(B)	Items that will be reclassified to profit & loss			
	Foreign Currency Translation Reserve		11,72,876	6,75,030
	Tax effect relating to above item		-	-
		(B)	11,72,876	6,75,030
	Total Other Comprehensive Income		15,30,976	9,83,232
XI	Total Comprehensive Income for the period		17,64,08,758	16,85,17,931
XII	Earnings per Share	43		
	Equity Shares of ₹5 each			
	Basic		8.40	8.05
	Diluted		8.40	8.05

Significant Accounting Policies and Notes on Financial Statements 1 to 63

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 : 20402629AAAAAE1014

 Indore, 09th July, 2020

Ashok Kumar Jain
 (Chairman & Managing
 Director)
 DIN-00184729

Anita S Gandhi
 (Whole Time
 Director)
 DIN-02864338

Mahesh Pancholi
 (Company
 Secretary)

Tarun Goyal
 (CFO)

For and on behalf of the Board

Consolidated Cash Flow Statement for the year ended 31st March,2020

Particulars	31 st March, 2020 (₹)	31 st March, 2019 (₹)
A Cash flow (used in) / generated from operating activities		
Profit before tax	22,92,25,086	24,11,91,348
Add / (less) : Adjustments		
Net (gain)/loss on Fair value changes of Securities for trade	-70,43,939	-24,92,126
(Profit) / Loss on sale of fixed assets	-13,489	-9,69,140
(Profit) / Loss on sale of Investments	35,77,438	80,30,072
Depreciation / amortisation	1,28,06,883	1,19,80,707
Interest paid on borrowings	7,10,89,609	8,81,49,694
Dividend income	-76,58,524	-14,14,200
Foreign Currency Translation Reserve	11,72,876	6,75,030
Operating profit before working capital changes	30,31,55,940	34,51,51,384
Adjustments for changes in working capital:		
-Increase/(Decrease) in Other bank balance	-7,67,90,635	-50,50,24,840
-Increase/(Decrease) in Securities for Trade	51,04,394	3,63,80,190
-Increase/(Decrease) in Trade and other receivables	53,47,85,070	-11,78,08,383
-Increase/(Decrease) in Inventories	3,48,99,141	1,81,65,742
-Increase/(Decrease) in Loans	3,64,67,007	-10,48,22,632
-Increase/(Decrease) in Other financial assets	-5,34,83,653	31,71,57,020
-Increase/(Decrease) in Other non financial assets	69,702	39,02,187
-Increase/(Decrease) in Derivative financial instruments	1,96,010	-
-Increase/(Decrease) in Trade payables	54,39,40,235	-5,94,59,165
-Increase/(Decrease) in Other financial liabilities	-8,73,62,533	8,26,35,793
-Increase/(Decrease) in Other non financial liabilities	61,80,259	98,02,514
-Increase/(Decrease) in Provisions	15,36,792	23,82,210
Cash generated from operations	124,86,97,729	2,84,62,021
Income tax paid (net)	-6,56,29,660	-6,87,83,797
Net cash (used in) / generated from operating activities (A)	118,30,68,069	-4,03,21,776
B Cash flow (used in) / generated from Investing activities		
- (Purchase) / Proceeds from sale of property, plant and equipment	-1,05,09,777	-1,16,59,749
- (Purchase) / Proceeds from sale of investments	-2,16,01,058	-3,00,40,422
- Dividend income received	76,58,524	14,14,200
Net cash (used in)/ generated from investing activities(B)	-2,44,52,311	-4,02,85,971
C Cash flow (used in) / generated from Financing activities		
- Dividend paid	-2,27,16,920	-1,56,16,920
- Dividend distribution tax paid	-32,27,600	-32,10,110
- Interest paid	-7,10,89,609	-8,81,49,694
- Increase/ (Decrease) in borrowings	-67,76,11,769	14,07,97,357
Net cash (used in) / generated from financing activities (C)	-77,46,45,898	3,38,20,633
Net increase in cash and cash equivalents (A+B+C)	38,39,69,860	-467,87,113
Cash and cash equivalents at the beginning of the period	14,66,59,915	19,34,47,028
Cash and cash equivalents at the end of the period	53,06,29,775	14,66,59,915
Cash and cash equivalents comprise of		
Cash and cheques in hand	14,91,778	5,92,198
Balances with scheduled banks	52,91,37,997	14,60,67,717
Total	53,06,29,775	14,66,59,915
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 63

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 : 20402629AAAAAE1014

Indore, 09th July, 2020

Ashok Kumar Jain
(Chairman & Managing
Director)
DIN-00184729

Anita S Gandhi
(Whole Time
Director)
DIN-02864338

Mahesh Pancholi
(Company
Secretary)

Tarun Goyal
(CFO)

For and on behalf of the Board

Statement of Changes in Equity For the year ended 31 March, 2020

A. EQUITY SHARE CAPITAL

(Amount in ₹)

Particular	Amount
Balance as at 1-April-2018	10,41,12,800
Changes in equity share capital during the year	-
Balance as at 31-March-2019	10,41,12,800
Changes in equity share capital during the year	-
Balance as at 31-March-2020	10,41,12,800

B. OTHER EQUITY

(Amount in ₹)

Particulars	Reserve & Surplus					Total Equity
	Retained Earnings	Consolidated Reserve	Statutory Reserve	Foreign Currency Translation Reserve	General Reserve	
As At 1, April, 2018	15,62,73,936	35,14,559	95,98,000	(3,03,538)	92,27,61,965	109,18,44,921
Profit for the period	16,75,34,699	0	0	0	0	16,75,34,699
Other comprehensive income	3,08,202	0	0	6,75,030	0	9,83,232
Total comprehensive income	32,41,16,837	35,14,559	95,98,000	3,71,492	92,27,61,965	126,03,62,852
Interim Equity Dividend	(1,56,16,920)	0	0	0	0	(1,56,16,920)
Dividend distribution tax	(32,10,110)	0	0	0	0	(32,10,110)
Transfer to General Reserve	(15,75,00,000)	0	0	0	15,75,00,000	0
Transfer to Statutory Reserve	(21,09,000)	0	21,09,000	0	0	0
Balance as at 31, March 2019	14,56,80,807	35,14,559	1,17,07,000	3,71,492	108,02,61,965	124,15,35,822
As At 1, April, 2019	14,56,80,807	35,14,559	1,17,07,000	3,71,492	108,02,61,965	124,15,35,822
Profit for the period	17,48,77,783	0	0	0	0	17,48,77,783
Other comprehensive income	3,58,100	0	0	11,72,876	0	15,30,976
Total comprehensive income	32,09,16,689	35,14,559	1,17,07,000	15,44,368	108,02,61,965	141,79,44,581
Interim Equity Dividend	(2,27,16,920)	0	0	0	0	(2,27,16,920)
Dividend distribution tax	(32,27,600)	0	0	0	0	(32,27,600)
Transfer to General Reserve	(15,00,00,000)	0	0	0	15,00,00,000	0
Balance as on 31, March 2020	14,49,72,169	35,14,559	1,17,07,000	15,44,368	123,02,61,965	139,20,00,061

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 : 20402629AAAAAE1014
 Indore, 09th July, 2020

Ashok Kumar Jain
 (Chairman & Managing
 Director)
 DIN-00184729

Anita S Gandhi
 (Whole Time
 Director)
 DIN-02864338

Mahesh Pancholi
 (Company
 Secretary)

Tarun Goyal
 (CFO)

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 and its subsidiaries (collectively, the Group) are engaged in Stock Broking , Commodities Broking, Portfolio Management Services, Financial Services, Real Estate, Insurance Broking and other related activities.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these Consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of Preparation

(i) Compliance with Ind AS

The Consolidated financial statements of the Group comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (“the Act”) read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The Consolidated financial statements up to and including the year ended 31 March 2019 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) under the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), and other generally accepted accounting principles in India (collectively referred to as “Indian GAAP” or “Previous GAAP”)

These Consolidated financial statements for the year ended 31 March 2020 are the first financial statements of the Group under Ind AS. Refer Note 59 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group’s financial position, financial performance and cash flows.

The transition to Ind AS has been carried out in accordance with Ind AS 101 “First Time Adoption of Indian Accounting Standards”. Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2018.

The Consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarized as below. These accounting policies have been applied consistently over all the periods presented in these Consolidated financial statements, except where the Group has applied certain accounting policies and exemptions upon transition to Ind AS.

(ii) Historical cost convention

The Consolidated financial statements have been prepared on a historical cost basis, except for the certain Financial instruments that are measured at fair value.

(iii) Functional & Presentation Currency

The Consolidated financial statements are presented in Indian Rupees (INR) which is also the Group’s functional currency.

(iv) Preparation of Consolidated financial statements

The Holding Company is covered in the definition of Non-Banking Financial Company as defined in Companies(Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under

Division III of Schedule III to the Companies Act, 2013 on 11 October 2013, the Holding Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 55.

(v) Use of estimates and judgments

The preparation of Consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of Consolidated financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognized in the period in which the Group becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. The estimates and judgments that have significant impact on carrying amount of assets and liabilities at each balance sheet date are discussed at Note 3.

2.2. 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.

2.3. Revenue Recognition

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

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

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

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

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

(i) Brokerage income

It is recognized on settlement date basis and is exclusive of goods and service tax, securities transaction tax (STT) and commodity transaction tax (CTT) wherever applicable.

(ii) Fee & Commission income

Fees based income on services are recognised as earned on a pro-rata basis over the term of the contract. Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be.

(iii) Depository income

Income from services rendered on behalf of depository is recognised upon rendering of the services, in accordance with the terms of contract.

(iv) Interest income

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

(v) Dividend income

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

(vi) Revenue from Sale of Land and other rights

Revenue from Sale of land and other rights is generally a single performance obligation and the Group has determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers, which generally are with the firmity of the sale contracts / agreements

(vii) Portfolio Management and Advisory Services

The Group provides portfolio management services and advisory services to its clients wherein a separate agreement is entered into with each client. The Group earns management fees which is generally charged as a percent of the Assets Under Management (AUM) and is recognised on accrual basis. The Group, in certain instances also has a right to charge performance fee to the clients if the portfolio achieves a particular level of performance as mentioned in the agreement with the client to the extent permissible under applicable regulations. Generally, no upfront fee is charged to the clients

(viii) Insurance Commission

Insurance commission is recognized on receiving details of the policy issued by the insurance company or receipt of brokerage whichever is earlier.

(ix) Advisory Fees

Revenue from advisory services are recognized over the tenure of service as per terms of contract. Advisory fees related to successful completion of a milestone is recognised as revenue only when such milestone is achieved.

