



Date: 12th July, 2023

To, The Department of Corporate Services, Bombay Stock Exchange Limited., P J Towers, Dalal Street, Mumbai- 400001 Scrip Code: 511605	To, Listing Department, National Stock Exchange of India Limited., Exchange Plaza 5th Floor, Plot No. C/1, G- Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051 NSE Symbol- ARIHANTCAP
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Sub.: Submission of Annual Report for the year 2022-23 pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref.: ISIN - INE420B01036

Dear Sir/ Ma'am,

This is to inform you that 31st Annual General Meeting of the Company is scheduled to be held on **Saturday, 05th August, 2023 at 12:30 P.M.**, through Video Conferencing (**VC**)/Other Audio Visual Means (**OAVM**).

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report for the year 2022-23 along with the Notice of 31st Annual General Meeting of the Company.

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

This is for your information and records.

Thanking You,

Yours faithfully,

For Arihant Capital Markets Limited

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

ARIHANT CAPITAL MARKETS LIMITED

(CIN: L67120MP1992PLC007182)

Regd. Off. : 6, Lad Colony YN Road, Indore - 452 001 Tel.: +91-731-4217100 Fax.: +91-731-3016199
Corp. Off.: #1011 Solitaire Corporate Park, Bldg No. 10, 1st Floor, Andheri Ghatkopar Link Road, Chakala, Andheri
(E) Mumbai- 400093

Email: contactus@arihantcapital.com Website: www.arihantcapital.com

CREATING A SUSTAINABLE BUSINESS

**ANNUAL
REPORT
2022-23**

Eco-Friendly Practices



Partnerships for Sustainability



Enhanced Financial Resilience



Harnessing Digital Solutions



Sustainable Development



ENDURING COMMITMENT TO EXCELLENCE

At Arihant Capital, we passionately strive to generate wealth for our clients, guided by integrity and dedication. Since 1992, we've consistently delivered top-notch services, putting clients first. Our commitment to these core values remains resolute, ensuring our clients receive exceptional financial solutions tailored to their needs.