2.4. 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.

2.5. 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.

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.

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.

Transition to Ind-AS

On transition to Ind-AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2018 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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.

Transition to Ind-AS

On transition to Ind-AS, the Group has elected to continue with the carrying value of all of intangible assets recognized as at April 01, 2018 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Amortization

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

Assets	Useful Life
Computer Software	6 years
Operating Right*	3 years

* This contain insurance broking right and Portfolio management rights which is amortized over the period from the date of IRDA and SEBI Certificate for providing Insurance Broking and Portfolio Management Services respectively, which is the period over which it is estimated that benefits will flow to the Group.

Derecognition:

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

2.9. Investment Property

Investment Property are property held to earn rentals and for capital appreciation. Investment Property are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS16's requirements for cost model. An Investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which property is derecognised.

For transition to Ind AS, the Group has elected to continue with carrying value of its investment property recognised as of April1, 2018 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.10. Leases

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

2.11. Offsetting financial instruments

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

2.12. Impairment of non-financial assets

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

2.13. Provisions and contingencies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date.

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.14. Employee benefits

(i) Short-term obligations

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

(ii) Post-employment obligations

Defined contribution plan:

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

Defined benefits plan:

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognised actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected

unit credit method. Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

2.15. Foreign currency transactions and translation

Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of the transaction. Exchange differences arising on settlement of revenue transactions are recognised in the statement of profit and loss. Monetary assets and liabilities contracted in foreign currencies are restated at the rate of exchange ruling at the Balance Sheet date. Non monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

2.16. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

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 Consolidated financial statements and notes have been rounded off to the nearest rupees.

2.19. Events after reporting date

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

2.20. Derivative financial instruments

Derivative financial instruments are initially recognised 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 recognised in statement of profit and loss immediately.

NOTE 3: KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

- (b) Allowance for impairment of financial asset: Judgments are required in assessing the recoverability of overdue and determining whether a provision against those is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.
- (c) Recognition of deferred tax assets: Deferred tax assets are recognised for unused tax-loss carry forwards, deductible temporary differences and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.
- (d) Defined benefit plans: The cost of defined benefit plans and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long – term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.
- (e) Property, plant and equipment and Intangible Assets: Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation and amortization to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Group's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.
- (f) Inventories: Inventories comprising of construction-work-in progress are valued at lower of cost and net realisable value. Net Realisable value is based upon the estimates of the management. The effect of changes, if any, to the estimates is recognised in the Consolidated financial statements for the period in which such changes are determined.
- (g) Satisfaction of performance obligation: Determination of revenue under the satisfaction of performance obligation at a point in time method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the timing of satisfaction of performance obligation, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The Group recognises revenue when the Group satisfies its performance obligation.

Consolidated Notes Forming Part Of Financial Statement

Particulars	31 st March, 2020 (₹)	31 st March, 2019 (₹)	1 st April, 2018 (₹)				
4. Cash and Cash Equivalents							
Cash on hand	14,91,778	5,92,198	6,92,375				
Balances with banks							
In current accounts	52,26,37,997	14,15,67,717	19,16,79,654				
Cheques in hand	0	30,00,000	0				
Fixed Deposit with banks (Maturity within 3 months)*	65,00,000	15,00,000	10,75,000				
Total	53,06,29,776	14,66,59,915	19,34,47,028				
5. Bank Balances other than above							
Earmarked balances (Unpaid dividend account)	24,68,113	24,45,642	23,07,865				
Fixed Deposit with banks (with original maturity more than 3 months)*	105,23,64,243	97,55,96,079	47,07,09,016				
Total	105,48,32,356	97,80,41,721	47,30,16,881				
Note:							
* Fixed Deposit with bank includes Deposits under the lien of :							
NSE Clearing Limited	20,96,00,000	7,02,00,000	7,92,00,000				
Axis Bank Ltd for NSEF&O segment	65,02,00,000	44,78,00,000	8,92,00,000				
Axis Bank Ltd for MSEIL currency derivative segment	0	0	5,00,000				
National Stock Exchange Limited	0	5,56,00,055	0				
National Commodity Exchange Limited	3,82,50,000	4,10,00,000	50,00,000				
Multi Commodity Exchange of India Limited	7,31,50,000	3,99,00,000	99,00,000				
Bank for guarantees issued	7,88,00,100	31,96,75,100	28,51,75,000				
Total	105,00,00,100	97,41,75,155	46,89,75,000				
6. Securities for trade							
Particulars	FV ₹	31 st March, 2020 Quantity	31 st March, 2020 ₹	31 st March, 2019 Quantity	31 st March, 2019 ₹	31 st March, 2018 Quantity	31 st March, 2018 ₹
Stock In Trade							
Quoted Equity Shares							
Aditya Birla Capital Limited	10	0	0	0	0	214000	3,12,33,300
Albert David Limited	10	0	0	0	0	20254	74,16,002
Axis Bank Limited	2	25000	94,82,500	0	0	0	0
Avenue Supermarts Limited	10	6000	1,32,04,200	0	0	0	0
Bajaj Holding & Investment Limited	10	0	0	0	0	22607	6,02,36,352
Century Plyboards (India) Limited	1	0	0	0	0	37115	1,21,21,759
Century Textiles & Industries Limited	10	0	0	0	0	9159	1,04,65,073
Colgate Palmolive (India) Limited	1	7104	89,00,957	0	0	0	0
Glaxo Smith Kline Pharmaceuticals Limited	10	2000	24,90,500	0	0	0	0
Godrej Consumer Products Limited	1	1600	8,33,040	0	0	0	0
Graphite India Ltd	2	0	0	0	0	0	0
Gruh Finance Limited	2	0	0	36033	99,37,901	0	0
HDFC Life Insurance Company Limited	10	10000	44,16,000	81000	3,06,01,800	0	0
ICICI Prudential Life Insurance Company Limited	10	20000	71,14,000	0	0	0	0
ICICI Securities Limited	5	10000	27,71,000	0	0	0	0
Kotak Mahindra Bank Limited	5	0	0	10000	1,33,45,000	0	0
Oberoi Realty Limited	10	5000	16,71,000	10000	52,83,000	0	0
Pfizer Ltd	10	1000	40,24,650	0	0	0	0
The Phoenix Mills Limited	2	157	89,812	0	0	0	0
Pidilite Industries Limited	1	200	2,71,320	0	0	0	0
SBI Life Insurance Company Ltd	10	61478	3,94,04,324	0	0	0	0
Reliance Industries Limited	10	0	0	2000	27,26,500	0	0
Sun Pharmaceutical Industries Limited	1	0	0	29700	1,42,21,845	0	0
Tata Consumer Products Limited	1	6156	18,14,789	0	0	0	0
Trent Limited	1	0	0	30000	1,08,57,000	0	0
Voltas Limited	1	0	0	0	0	10000	62,09,000
Whirlpool of India Limited	10	0	0	5000	75,75,500	500	7,55,125
Total			9,64,88,092		9,45,48,546		12,84,36,611

Consolidated Notes Forming Part Of Financial Statement

Particulars	31 st March,	31 st March,	1 st April,				
	2020 (₹)	2019 (₹)	2018 (₹)				
7. Trade Receivables							
Considered good- Secured	0	0	0				
Considered good - Unsecured	64,83,90,474	128,71,52,458	116,93,44,075				
Trade Receivables which have significant increase in credit risk	11,55,29,903	0	0				
Trade Receivables - Credit impaired	0	0	0				
	76,39,20,378	128,71,52,458	116,93,44,075				
Less: Impairment loss allowance	-1,15,52,990	0	0				
Total	75,23,67,388	128,71,52,458	116,93,44,075				
Out of which:							
Due from Directors	Nil	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	Nil				
8. Loans							
[A]							
- At Amortised Cost							
Loans repayable on demad	12,03,52,752	15,68,92,689	5,17,36,051				
Total (Gross)	12,03,52,752	15,68,92,689	5,17,36,051				
Less: Impairment Allowance	-4,90,410	-5,63,340	-2,29,334				
Total (Net)	11,98,62,342	15,63,29,349	5,15,06,717				
[B]							
i) Secured by tangible assets	42,05,405	6,98,50,713	2,11,84,183				
ii) Unsecured	11,61,47,347	8,70,41,976	3,05,51,868				
Total (Gross)	12,03,52,752	15,68,92,689	5,17,36,050				
Less: Impairment Allowance	-4,90,410	-5,63,340	-2,29,334				
Total (Net)	11,98,62,342	15,63,29,349	5,15,06,717				
[C] Loans in India							
i) Public Sector	-	-	-				
ii) Others	12,03,52,752	15,68,92,689	5,15,06,717				
Total (Gross)	12,03,52,752	15,68,92,689	5,15,06,717				
Less: Impairment Allowance	-4,90,410	-5,63,340	-2,29,334				
Total (Net)	11,98,62,342	15,63,29,349	5,12,77,383				
Note: There is no loan asset measured at FVOCI or FVTPL							
9. Investments			(Amount in ₹)				
Particulars	Face Value	31 st March, 2020		31 st March, 2019		1 st April, 2018	
		No. of Share	Value	No. of Share	Value	No. of Share	Value
Equity Instruments							
- At Fair Value though Profit or Loss							
D. P. Abhushan Limited	10	208000	1,26,04,800	-	-	-	-
Nitiraj Engineers Limited	10	363600	2,01,61,620	220800	1,01,56,800	157200	1,03,59,480
Spectrum Electrical Industries Limited	10	784000	4,15,52,000	782000	4,61,38,000	-	-
Saurashtra Kutch Stock Exchange Limited	100	50	5,05,000	50	5,05,000	50	5,05,000
The Saraswat Co-Operative Bank Limited	10	500	5,000	500	5,000	500	5,000
Quest Global Technologies Limited	10	90000	9,00,000	90000	9,00,000	90000	9,00,000
Maruti Suzuki India Limited	5	-	-	-	-	2700	2,39,24,970
Total			7,57,28,420		5,77,04,800		3,56,94,450
i) Investments in India			7,57,28,420		5,77,04,800		3,56,94,450
ii) Investments outside India			-		-		-
Total			7,57,28,420		5,77,04,800		3,56,94,450

Consolidated Notes Forming Part Of Financial Statement

Particulars	31st March, 2020 (₹)	31st March, 2019 (₹)	1st April, 2018 (₹)
10. Other Financial Assets			
Deposits with Exchanges / Depositories	14,16,94,648	5,96,59,283	3,69,46,023
Deposit with Related parties (Refer Note No.51)	1,66,37,500	1,66,37,500	1,68,37,500
Fixed Deposit with banks having maturity more than 12 months (Refer Note Below)	2,29,00,000	5,51,50,000	39,57,00,000
Accrued Interest on Fixed Deposit	23,45,084	33,31,993	13,87,073
Other Deposits	57,66,610	28,68,359	36,27,036
Other Advances	45,52,523	27,65,578	30,72,100
Total	19,38,96,365	14,04,12,712	45,75,69,732
Note:			
Fixed Deposit with bank includes Deposits under the lien of :			
National Securities Clearing Corporation Limited	0	0	7,92,00,000
Bank for guarantees issued	1,99,00,000	5,31,50,000	14,74,00,000
Axis Bank Ltd for NSE F&O segment	0	0	16,91,00,000
Insurance Regulatory and Development Authority of India (IRDA)	10,00,000	0	0
Pension Fund Regulatory and Development Authotriy.	20,00,000	20,00,000	0
Total	2,29,00,000	5,51,50,000	39,57,00,000
*Fixed deposits are pledged with exchange and banks for meeting margin requirements and for obtaining bank gaurantee respectively			
11. Inventories			
Land and Development Cost (WIP)	28,47,01,188	31,96,00,329	33,77,66,071
Total	28,47,01,188	31,96,00,329	33,77,66,071
12. Current tax Assets (net)			
Advance Income Tax Receivable (Net of Provision for Tax)	35,26,112	1,61,268	18,64,556
Total	35,26,112	1,61,268	18,64,556
13. Deferred Tax Assets			
Deferred Tax Assets (Refer Note No.42)	47,36,248	6,25,250	5,64,996
Total	47,36,248	6,25,250	5,64,996
14. Investment Property			
Freehold Land	1,85,27,180	1,85,27,180	1,85,27,180
Total	1,85,27,180	1,85,27,180	1,85,27,180
*Investment propey include Freehold Land and the Group has availed the deemed cost exemption as per IND AS 101 in relation to the investment property as on the date of transition (1 April 2018) and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1 April 2018 under the previous GAAP.			
Particulars	Freehold Land		
Gross Block	1,85,27,180		
Accumulated Depreciation	0		
Deemed Cost as on 01st April, 2018	1,85,27,180		

Consolidated Notes Forming Part Of Financial Statement
15. Property, Plant & Equipment

(Amount in ₹)

Particulars	Building	Land	Leasehold Premises	Furniture & Fixtures	Office Equipments	Computers	Electrical Installations	Motor Vehicles	Total
Gross carrying Amount									
Deemed Cost as at 01.04.2018	5,95,20,126	8,81,26,900	-	83,37,388	30,15,643	89,28,521	12,49,879	1,51,17,289	18,42,95,747
Additions	-	-	28,38,070	4,95,675	12,25,769	76,23,646	-	21,60,792	1,43,43,952
Disposals	17,30,946	-	-	-	6,536	4,901	-	11,49,796	28,92,179
Reclassification as held for sale	-	-	-	-	-	-	-	-	-
Currency Fluctuation	-	-	-54,164	-	-	-	-	-	-54,164
Balance as at 31.03.2019	5,77,89,180	8,81,26,900	27,83,906	88,33,063	42,34,876	1,65,47,266	12,49,879	1,61,28,285	19,56,93,356
Additions	-	-	-	5,48,994	12,89,381	37,82,691	-	28,69,548	84,90,614
Disposals	-	-	-	13,520	54,980	81,590	-	-	1,50,091
Reclassification as held for sale	-	-	-	-	-	-	-	-	-
Currency Fluctuation	-	-	2,50,116	20,978	-	10,208	-	-	2,81,301
Balance as at 31.03.2020	5,77,89,180	8,81,26,900	30,34,022	93,89,515	54,69,275	2,02,58,575	12,49,879	1,89,97,833	20,43,15,180
Accumulated Depreciation									
Balance as at 01.04.2018	-	-	-	-	-	-	-	-	-
Additions	10,60,780	-	29,812	11,90,599	9,83,752	51,00,686	1,65,850	22,17,411	1,07,48,891
Disposals	28,235	-	-	-	-	-	-	1,11,698	1,39,933
Reclassification as held for sale	-	-	-	-	-	-	-	-	-
Currency Fluctuation	-	-	-320	-	-	-	-	-	-320
Balance as at 31.03.2019	10,32,545	-	29,492	11,90,599	9,83,752	51,00,686	1,65,850	21,05,713	1,06,08,637
Additions	10,32,545	-	95,112	11,01,583	10,65,543	54,10,102	1,57,824	22,63,093	1,11,25,802
Disposals	-	-	-	1,980	18,066	35,033	-	-	55,079
Reclassification as held for sale	-	-	-	-	-	-	-	-	-
Currency Fluctuation	-	-	8,672	1,287	-	2,179	-	-	12,138
Balance as at 31.03.2020	20,65,090	-	1,33,275	22,91,488	20,31,230	1,04,77,933	3,23,674	43,68,807	2,16,91,498
Net Carrying Amount									
Balance as at 01.04.2018	5,95,20,126	8,81,26,900	-	83,37,388	30,15,643	89,28,521	12,49,879	1,51,17,289	18,42,95,747
Balance as at 31.03.2019	5,67,56,634	8,81,26,900	27,54,415	76,42,465	32,51,123	1,14,46,580	10,84,029	1,40,22,572	18,50,84,718
Balance as at 31.03.2020	5,57,24,089	8,81,26,900	29,00,747	70,98,026	34,38,046	97,80,641	9,26,205	1,46,29,027	18,26,23,682

The Group has availed the deemed cost exemption as per IND AS 101 in relation to the property, plant and equipment as on the date of transition (1 April 2018) and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1 April 2018 under the previous GAAP.

Particulars	Building	Land	Leasehold Premises	Furniture & Fixtures	Office Equipments	Computers	Electrical Installations	Motor Vehicles	Total
Gross Block	6,71,44,313	8,81,26,900	-	2,56,28,486	1,35,89,506	4,52,77,351	23,63,826	2,20,78,749	26,42,09,131
Accumulated Depreciation	(76,24,187)	-	-	(172,91,098)	(105,73,862)	(363,48,829)	(11,13,947)	(69,61,460)	(799,13,382)
Deemed Cost as on 01st April 2018	5,95,20,126	8,81,26,900	-	83,37,388	30,15,644	89,28,522	12,49,879	1,51,17,289	18,42,95,749

Consolidated Notes Forming Part Of Financial Statement

16. Other Intangible Assets

(Amount in ₹)

Particulars	Software	License	MCX Membership	NCDEX Membership	NSEL Membership	Operating Right	Total
Gross carrying Amount							
Deemed Cost as at 01.04.2018	70,50,804	-	100	100	100	-	70,51,104
Additions	10,91,025	-	-	-	-	-	10,91,025
Disposals	-	-	-	-	-	-	-
Reclassification as held for sale	-	-	-	-	-	-	-
Balance as at 31.03.2019	81,41,829	-	100	100	100	-	81,42,129
Additions	8,08,500	50,000	-	-	-	10,00,000	18,58,500
Disposals	-	-	-	-	-	-	-
Reclassification as held for sale	-	-	-	-	-	-	-
Balance as at 31.03.2020	89,50,329	50,000	100	100	100	10,00,000	1,00,00,629
Accumulated Depreciation							
Balance as at 01.04.2018	-	-	-	-	-	-	-
Additions	12,31,816	-	-	-	-	-	12,31,816
Disposals	-	-	-	-	-	-	-
Reclassification as held for sale	-	-	-	-	-	-	-
Balance as at 31.03.2019	12,31,816	-	-	-	-	-	12,31,816
Additions	13,51,117	6,648	-	-	-	3,23,315	16,81,081
Disposals	-	-	-	-	-	-	-
Reclassification as held for sale	-	-	-	-	-	-	-
Balance as at 31.03.2020	25,82,933	6,648	-	-	-	3,23,315	29,12,897
Net Carrying Amount							
Balance as at 01.04.2018	70,50,804	-	100	100	100	-	70,51,104
Balance as at 31.03.2019	69,10,013	-	100	100	100	-	69,10,313
Balance as at 31.03.2020	63,67,396	43,352	100	100	100	6,76,685	70,87,733

The Group has availed the deemed cost exemption as per IND AS 101 in relation to the intangible assets as on the date of transition (1 April 2018) and hence the net block carrying amount has been considered as the gross block carrying amount on that date. Refer note below for the gross block value and the accumulated depreciation on 1 April 2018 under the previous GAAP.

Particulars	Software	MCX Membership	NCDEX Membership	NSEL Membership	Total
Gross Block	2,31,54,212	3,51,000	50,000	5,00,000	2,40,55,212
Accumulated Depreciation	(161,03,408)	(3,50,900)	(49,900)	(4,99,900)	(170,04,107)
Deemed Cost as at 01.04.2018	70,50,804	100	100	100	70,51,105