EMPOWERING INVESTORS FOR 30+ YEARS



200+
Cities



750+
Investment Centres



2Lakh+
Customers



4.2 ★
App Rating

OUR VALUES



Straightforward



Humble



You first



Gritty



Curious



Simplicity

Corporate Information



Mr. Ashok Kumar Jain
Chairman & Managing Director



Mr. Arpit Jain
Joint Managing Director

Mrs. Anita Gandhi
Whole Time Director



Mr. Jitendra Jain
Independent Director



Mr. Akhilesh Rathi
Independent Director



Ms. Swanubhuti Jain
Independent Director



Mr. Ashish Maheshwari
Independent Director



Mr. Parag Shah
Independent Director



Mr. Sunil Kumar Jain
Non Executive Director

Board of Directors

REGISTERED OFFICE

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

CORPORATE OFFICE

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

AUDITOR

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

SECRETARIAL AUDITOR

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

REGISTRAR & TRANSFER AGENT

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

CHIEF FINANCIAL OFFICER

MR. TARUN GOYAL

COMPANY SECRETARY

MR. MAHESH PANCHOLI

EMAIL

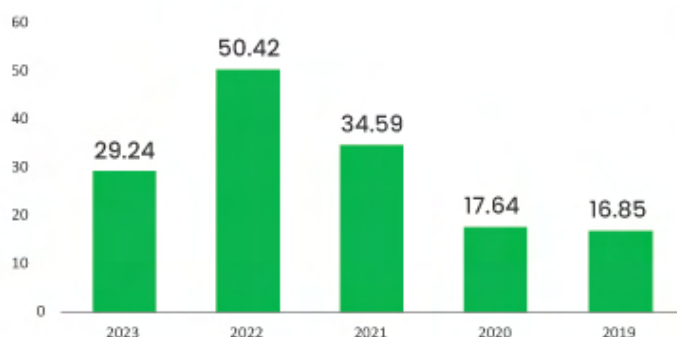
compliance@arihantcapital.com

WEBSITE

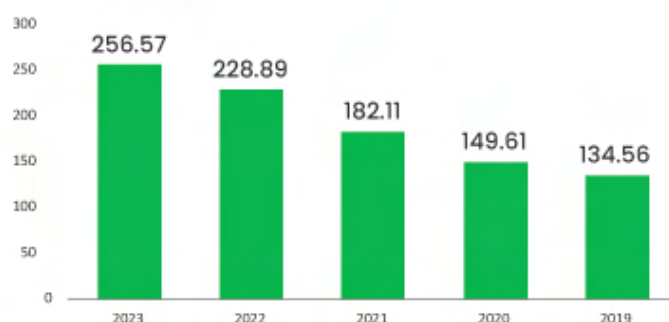
www.arihantcapital.com

Consolidated Financial Performance Highlights

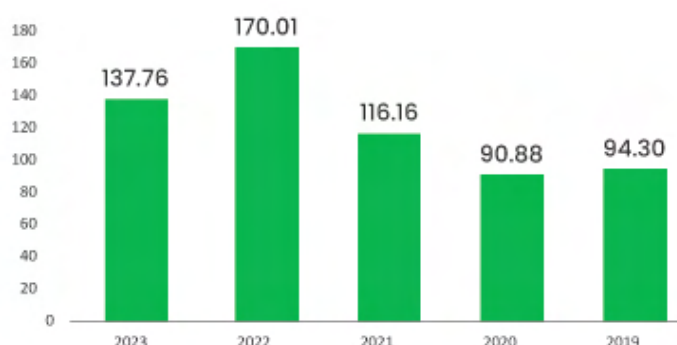
PAT (₹ crores)



NET WORTH (₹ crores)



TOTAL INCOME (₹ crores)



ROCE (in percentage)



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CONSOLIDATED
BALANCE SHEET



**FROM
CHAIRMAN'S DESK**



ASHOK KUMAR JAIN
Chairman & Managing Director

Dear Valued Shareholders

At Arihant Capital, we operate with a simple approach to business – strive to make decisions that are in the best interest of our clients. Our responsibility is to help our clients make informed investment decisions that safeguard and grow their wealth. We aim to be their trusted partner, guiding them through uncertain times with prudence and expertise.

When looking back at the financial year 2022-2023, I believe the year will be defined by two key points:

- Our ongoing investment in the digital transformation of the company.
- Navigating through the heightened volatility of the equity markets and a slew of regulatory changes.

When you glance at our FY2023 results, it's apparent that the operating environment was challenging. The heightened volatility in the stock markets, regulatory changes that changed our business landscape along with increased competition from discount broking players resulted in a drop in our revenues and profitability. At the same time, we continued to make strategic investments in our technology that, though important to the company's long-term strength, weighed on our financial performance in the short run.

The regulatory landscape is continuously evolving, with SEBI introducing a slew of major changes for securities brokers. While implementing these changes has been challenging, almost every change has been focused on prioritising transparency and investor protection. We wholeheartedly embrace these regulations to preserve the integrity of the financial system. These changes have also helped in making Indian capital markets one of the safest markets in the world for investors. I believe the foundation that SEBI is laying will also help in increasing participation from various investor segments.



India's Resilient Equity Markets: A Beacon of Opportunity

Despite global headwinds, India's equity markets continue to experience an uptrend. Our markets have shown resilience even in the face of the COVID-19 pandemic, geopolitical tensions, tightening liquidity and rising energy prices. This resilience reflects the robustness of India's economic fundamentals and the confidence investors have in our nation. While the stock markets saw a lot of volatility and the Indian rupee also declined by a sharp 8.4% against the US dollar over the last fiscal, the markets managed to end the year on a positive note.

India remains an attractive investment destination for surplus economies. Our country's inherent qualities, coupled with a strong and forward-looking governance framework, make it a preferred choice for long-term investments. Amidst global uncertainties, India's potential as an investment hotspot remains strong, offering compelling opportunities for sustainable growth and returns. Like every year, I would reiterate that I strongly believe in India's growth story and there's a huge opportunity for us to grow as a company.

Empowering Millennials with Arihant Plus

Our digitisation goal is to provide access to the financial system in a way that is simple and convenient for our customers and that would make our systems and processes more efficient, sustainable and cost-effective. We have been working relentlessly over the past few years on a new suite of investing products, powered by the best technology while creating scalable and secured infrastructure.