Consolidated Notes Forming Part Of Financial Statement

Particulars	31 st March, 2020 (₹)	31 st March, 2019 (₹)	1 st April, 2018 (₹)
17. Other Non Financial Assets			
Capital Advances	0	1,53,206	1,03,32,420
Employee Advance	3,67,475	1,74,058	2,83,756
Prepaid expenses	1,05,79,525	91,01,312	1,24,12,375
Tax Receivables (IT Department)	92,41,570	1,10,71,396	1,01,87,483
GST Receivables	40,81,749	1,33,05,024	5,95,717
Other Advances	97,50,406	21,15,258	51,26,776
Total	3,40,20,725	3,59,20,253	3,89,38,527
18. Trade Payables			
Micro, Small and Medium Enterprises (Refer Note No.47)	0	0	0
Other than Micro, Small and Medium Enterprises	115,33,48,010	60,94,07,774	66,88,66,940
Total	115,33,48,010	60,94,07,774	66,88,66,940
19. Borrowings			
[A] Loans repayable on demand			
- Amortised Cost			
i) from banks	34,79,06,416	97,70,24,227	91,43,46,408
ii) from Related Parties (Refer Note No.51)	4,01,00,000	5,02,00,000	3,65,00,000
iii) from others	2,60,25,581	6,44,19,539	0
Total	41,40,31,997	109,16,43,766	95,08,46,408
[B]			
i) Borrowings in India	41,40,31,997	109,16,43,766	95,08,46,408
ii) Borrowings outside India	0	0	0
Total	41,40,31,997	109,16,43,766	95,08,46,408
[C]			
i) Secured *	34,79,06,416	97,70,24,227	91,43,46,408
ii) Unsecured	6,61,25,581	11,46,19,539	3,65,00,000
Total	41,40,31,997	109,16,43,766	95,08,46,408
*Secured against pledge of securities, trade receivables and property.			
20. Other Financial Liabilities			
Employee Benefits Payable	1,50,06,313	1,88,01,837	1,81,04,846
Franchise & Other Deposits	11,93,83,179	20,62,73,422	11,63,67,085
Other Payable (includes payable to vendors)	382,30,809	349,30,046	430,35,357
Unpaid Dividend #	24,68,113	24,45,642	23,07,865
Total	17,50,88,414	26,24,50,947	17,98,15,154
# Out of the above amount, the company is required to credit a sum of ₹403476/- lying in the unpaid/unclaimed dividend account on or before 31st August, 2020 to the Investor Education & Protection Fund pursuant to Sub-section (1) of Section 125 of The Companies Act, 2013.			
21. Current Tax Liabilities (net)			
Income tax payable (Net of Advance Tax & TDS)	9,58,956	62,89,052	1,58,144
	9,58,956	62,89,052	1,58,144
22. Provisions			
Provision for Gratuity (Refer Note No.50)	1,27,05,750	1,19,07,356	1,09,91,027
Provision for Bonus	19,49,490	22,60,500	22,25,300
Provision for Expenses	79,92,653	74,21,783	64,23,326
Total	2,26,47,892	2,15,89,639	1,96,39,653
23. Deferred Tax Liabilities (net)			
Deferred Tax Liabilities (net) (Refer Note No.42)	45,25,704	47,11,509	66,04,664
Total	45,25,704	47,11,509	66,04,664
24. Other Non Financial Liabilities			
Statutory Dues Payable (including PF, ESIC, Stamp Duty, TDS, Professional Tax and GST)	1,65,57,205	1,45,97,614	1,51,23,688
Advance received from customers	6,83,60,558	6,35,97,229	5,71,25,319
Advances for Expenses	72,00,000	77,42,661	38,85,984
Total	9,21,17,764	8,59,37,504	7,61,34,991

Consolidated Notes Forming Part Of Financial Statement

Particulars	31 st March, 2020 (₹)	31 st March, 2019 (₹)	1 st April, 2018 (₹)
25. Share Capital			
Authorised			
2,50,00,000 (2,50,00,000) equity share of ₹5/- each	12,50,00,000	12,50,00,000	12,50,00,000
Issued, Subscribed & Paid up			
2,08,22,560 (2,08,22,560) equity share of ₹5/- each	10,41,12,800	10,41,12,800	10,41,12,800
Total	10,41,12,800	10,41,12,800	10,41,12,800
a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period			
<u>Equity Shares of face value ₹5/-</u>			
Share outstanding at the beginning of the period	2,08,22,560	2,08,22,560	2,08,22,560
Share outstanding at the end of period	2,08,22,560	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	60,63,040 (29.12%)	60,63,040 (29.12%)	60,63,040 (29.12%)
Kiran Jain	47,28,320 (22.71%)	47,28,320 (22.71%)	47,28,320 (22.71%)
Sunil Kumar Jain	16,06,656 (7.72%)	16,06,656 (7.72%)	16,06,656 (7.72%)
Arpit Jain	11,47,840 (5.51%)	11,47,840 (5.51%)	11,47,840 (5.51%)
26. Other Equity			
General Reserve			
Balance at the beginning of the year	108,02,61,965	92,27,61,965	92,27,61,965
Transfer from Retained Earnings	15,20,00,000	15,75,00,000	0
Balance as at end of the year	123,22,61,965	108,02,61,965	92,27,61,965
Retained Earnings			
Balance at the beginning of the year	14,56,80,807	15,62,73,936	15,62,73,936
Transfer from Statement of Profit and Loss	17,48,77,783	16,75,34,699	0
Remeasurement of Defined Benefit Plan (Net of Taxes)	3,58,100	3,08,202	0
Interim Equity Dividend	-2,27,16,920	-1,56,16,920	0
Dividend distribution tax	-32,27,600	-32,10,110	0
Transfer to Statutory Reserve	0	-21,09,000	0
Transfer to General Reserve	-15,20,00,000	-15,75,00,000	0
Balance as at end of the year	14,29,72,169	14,56,80,807	15,62,73,936
Consolidated Reserve			
Balance at the beginning of the year	35,14,559	35,14,559	35,14,559
Transfer from Retained Earnings	0	0	0
Balance as at end of the year	35,14,559	35,14,559	35,14,559
Statutory Reserve			
Balance at the beginning of the year	1,17,07,000	95,98,000	95,98,000
Transfer from Retained Earnings	0	21,09,000	0
Balance as at end of the year	1,17,07,000	1,17,07,000	95,98,000
Foreign Currency Translation Reserve			
Balance at the beginning of the year	3,71,492	-3,03,538	-3,03,538
Transfer from Statement of Profit and Loss	11,72,876	6,75,030	0
Balance as at end of the year	15,44,368	3,71,492	-3,03,538
Total	139,20,00,061	124,15,35,822	109,18,44,921

Consolidated Notes Forming Part Of Financial Statement
General Reserve

General reserve represents appropriation of surplus in the profit and loss account and is available for distribution to shareholders as dividend.

Retained Earnings

Surplus in profit or loss account (Retained Earnings) represents surplus/accumulated profit of the company and is available for distribution to shareholders as dividend.

Consolidated Reserve

Consolidated reserve is the excess of net assets taken over cost of consideration paid

Statutory Reserve

Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve as 20% of the profit after tax.

Foreign Currency Translation Reserve

Foreign currency translation reserve is created out of Exchange differences in translating the financial statements having functional currency different from Group functional currency.

Particulars	31 st March 2020 (₹)	31 st March 2019 (₹)
27. Interest Income		
On financial assets measured at amortised cost-		
Interest on loans	2,65,84,748	3,34,27,266
Interest on deposits with banks	8,56,79,973	7,10,25,348
Interest on Margin funding	18,01,05,972	20,58,94,923
Total	29,23,70,693	31,03,47,537
28. Dividend Income		
From investments	5,58,524	14,14,200
From subsidiary companies	71,00,000	0
Total	76,58,524	14,14,200
29. Fees and commission income		
Commission Received (Net)	1,37,43,737	1,52,90,233
Brokerage	45,21,08,854	49,95,09,844
Depository Receipts	1,54,80,966	1,62,06,516
Management Fees	3,42,750	0
Insurance Commission	98,889	0
Fees From Merchant Banking	1,12,31,876	2,22,52,969
Total	49,30,07,072	55,32,59,562
30. 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)	4,51,14,785	2,05,55,690
(ii) Profit/(loss) on securities held for trade	76,45,385	54,60,927
(B) Others		
- Profit/(loss) on sale of investments (net) at fair value through profit or loss	-3577,438	-8030,072
Total	4,91,82,732	1,79,86,546
Fair value changes		
Realised gain	5,38,16,971	2,36,40,711
Unrealised gain	-46,34,239	-56,54,165
Total	4,91,82,732	1,79,86,546
31. Sale of products		
Sale of Plot	6,38,71,584	4,93,17,511
Total	6,38,71,584	4,93,17,511
32. Other operating income		
Others Income	9,13,146	3,19,944
Total	9,13,146	3,19,944

Consolidated Notes Forming Part Of Financial Statement

Particulars	31 st March, 2020 (₹)	31 st March, 2019 (₹)
33. Other Income		
Bad debts recovered	21,975	78,46,461
Profit on Sale of Fixed Assets	13,489	9,69,140
Interest on Income tax refund	4,98,511	7,74,303
Miscellaneous income	12,26,189	7,38,036
Total	17,60,164	1,03,27,940
34. Finance Costs		
On financial liabilities measured at amortised cost-		
Interest on Borrowings	7,10,89,609	8,81,49,694
Interest paid on Margin Money	94,75,659	1,12,46,845
Other Interest expenses	1,90,466	56,255
Total	8,07,55,734	9,94,52,794
35. Fees and Commission Expense		
Sub Brokerage/Referral Fees	20,62,12,425	23,68,57,254
Depository charges	60,49,120	64,06,029
Exchange Transaction Charges	4,33,12,957	5,22,75,191
Custodian Charges	88,404	0
Clearing Charges	16,67,703	18,17,730
Merchant Banking Expenses	12,44,487	39,52,609
Total	25,85,75,096	30,13,08,813
36. Cost of Sale		
Opening Stock	31,96,00,329	33,77,66,071
Add:-		
Land development cost		
Cost of Material Purchased	0	7,33,317
Operating & Project Expenses Incurred During the Year:-		
Architect Fees	0	1,11,000
Preliminaries & Site Expenses	8,82,636	35,95,995
Civil, Electrical, Contracting etc.	0	52,27,765
Electricity	37,259	94,642
Payment to Local Agencies & Permission Charges	5,00,000	5,00,000
Total	32,10,20,224	34,80,28,789
Less : Closing Stock	28,47,01,188	31,96,00,329
	3,63,19,036	2,84,28,460
37. Impairment on financial instruments		
On Financial Assets measured at amortised cost-		
Trade Receivables	1,15,52,990	0
Loans	-72,930	3,34,007
Bad Debts written off	1,88,74,445	81,17,598
Total	3,03,54,505	84,51,605
38. Employee Benefits Expenses (Includes Managerial Remuneration)		
Salaries, wages and bonus	15,11,94,735	14,51,63,931
Contribution to provident and other fund (Refer Note No.50)	19,32,429	19,24,319
Gratuity expense (Refer Note No.50)	19,06,142	19,09,203
Staff welfare expenses	25,19,029	22,20,024
Total	15,75,52,335	15,12,17,477
39. Depreciation and amortisation expense		
Depreciation on Property, plant & equipment	1,11,25,802	1,07,48,891
Amortisation on other intangible assets	16,81,081	12,31,816
Total	1,28,06,883	1,19,80,707

Consolidated Notes Forming Part Of Financial Statement

Particulars	31 st March, 2020 (₹)	31 st March, 2019 (₹)
40. Other Expenses		
Advertisement	39,60,507	27,59,399
Auditors' Remuneration (Refer Note No.41)	9,10,904	9,11,609
Bank Charges	53,53,088	72,93,198
Business Development	48,34,236	50,99,953
Corporate Social Responsibility (Refer Note No.60)	58,03,250	26,52,100
Communication including V-Sat	94,35,521	1,00,07,610
Donation	0	11,25,000
Electricity	56,62,963	56,70,604
Foreign Exchange Loss (Net)	82,169	7,646
Insurance	7,06,916	5,81,023
Legal and Professional	97,10,056	1,11,07,646
Membership Fee & Subscription	44,40,243	32,31,690
Miscellaneous	45,56,361	35,38,472
Office Expenses	20,93,342	18,85,970
Rent	1,31,20,881	1,51,93,522
Repairs & Maintenance	75,25,244	48,92,901
Software Maintenance	1,73,42,229	1,72,12,038
Stationery & Printing	12,72,776	13,37,929
Travelling, Conveyance and Motor Car	63,64,552	64,33,728
Total	10,31,75,239	10,09,42,037
41. Remuneration To Auditors (Exclusive of Taxes)		
As Auditors:		
Statutory audit	6,50,904	6,51,609
Tax audit	1,27,500	1,27,500
Limited review	75,000	75,000
Other services	57,500	57,500
Total	9,10,904	9,11,609
42. Tax Expense		
A.The major components of income tax expense for the year are as under		
Particulars	For the Year ended 31-Mar-20 ₹	For the Year ended 31-Mar-19 ₹
(A) Current tax expense		
Current tax for the year	6,07,35,200	7,47,32,800
Tax adjustment in respect of earlier years	-1970,654	10,01,279
Total current tax expense (A)	5,87,64,546	7,57,34,079
(B) Deferred tax expense		
Change in deferred tax	-4417,243	-2077,430
Net deferred tax expense (B)	-4417,243	-2077,430
Total (A+B)	5,43,47,303	7,36,56,649

Consolidated Notes Forming Part Of Financial Statement

B. Reconciliation of tax expenses and the accounting profit for the year is as under

Particulars	31 st March, 2020 (₹)	31 st March, 2019 (₹)
Profit / (loss) before income tax expense	22,92,25,086	24,11,91,348
Tax at the rate of 25.17% (for 31 March 2019 - 29.12%)	5,76,91,370	7,02,34,921
Difference due to :		
Tax effect of expenses allowed on payment basis	2,43,104	3,94,073
Tax on expense not tax deductible	7,07,559	7,81,668
Tax adjustment relating to fair valuation of equity instrument	-436,555	40,87,194
Tax impact of Expense Deductible for tax purpose	-17,988	-81,941
Tax impact due to Ind AS Adoption	0	24,51,605
Tax effect of Impairment Loss	29,07,657	0
Tax impact of Carried forward losses	16,24,027	4,176
Tax effect of different depreciation	-250,271	-929,308
Tax adjustment of previous years	-1970,654	10,01,279
Tax on income exempt from tax	-1921,457	-2616,686
Tax on income taxable at different rate	1,23,839	-267,649
Others	63,916	6,74,746
Current tax expense (A)	5,87,64,546	7,57,34,079
Change in deferred tax liabilities	-1,82,456	-19,77,765
Change in deferred tax assets	-42,34,787	-99,665
Deferred tax expense (B)	-44,17,243	-2,07,743
Total Tax Expense (A+B)	5,43,47,303	7,36,56,649
Effective Tax Rate	23.71%	30.54%

The amount of deferred tax income/(expenses) relating to changes in tax rate or the imposition of new taxes:-

Income due to change in rate		
Expense due to change in rate		
Net income for the year	0	0

C. Movement of deferred tax assets and liabilities

Year Ended 31st March, 2020

Particulars	31 st March, 2019 ₹	Credit/(Charge) in Profit or Loss	Recognised in OCI	31 st March, 2020 ₹
Deferred tax liability on account of :				
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	85,79,190	9,19,887		76,59,303
Fair valuation of Securities for trade as per Ind AS	7,51,281	-1021,537		17,72,819
Expenses allowable u/s. 43B on payment basis	0		0	
-Gratuity	-3006,179	70,259	3,350	-3079,787
-Bonus	-605,259	-114,612		-490,648
Fair valuation of Equity Instruments as per Ind AS	-1007,524	3,28,460		-1335,984
Total deferred tax liabilities (A)	47,11,509	1,82,456	3,350	45,25,704
Deferred tax assets on account of:				
Expenses allowable u/s. 43B on payment basis				
-Gratuity	4,40,652	-198,868	-123,788	1,17,996
-Bonus	50,632	-50,632	-	-
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	-61,150	-24,904		-86,054
Preliminary Expense	35,976	-17,988		17,988
Loss carried forward	1,59,140	16,19,523		17,78,663
Impairment of Trade Receivable	0	29,07,657		29,07,657
Total deferred tax assets (B)	6,25,250	42,34,787	-123,788	47,36,248
Net deferred tax Liability / (Assets) (A-B)	40,86,260	44,17,243	-120,439	-210,545

Consolidated Notes Forming Part Of Financial Statement

Particulars	Year Ended 31 st March, 2019			
	31 st March, 2018 ₹	Credit/(Charge) in Profit or Loss (₹)	Recognised in OCI ₹	31 st March, 2019 ₹
Deferred tax liability on account of :				
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	96,67,109	10,87,919		85,79,190
Fair valuation of Securities for trade as per Ind AS	25,574	-725,707		7,51,281
Expenses allowable u/s. 43B on payment basis				
-Gratuity	-3299,203	-208,413	-84,611	-3006,179
-Bonus	-706,453	-101,194		-605,259
Fair valuation of Equity Instruments as per Ind AS	9,17,636	19,25,161		-1007,524
Total deferred tax liabilities (A)	66,04,664	19,77,765	-84,611	47,11,509
Deferred tax assets on account of:				
Expenses allowable u/s. 43B on payment basis				
-Gratuity	3,75,425	1,04,637	-39411	440652
-Bonus	47,380	3,252		50632
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	-38,611	-22,540		-61150
Preliminary Expense	0	35,976		35,976
Loss carried forward	84,955	74,185		1,59,140
Disallowance under the Income Tax Act, 1961	78,234	-78,234		0
MAT Credit	17,612	-17,612		0
Total deferred tax assets (B)	5,64,996	99,665	-39,411	6,25,250
Net deferred tax Liability / (Assets) (A-B)	60,39,668	20,77,430	-1,24,022	40,86,260
<hr/>				
Particulars	31 st March, 2020 (₹)	31 st March, 2019 (₹)		
43. Earnings Per Equity Share				
A) Profit attributable to Equity holders of Company				
Profit attributable to equity holders	17,48,77,783	16,75,34,699		
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	8.40	8.05		
44. Foreign currency transactions				
Income in foreign currency (On accrual basis)		0	13,86,596	
Fees & Commission Income				
Total		0	13,86,596	

Consolidated Notes Forming Part Of Financial Statement

45. Proposed dividend			
The Board of Directors has recommended Equity dividend of ₹ 1.00 per share for the financial year 2019-20.			
46. Contingent Liability and Commitment (to the extent not provided for)			
Particulars	31 st March, 2020 (₹)	31 st March 2019 (₹)	1 st April, 2018 (₹)
Contingent liabilities:			
Bank Guarantees given*	388,75,000	11001,75,000	13152,00,000
Demand in respect of income tax matters for which appeal is pending**	36,031,082	0	32,79,854
Claim against the Group	0	0	0
Capital commitments:			
There are no Capital commitment as at the year end.			
* Bank Guarantees details			
1. Corporate Guarantees to banks (for subsidiary Arihant Futures and Commodities Ltd)	10,000,000	250,000,000	400,000,000
2. ICCL Bombay Stock Exchange Ltd (under mandatory rules for membership)	14,875,000	15,875,000	10,000,000
3. ICCL Bombay Stock Exchange Ltd (towards additional margin)	-	60,000,000	63,500,000
4. National Securities Clearing Corporation Ltd (towards additional margin)	15,00,00,000	1298,00,000	998,00,000
5. National Securities Clearing Corporation Ltd (under mandatory rules for membership)	75,00,000	75,00,000	75,00,000
6. National Commodity Clearing Corporation Limited (under the mandatory rules for membership and towards additional margin)	32,50,000	5,57,50,000	26,55,50,000
7. Multi Commodity Exchange of India Ltd (under the mandatory rules for membership and towards additional margin)	32,50,000	9,72,50,000	8,72,50,000
8. Metropolitan Stock Exchange India Ltd (under mandatory rules for membership)	0	1,500,000	1,500,000
9. Axis Bank Ltd - Clearing Member of company in NSE F&O segment (towards margin requirement)	0	482,500,000	380,100,000
47. Due to Micro, Small, & Medium Enterprises			
The Group has sent letters to vendors to confirm whether they are covered under Micro, Small and Medium Enterprise Development Act 2006 as well as they have filed required memorandum with prescribed authority. Based on and to the extent of the information received by the Group from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at the year end are furnished below:			
Particulars	31 st March, 2020 (₹)	31 st March 2019 (₹)	1 st April, 2018 (₹)
The Principal amount remaining unpaid at the year end	-	-	-
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	-	-	-
48. Derivative Financial Instruments			
Particulars	31 st March, 2020 (₹)	31 st March 2019 (₹)	1 st April, 2018 (₹)
(i) Equity linked derivatives	1,96,010	-	-
Total	1,96,010	-	-
Notional amounts	70,25,070	-	-
Fair value - liabilities	1,96,010	-	-
Note : - The derivatives are used for the purpose of trading.			

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, 2020 and 31st March, 2019. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.

Particulars	31st March, 2020 (₹)	31st March, 2019 (₹)
Broking & Related Income	492407235	552631122
Interest Income	292370693	310347537
Sale of plots	63871584	49317511
Asset Management & Advisory fees	599837	628440
Total	84,92,49,349	91,29,24,610

B. Nature and timing of satisfaction of the performance obligation

1. Broking & Related Income - Income from services rendered as a broker is recognised upon rendering of the services. Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be, on issue of the insurance policy to the applicant. Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract, and are over the period in nature. Income from services rendered on behalf of depository is recognised upon rendering of the services, in accordance with the terms of contract.

2. Interest Income - Interest is earned on delayed payments from clients and amounts funded to them as well as on loans and term deposit with bank. Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable.

3. Revenue from Sale of Plots - Revenue from Sale of plots and other rights is generally a single performance obligation and the Company has determined that this is satisfied at the point in time when control transfers as per the terms of the contract entered into with the buyers.

4. Asset Management & Advisory Fees - Performance obligation of fee from portfolio management services are completed as per the terms and conditions of the asset management agreement. Income from advisory services is recognised upon rendering of the services.

50. Employee benefits
A. The Group contributes to the following post-employment defined benefit plans
(i) Defined Contribution Plans:

The Group makes contributions towards Provident Fund and Employees State Insurance Fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

The Group recognised ₹ 14,18,762 (Previous Year ₹ 12,17,126) for provident fund contributions in the Statement of Profit and Loss.

The Group recognised ₹ 4,84,667 (Previous Year ₹ 7,07,193) for Employees State Insurance Fund contribution in the Statement of Profit and Loss.

(ii) Defined Benefit Plan:
Gratuity

In accordance with Payment of Gratuity Act, the Group provides for gratuity, a defined benefit retirement plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Group subject to maximum of ₹ 20 lakhs. (Previous Year ₹ 20 lakhs).

Consolidated Notes Forming Part Of Financial Statement

The gratuity benefit is provided through unfunded plan and annual contributions are charged to the statement of profit and loss. Under the scheme, the settlement obligation remains with the Group. Group accounts for the liability for future gratuity benefits based on an actuarial valuation. The net present value of the Group's obligation towards the same is actuarially determined based on the projected unit credit method as at the Balance Sheet date.

B. Movement in Defined Benefit Liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	Defined Benefit Obligation	
	31 st March, 2020 (₹)	31 st March, 2019 (₹)
Opening balance	119,07,356	109,91,027
Included in profit or loss -		
Current service cost	11,08,361	11,41,402
Interest cost	7,97,782	7,67,801
Total - A	138,13,499	129,00,230
Included in OCI -		
Actuarial loss (gain) arising from:		
Demographic assumptions	4,13,698	79,536
Financial assumptions	-8,92,237	-5,11,760
Experience adjustment	-4,78,539	-4,32,224
Total - B	-4,78,539	-4,32,224
Other		
Benefits paid	-6,29,209	-5,60,650
Liability transferred in for Employees joined		
Total - C	-6,29,209	-5,60,650
Closing balance (A+B+C)	127,05,751	119,07,356

C. Defined Benefit Obligations

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

	31 st March, 2020	31 st March, 2019
Mortality Table	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Retirement age	60 years	60 years
Attrition Rate	29.00% p.a.	29.00% p.a.
Discount rate	5.21% p.a.	6.66% p.a.
Salary escalation rate	5.00% p.a.	5.00% p.a.

(ii) **Sensitivity analysis:** Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31 st March, 2020		31 st March, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	-288801	308185	-266942	284903
Future salary growth (1% movement)	306101	-292086	286889	-273678
Employee Turnover (1% movement)	-21142	21494	1944	-3038

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

D. Expected Future Cash Flows

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

Maturity profile	31 st March, 2020	31 st March, 2019
Expected benefits for Year 1	3792438	3575214
Expected benefits for Year 2	2535885	2463354
Expected benefits for Year 3	2006730	1906465
Expected benefits for Year 4	1573090	1502774
Expected benefits for Year 5	1189926	1169036
Sum of Years 6 to 10	2717142	2745037
Sum of Years 11 and above	764345	914669

Consolidated Notes Forming Part Of Financial Statement

51. Related Party Disclosure

As per Ind AS 24 - Related Party Disclosures, specified under section 133 of the Companies Act, 2013, read with The Companies (Indian Accounting Standards) Rules, 2015, the name of related party where control exists / able to exercise significant influence along with the transactions and year end balances with them as identified and certified by the management are as follows:

List of related parties and their relationship

a) Key Management Personnel

Mr. Ashok Kumar Jain	Chairman & 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. Pavan Kumar Ved	Director (till 25.09.2018)
Mr. Ashish Maheshwari	Independent Director

b) Relatives of Key Management Personnel

Arpit Jain
Ashok Kumar Jain HUF
Kiran Jain
Shruti Jain
Swati Jain

c) Enterprises over which Control

Shyam Developers

Transactions with related parties

Nature of Transaction	Name of the Related Party	Key Management Personnel		Relatives of Key Management Personnel		Enterprise over which control		Total
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	
Expenses								
Salary & Incentive	Ashok Kumar Jain	1,91,13,324	2,06,93,907	-	-	-	-	2,06,93,907
	Anita Gandhi	32,36,660	38,49,600	-	-	-	-	38,49,600
	Kiran Jain	-	-	3,75,000	3,11,000	-	-	3,11,000
	Arpit Jain	-	-	18,42,650	13,19,984	-	-	13,19,984
	Swati Jain	-	-	14,82,650	13,19,984	-	-	13,19,984
	Shruti Jain	-	-	24,00,000	24,00,000	-	-	24,00,000
	Total	2,23,49,984	2,45,43,507	61,00,300	53,50,968	-	-	2,84,50,284

(Amount in ₹)

Consolidated Notes Forming Part Of Financial Statement

Expenses										
Rent	Ashok Kumar Jain	15,00,000	14,65,000	-	-	-	-	15,00,000	14,65,000	
	Kiran Jain	-	-	38,72,850	40,08,554	-	-	38,72,850	40,08,554	
	Ashok Kumar Jain HUF	-	-	5,96,256	5,81,244	-	-	5,96,256	5,81,244	
	Arpit Jain	-	-	5,96,244	5,81,256	-	-	5,96,244	5,81,256	
	Shyam Developers	-	-	-	-	2,52,000	2,52,000	2,52,000	2,52,000	
	Total	15,00,000	14,65,000	50,65,350	51,71,054	2,52,000	2,52,000	68,17,350	68,88,054	
Sitting Fees	Suil Kumar Jain	1,00,000	60,000	-	-	-	-	1,00,000	60,000	
	Paragbhai Shah	1,00,000	60,000	-	-	-	-	1,00,000	60,000	
	Pavan Kumar Ved	-	40,000	-	-	-	-	-	40,000	
	Ashish Maheshwari	1,00,000	60,000	-	-	-	-	1,00,000	60,000	
	Akhillesh Rathi	1,00,000	80,000	-	-	-	-	1,00,000	80,000	
	Total	4,00,000	3,00,000	-	-	-	-	4,00,000	3,00,000	
Interest	Pavan Kumar Ved	-	3,55,492	-	-	-	-	-	3,55,492	
	Total	-	3,55,492	-	-	-	-	-	3,55,492	
	Grand Total	2,42,49,984	2,66,63,999	1,11,65,650	1,05,22,022	2,52,000	2,52,000	3,56,67,634	3,74,38,021	
Assets										
Rent Deposits	Ashok Kumar Jain	3,50,000	3,50,000	-	-	-	-	3,50,000	3,50,000	
	Kiran Jain	-	-	23,43,750	23,18,750	-	-	23,43,750	23,18,750	
	Ashok Kumar Jain HUF	-	-	4,96,875	4,84,375	-	-	4,96,875	4,84,375	
	Arpit Jain	-	-	4,96,875	4,84,375	-	-	4,96,875	4,84,375	
	Shyam Developers	-	-	-	-	1,30,00,000	1,30,00,000	1,30,00,000	1,30,00,000	
	Total	3,50,000	3,50,000	33,37,500	32,87,500	1,30,00,000	1,30,00,000	1,66,87,500	1,66,37,500	
Liabilities										
Loan Taken	Ashok Kumar Jain	4,01,00,000	5,02,00,000	-	-	-	-	4,01,00,000	5,02,00,000	
	Pavan Kumar Ved	-	88,91,509	-	-	-	-	-	88,91,509	
	Total	4,01,00,000	5,90,91,509	-	-	-	-	4,01,00,000	5,90,91,509	

Consolidated Notes Forming Part Of Financial Statement
52. Fair value measurement

I. Accounting classification and fair values

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

Particulars	Carrying amount			Fair value			
	FVTPL	FVOCI	Amortised cost	Level 1	Level 2	Level 3	Total
31-Mar-20							
Financial assets							
Cash and cash equivalents	-	-	53,06,29,776	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	105,48,32,356	-	-	-	-
Securities for trade	9,64,88,092	-	-	9,64,88,092	-	-	964,88,092
Receivables	-	-	-	-	-	-	-
Trade receivables	-	-	75,23,67,388	-	-	-	-
Loans	-	-	11,98,62,342	-	-	-	-
Investments	7,57,28,420	-	-	74,318,420	-	1,410,000	75,728,420
Other financial assets	-	-	19,38,96,366	-	-	-	-
Total financial assets	172216512	-	2651588226	170,806,512	-	1,410,000	172,216,512
Financial liabilities							
Payables							
I) Trade Payables							
Total outstanding dues of micro & small enterprises	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro & small enterprises	-	-	1,153,348,010	-	-	-	-
Borrowings	-	-	414,031,997	-	-	-	-
Other financial Liabilities	-	-	1750,88,414	-	-	-	-
Total financial liabilities	-	-	1,742,468,421	-	-	-	-
The carrying value and fair value of financial instruments by categories as of 31 March 2019 are as follows:							
31-Mar-19							
Financial assets							
Cash and cash equivalents	-	-	14,66,59,915	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	97,80,41,721	-	-	-	-
Securities for trade	9,45,48,546	-	-	9,45,48,546	-	-	945,48,546
Receivables	-	-	-	-	-	-	-
Trade receivables	-	-	128,71,52,458	-	-	-	-
Loans	-	-	15,63,29,349	-	-	-	-
Investments	5,77,04,800	-	-	562,94,800	-	14,10,000	577,04,800
Other financial assets	-	-	14,04,12,712	-	-	-	-
Total financial assets	152253346	-	2708596154	150,843,346	-	1,410,000	152,253,346
Financial liabilities							
Payables							
I) Trade Payables							
Total outstanding dues of micro & small enterprises	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro & small enterprises	-	-	609,407,774	-	-	-	-
Borrowings	-	-	1,091,643,766	-	-	-	-
Other financial Liabilities	-	-	262,450,947	-	-	-	-
Total financial liabilities	-	-	1,963,502,487	-	-	-	-

Consolidated Notes Forming Part Of Financial Statement
The Carrying Value & Fair Value of financial instruments by categories as of 1 April 2018 are as follows :

(Amount in ₹)

Particulars	Carrying amount				Fair value				
	01 - Apr - 18	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Cash and cash equivalents	-	-	-	19,34,47,028	19,34,47,028	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	-	47,30,16,881	47,30,16,881	-	-	-	-
Securities for trade Receivables	12,84,36,611			-	12,84,36,611	12,84,36,611	-	-	1284,36,611
Trade receivables	-	-	-	116,93,44,075	116,93,44,075	-	-	-	-
Loans	-	-	-	5,15,06,717	515,06,717	-	-	-	-
Investments	3,56,94,450			-	356,94,450	342,84,450	-	14,10,000	356,94,450
Other financial assets	-	-	-	45,75,69,732	4575,69,732	-	-	-	-
Total financial assets	164131061			2344884433	2509015494	1627,21,061		14,10,000	1641,31,061
Financial liabilities									
Payables									
I) Trade Payables									
Total outstanding dues of micro & small enterprises	-	-	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro & small enterprises	-	-	-	6688,66,940	6688,66,940	-	-	-	-
Borrowings	-	-	-	9508,46,408	9508,46,408	-	-	-	-
Other financial liabilities	-	-	-	1798,15,154	1798,15,154	-	-	-	-
Total financial liabilities	-	-	-	17995,28,502	17995,28,502	-	-	-	-

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.

Consolidated Notes Forming Part Of Financial Statement

53. Financial risk management

The Group has a risk management framework, appropriate to the size of the Group and environment under which it operates. The objective of its risk management framework is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks and ensure a systematic response in the case of crystallisation of such risks. The board of Directors reviews these policies and processes regularly and is periodically informed about the risk assessment, impact of risk on the business and mitigation plans. The Company is exposed to following risk -

A. Credit Risk

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligation. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relations to such limits.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements.

Deposits with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks / financial institutions as approved by the Board of directors. The management has established accounts receivable policy under which customer accounts are regularly monitored.

Expected Credit Loss (ECL):

The Group applies the Ind AS 109 Simplified approach for trade receivables which requires expected lifetime losses to be recognised. For other assets, the Company uses 12 month ECL approach to measuring expected credit losses (ECLs) where there is no significant increase in credit risk of borrower. If there is significant increase in credit risk full lifetime ECL approach is used.

Inputs considered in the ECL model

In assessing the impairment of financial assets under Expected Credit Loss (ECL) Model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses

Stage 1 : Financial assets for which credit risk has not increased significantly and that are also not credit impaired

Stage 2 : Financial assets for which credit risk has increased significantly but not credit impaired

Stage 3 : Financial assets for which credit risk has increased significantly and are credit impaired

Following Table provides information about exposure to credit risk and ECL on financial Assets

(Amount in ₹)

Particulars	31 st March, 2020			31 st March, 2019			01 st April, 2018		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross Trade Receivables	648,390,474	115,529,903	-	1,287,152,458	-	-	1,169,344,075	-	-
Impairment loss	-	(11,552,990)	-	-	-	-	-	-	-
Net Trade Receivables	6483,90,474	1039,76,913	-	12871,52,458	-	-	11693,44,075	-	-
Gross Loans	119,280,666	1,072,086	-	1559,94,104	898,586	-	517,36,051	-	-
Impairment loss	(3,83,202)	(107,209)	-	(473,482)	(89,859)	-	(229,334)	-	-
Net Loans	1188,97,465	9,64,877	-	1555,20,622	8,08,727	-	51,506,717	-	-

Consolidated Notes Forming Part Of Financial Statement

Movements in the allowances for impairment in respect is as follows:

(Amount in ₹)

Particulars	Carrying Amount 31 st March, 2020			Carrying Amount 31 st March, 2019				
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening Balance	473,482	89,859	-	563,340.27	229,334	-	-	229,334
Impairment loss recognised during the year	(90,280)	11,570,340	-	11,480,060	244,148	89,859	-	334,007
Closing Balance	3,83,202	11,660,199	-	12,043,400	473,482	89,859	-	5,63,340

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 31,2020

(Amount in ₹)

Particulars	Carrying Amount	Less than 1 year	1-3 year	3-5 year	More than 5 year
-------------	-----------------	------------------	----------	----------	------------------

Trade Payables	115,33,48,010	115,33,48,010			
Borrowings	41,40,31,997	41,40,31,997			
Other financial Liabilities	17,50,88,414	17,50,88,414			

Consolidated Notes Forming Part Of Financial Statement

The table below provide details regarding the contractual maturities of significant financial liabilities as of March 31,2019

(Amount in ₹)

Particulars	Carrying Amount	Less than 1 year	1-3 year	3-5 year	More than 5 year
Trade Payables	60,94,07,774	60,94,07,774			
Borrowings	109,16,43,766	109,16,43,766			
Other financial Liabilities	26,24,50,947	26,24,50,947			

The table below provide details regarding the contractual maturities of significant financial liabilities as of April 01,2018

(Amount in ₹)

Particulars	Carrying Amount	Less than 1 year	1-3 year	3-5 year	More than 5 year
Trade Payables	66,88,66,940	66,88,66,940			
Borrowings	95,08,46,408	95,08,46,408			
Other financial Liabilities	17,98,15,154	17,98,15,154			

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.

Consolidated Notes Forming Part Of Financial Statement

54. Capital Management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The Group monitors its capital by using gearing ratio, which is net debt to total equity. Net debt includes borrowings net of cash and bank balances and total equity comprises of Equity share capital, general reserve and retained earnings.

	31st March, 2020	31st March, 2019	01st April, 2018
Particulars			
Borrowings	414031997	1091643766	950846408
Less: Cash & bank balances	1585462131	1124701635	666463909
Net Debt (A)	-1171430134	-33057870	284382499
Total Equity(B)	1496112861	1345648622	1195957721
Gearing Ratio (A/B)	-0.78	-0.02	0.24

55. Maturity Analysis is of Assets and Liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled (Amount in ₹)

Particulars	31 st March, 2020			31 st March, 2019			01 st April, 2018		
	Within 12 month	After 12 month	Total	Within 12 month	After 12 month	Total	Within 12 month	After 12 month	Total
Assets									
Financial assets									
Cash and cash equivalents	53,06,29,776	-	53,06,29,776	14,66,59,915	-	14,66,59,915	19,34,47,028	-	19,34,47,028
Bank balance other than above	105,48,32,356	-	105,48,32,356	97,80,41,721	-	97,80,41,721	47,30,16,881	-	47,30,16,881
Securities for trade	9,64,88,092	-	9,64,88,092	9,45,48,546	-	9,45,48,546	12,84,36,611	-	12,84,36,611
Trade receivables	75,23,67,388	-	75,23,67,388	128,71,52,458	-	128,71,52,458	116,93,44,075	-	116,93,44,075
Loans	11,98,62,342	-	11,98,62,342	15,63,29,349	-	15,63,29,349	5,15,06,717	-	5,15,06,717
Investments	-	7,57,28,420	7,57,28,420	-	5,77,04,800	5,77,04,800	-	3,56,94,450	3,56,94,450
Other financial assets	14,14,26,718	5,24,69,648	19,38,96,366	85,26,27,12	55,15,00,000	14,04,12,712	61,86,97,32	3,95,70,000	45,75,69,732
	269,56,06,670	12,81,98,068	282,38,04,739	274,79,94,701	11,28,54,800	286,08,49,501	207,76,21,044	43,13,94,450	250,90,15,494
Non-Financial assets									
Current tax assets (net)	35,26,112	-	35,26,112	1,61,268	-	1,61,268	18,64,556	-	18,64,556
Property, plant and equipment	-	18,26,23,682	18,26,23,682	-	18,50,84,719	18,50,84,719	-	18,42,95,747	18,42,95,747
Other intangible assets	-	70,87,733	70,87,733	-	69,10,314	69,10,314	-	70,51,104	70,51,104
Other non financial assets	3,39,62,541	58,184	3,40,20,725	3,57,67,047	1,53,206	3,59,20,253	3,87,38,527	2,00,000	3,89,38,527
	3,74,88,653	18,97,69,599	22,72,58,252	3,59,28,316	19,21,48,239	22,80,76,554	4,06,03,083	19,15,46,851	23,21,49,934
Total Assets	273,30,95,324	31,79,67,667	305,10,62,991	278,39,23,016	30,50,03,039	308,89,26,055	211,82,24,127	62,29,41,301	274,11,65,428
Liabilities									
Financial Liabilities									
Trade payables	115,33,48,010	-	115,33,48,010	60,94,07,774	-	60,94,07,774	66,88,66,940	-	66,88,66,940
Borrowings	41,40,31,997	-	41,40,31,997	109,16,43,766	-	109,16,43,766	95,08,46,408	-	95,08,46,408
Other financial Liabilities	17,50,88,414	-	17,50,88,414	26,24,50,947	-	26,24,50,947	17,98,15,154	-	17,98,15,154
	174,24,68,421	-	174,24,68,421	196,35,02,487	-	196,35,02,487	179,95,28,502	-	179,95,28,502
Non-Financial Liabilities									
Current Tax Liabilities (net)	9,58,956	-	9,58,956	62,89,052	-	62,89,052	1,58,144	-	1,58,144
Provisions	99,42,143	1,27,05,750	2,26,47,892	96,82,283	1,19,07,356	2,15,89,639	86,48,626	1,09,91,027	1,96,39,653
Deferred Tax Liabilities (net)	-	45,25,704	45,25,704	-	47,11,509	47,11,509	-	66,04,664	66,04,664
Other non financial liabilities	9,21,17,764	-	9,21,17,764	8,59,37,505	-	8,59,37,505	7,61,34,991	-	7,61,34,991
	10,30,18,862	1,72,31,453	12,02,50,316	10,19,08,840	1,66,18,865	11,85,27,705	8,49,41,761	1,75,95,691	10,25,37,452
Total Liabilities	184,54,87,283	1,72,31,453	186,27,18,736	206,54,11,327	1,66,18,865	208,20,30,192	188,44,70,263	1,75,95,691	190,20,65,953

Consolidated Notes Forming Part Of Financial Statement

56. Assets pledged as security

(Amount in ₹)

The carrying amounts of assets pledged as security for current borrowings and margin are:

Particulars	31 st March, 2020	31 st March, 2019	01 st April, 2018
Financial assets			
First charge			
(i) Trade receivables		990724794	320871066
Floating charge			
(i) Securities for trade		94548546	106748154
Non-financial assets			
First charge			
(i) Building-PPE	50614865	51544931	52474997
Total assets pledged as security	50614865	1136818271	480094217

57. 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, 2020, 31 March, 2019 and 1 April, 2018 is as under:

Name of the Entities	Country of incorporation	31 st March, 2020	31 st March, 2019	1 st April, 2018
Name of the Subsidiary Companies				
Arihant Financial Services Limited	India	100.00%	100.00%	100.00%
Arihant Futures & Commodities Limited	India	100.00%	100.00%	100.00%
Arihant Lifespace Infra Developers Limited	India	100.00%	100.00%	100.00%
Arihant Insurance Broking Services Limited	India	100.00%	100.00%	100.00%
Arihant Investment Advisers Private Limited (Formerly known as Arihant Financial Planners & Advisors Private Limited)	India	100.00%	100.00%	100.00%
Arihant Asset Management Limited (Formerly known as Arihant Housing Finance Corporation Limited)	India	100.00%	100.00%	100.00%
Ahinsa Lifespace Infraheight Limited	India	100.00%	100.00%	100.00%
Arihant Capital (IFSC) Limited	India	100.00%	100.00%	100.00%

Consolidated Notes Forming Part Of Financial Statement
58. 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	As % of Consolidated Profit/(Loss)	Amount	As % of Consolidated OCI	Amount	As % of Total Consolidated Income	Amount
Parent								
Arihant Capital Markets Limited	76.25%	124,53,68,124	101.56%	17,76,05,850	-0.65%	(9,959)	101%	17,75,95,891
Subsidiaries								
Arihant Financial Services Limited	4.33%	7,07,65,131	-1.70%	(29,69,290)	0.00%	-	-2%	(29,69,290)
Arihant Futures & Commodities Limited	7.98%	13,02,97,827	-1.79%	(31,34,854)	24.04%	3,68,060	-2%	(27,66,795)
Arihant Lifespace Infra Developers Limited	6.82%	11,13,06,880	2.01%	35,16,975	0.00%	-	2%	35,16,975
Arihant Insurance Broking Services Limited	0.51%	83,41,729	-0.31%	(5,44,690)	0.00%	-	0%	(5,44,690)
Arihant Investment Advisers Private Limited (Formerly known as Arihant Financial Planners & Advisors Private Limited)	0.26%	42,86,869	0.18%	3,15,341	0.00%	-	0%	3,15,341
Arihant Asset Management Limited (Formerly known as Arihant Housing Finance Corporation Limited)	1.84%	3,00,35,483	0.56%	9,80,303	0.00%	-	1%	9,80,303
Ahinsa Lifespace Infraheight Limited	1.14%	1,86,29,573	-0.01%	(19,340)	0.00%	-	0%	(19,340)
Arihant Capital (IFSC) Limited	0.87%	141,57,724	-0.50%	(8,72,513)	76.61%	1,72,876	0%	3,00,363
Sub Total	100.00%	163,31,89,339	100.00%	17,48,77,783	100.00%	15,30,976	100.00%	17,64,08,758
Less-Intercompany Elimination and Consolidation Adjustments		(1370,76,480)						
Total		149,61,12,859						

59. Disclosure pursuant to IND AS 101 "First time adoption of Indian Accounting Standards"

A. Reconciliations between previous GAAP and Ind AS

For the purposes of reporting as set out in Note 2, Company has transitioned the basis of accounting from Indian generally accepted accounting principles ("IGAAP") to Ind AS. The accounting policies set out in Note 2 have been applied in preparing the standalone financial statements for the year ended 31 March 2020, the comparative information presented in these financial statements for the year ended 31 March 2019 and in the preparation of an opening Ind AS balance sheet at 1 April 2018 (the "transition date").

In preparing the opening Ind AS balance sheet, Company have adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of the transition from IGAAP to Ind AS has affected the financial performance, cash flows and financial position is set out in the following tables. On transition, Company has not revised the estimates previously made under IGAAP except where required by Ind AS.

(i) Reconciliation of total equity between previous GAAP and Ind AS:

Particulars	31 st March, 2019	1 st April, 2018
Net worth under previous GAAP	1360309791	1188935075
GAAP adjustments:		
Gain on Fair Valuation of Securities for Trade	2,579,950	87,824
Foreign Currency Translation Reserve	371,492	-303,538
Due to change in functional Currency of subsidiary	-411,149	303,509
Gain/(loss) on Fair Valuation of Investments	-8,649,760	7,878,061
Decrease in profit after tax on adoption of Ind-AS 115	-8,834,146	-943,208
Deferred tax impact on above adjustments	282,445	7,022,647
Total GAAP adjustments	-14,661,169	1,195,957,722
Net worth under Ind AS	1,345,648,622	

Consolidated Notes Forming Part Of Financial Statement

(ii) Reconciliation of profit as per Ind AS with profit reported under previous GAAP:

(Amount in ₹)

Particulars	31 st March, 2019
Net profit as per the Previous GAAP	190201746
GAAP adjustments:	
Decrease in revenue from sale of plots	-76,053,347
Decrease in cost of sale	67,219,201
Reclassification of net actuarial gain on employee defined benefit obligation to OCI	-432,224
Gain on Fair Valuation of Securities for Trade	2,492,126
Due to change in functional Currency of subsidiary	-728,591
Gain/(loss) on fair valuation of investments	-16,527,821
Deferred tax on above	1363608
Total GAAP adjustments	-22,667,047
Net profit after tax (before OCI) as per Ind AS	167,534,699
Other comprehensive Income (net of tax)	
Remeasurements of the defined benefit plans	308202
Foreign Currency Translation Reserve	675030
Total Comprehensive Income under Ind AS	168,517,931

(iii) Reconciliation of cashflow as per Ind AS with cashflow reported under previous GAAP:

Particulars	Previous GAAP	Adjustments	Ind-AS
Net cash flow from operating activities	36847787	-771,69,563	-403,21,776
Net cash flow from investing activities	-41108956	8,22,985	-402,85,971
Net cash flow from financing activities	121970327	-881,49,694	338,20,633
Net increase/(decrease) in cash and cash equivalents	1177,09,158	-1644,96,271	-467,87,113
Cash and cash equivalents as at April 01, 2018	10621,68,572	-8687,21,544	1934,47,028
Cash and cash equivalents as at March 31, 2019	11798,77,730	-10332,17,815	1466,59,915

B. Notes to first-time adoption:

The Group has prepared opening Balance Sheet as per Ind AS as of April 1, 2018 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from I-GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities.

(i) Revenue from Contracts with Customers

For sales of property under development that were recognised on the percentage-of-completion basis under the previous year accounting policy, the Company has determined that they generally do not meet the criteria for recognising revenue over time under Ind AS 115 owing to non-enforceable right to payment from Customer for performance completed to date and, therefore recognises revenue at a point in time.

Due to the application of Ind AS 115 for the full year ended March 31, 2019 Revenue from Sale of Plots as per Note No. 31 is lower by ₹ 760.53 lakhs and Cost of Project as per Note No. 37 is lower by ₹ 672.19 lakhs. These changes are due to recognition of revenue based on satisfaction of performance obligation (at appoint in time), as opposed to the previously permitted percentage of completion method.

Due to the application of Ind AS 115, Construction Work-in-progress as per Note No. 11 is higher by ₹ 672.19 lakhs and Advances received from customers as per Note No. 24 is higher by ₹ 594.35 lakhs as at March 31, 2019.

(ii) Fair value measurement of investments

Under Previous GAAP, the Group had accounted for long term investments at cost less provision for diminution, other than temporary, in the value of investments and current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets are measured at fair value and changes in fair value are recognised in profit and loss account based on investment classified as FVTPL. Under Previous GAAP, the stock in trade was valued at lower of cost or fair value. Under Ind-AS stock in trade has been classified as Investment at FVTPL and recognised at fair value.

(iii) Remeasurement of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses are recognised in other comprehensive income instead of profit or loss under the previous GAAP. As a result of this change, the profit for the year ended March 31, 2019 decreased by ₹ 3,08,202 (net of tax adjustment). There is no impact on the total equity as at 31 March 2019.

Consolidated Notes Forming Part Of Financial Statement

(iv) Functional Currency

Under Previous GAAP there was no concept of functional currency. However, Ind-AS 21 introduce the concept of functional currency i.e. currency of the primary economic environment in which the entity operates. If currency in which financial statement are presented is different from functional currency than financial statement needs to be prepared as per the Ind-AS 21 which lead to creation of Foreign Currency Translation Reserve. One of the Group's Subsidiary company is having functional currency as US dollar and presentation currency as Indian rupees thus accordingly adjustment have been made in Transition date balance sheet and previous year Profit & Loss Statement.

(v) Income tax impact

Previous GAAP requires deferred tax accounting using the profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences arising on account of transitional differences adjustments arising out of adoption of Ind AS. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Group has to account for such differences. Deferred tax adjustments are recognised to the underlying transaction in retained earnings.

(vi) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and Foreign Currency Translation Reserve (FCTR). The concept of other comprehensive income did not exist under previous GAAP.

(vii) Exemptions availed by the Group

a. Property, Plant & Equipment

The Group has adopted the carrying value determined in accordance with I-GAAP for all of its property plant & equipment and intangible assets as deemed cost of such assets at the transition date.

b. Leases

The Group's lease asset primarily consist of office premises, the Group recognises same as short term lease assets as a optional exemption provided in Ind AS 116 . And recognises the lease payment as an operating expenses on a straight line basis over the lease term in the Statement of Profit & Loss Account.

60. Corporate social responsibility

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from 1 April 2014. As per the provisions of the said section, the Group has undertaken the following CSR initiatives during the financial year 2019-20. CSR initiatives majorly includes supporting under privileged in education, medical treatments, etc and various other charitable and noble aids.

A) Gross amount required to be spent by the Group during the year ₹ 50,13,196 (Previous year ₹ 40,35,652)

B) Amount spent during the year ended 31 March 2020 on:

Particulars	31 st March, 2020		31 st March, 2019	
	Amount Paid	Yet to be paid	Amount Paid	Yet to be paid
Construction/acquisition of any asset	5803250	0	2652100	0
On purposes other than above	5803250	0	2652100	0
Total		5803250		2652100

61. SARS-CoV-2

Covid- 19 outbreak was declared as a global pandemic. Indian Government have followed as approach of complete lockdown since March 23, 2020, during which only defined essential services were operating with limited capacity. Stock broking services has been declared as an essential services and accordingly, the Company has been in operation consistently with minimal permitted staff. Accordingly, as of March 31, 2020 based on the facts and circumstances existing as of that date, the Company does not anticipate any material uncertainties which affects its liquidity position and also ability to continue as a going concern.

62. Events after Reporting Date

There have been no events after the reporting date that require disclosure in these financial statements

63. 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 9th July, 2020

For and on behalf of the Board

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

CA. Dinesh Ajmera
Partner
Membership No. : 402629
UDIN : 20402629AAAAAE1014
Indore, 09th July, 2020

Ashok Kumar Jain
(Chairman & Managing Director)
DIN-00184729

Anita S Gandhi
(Whole Time Director)
DIN-02864338

Mahesh Pancholi
(Company Secretary)

Tarun Goyal
(CFO)

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