We believe investing should be accessible and understandable to newcomers and experts alike. The investing platform should be powered by the best technology, yet have a simple design and an intuitive interface, so that customers are empowered to achieve their goals. I am pleased to announce that, keeping this thought in mind, we launched the first phase of our new mobile trading application - Arihant Plus during the financial year.

Arihant Plus is the result of a continuous focus on our customers' needs and feedback, which has guided our product development decisions. We launched our proprietary client onboarding platform last year and have upgraded it to create an intuitive and seamless onboarding experience. Our digitalization initiatives have paved the way for greater reach and paperless processes.

We are set to expand our offerings to add products and features that will empower our clients to learn, participate, and grow and take control of their finances. We remain steadfast in our commitment to accompany our valued clients throughout their wealth creation journey over the next decades.



Looking ahead

Arihant Capital is approaching an exciting, perhaps transcendent, inflection point in our company's history. The digital transformation and the decisions made over the last few years have set Arihant Capital up to thrive like never before. I think we're incredibly well-positioned to serve our clients.

As we go forward, we are focused on the success of our clients and our business partners so we can deliver for shareholders. Our leadership is focused on our key priorities to make the company stronger, more diversified and future-ready.

We take great pride in our strong governance policies, robust internal control systems, and effective stakeholder communication.

Looking ahead, we envision strong growth in the coming decade as equity penetration deepens and the investor landscape matures. We are poised to capitalise on this trend, offering ease of access and simple yet comprehensive financial products to leverage future growth opportunities.

Closing notes

Thank you for your continued support. I extend my heartfelt gratitude to the regulatory authorities, the Board Members, the Management Team, colleagues and their families, and the wider stakeholder community for their unwavering dedication and belief in our vision.

It is through their invaluable contributions and collaboration that we have been able to navigate challenges and seize opportunities. We aspire to be India's most preferred investing platform, united by our core values of integrity, client service, partnership, and excellence.

Together, we will continue to forge ahead, creating value and delivering excellence in the years to come.

Your Sincerely

Ashok Kumar Jain
Chairman and Managing Director
Arihant Capital Markets Ltd.



**Our responsibility
is to help our clients
make informed
investment decisions
that safeguard and
grow their wealth.**



**FROM
JMD'S DESK**



ARPIT JAIN
Joint Managing Director

Dear Valued Shareholders

The past year has been a significant milestone for Arihant Capital, as we successfully launched our Arihant Plus Mobile App. Our innovative app is designed to create a strong and lasting partnership with our clients, helping them on their path to financial empowerment. It has the structure and features to support its goals and needs in the long run.

The Progressive Ecosystem

Over the past few years, as an insider in the financial services industry, I have closely observed the remarkable growth and evolution of the Indian capital markets. The Indian stock markets have witnessed an extraordinary expansion in terms of volumes and size, representing a transformative journey.

One of the key driving forces behind this growth has been the government's emphasis on fostering innovation, which has had a transformative effect on the Indian economy. In the past, there was no such framework to support startups, but now India proudly holds the position of being the third-largest startup ecosystem in the world.

Furthermore, a significant development has been the increasing financialization of household savings in India. As an indicative sign of this trend, managed investments have witnessed a remarkable surge, amounting to 57% of India's GDP in FY23. Retail investors have also emerged as a powerful force in the market, with the number of demat accounts soaring to over 11 crores in FY23, reflecting their growing participation.

Crucially, the digital revolution has played a pivotal role in democratising investing at an unprecedented rate. Thanks to technology-driven information dissemination, retail investors now have equal access to information, empowering them to make informed decisions by sharing ideas and opinions on the Internet. This has been evident in the total number of investors, with 11 crores in equities and 14.02 crores in mutual funds, including 5.93 crores in mutual fund SIPs. This reflects the increasing participation and trust of investors in these investment avenues.

Moreover, the total number of demat accounts in India exceeding 11 crores further signifies the widespread adoption of investing and the desire to hold securities in a digital format. This surge in demat accounts demonstrates the growing interest of investors in the capital markets.

It's worth noting that these achievements are also supported by the widespread presence of bank accounts, with a total of 294.5 crores in India. This indicates the broad foundation and potential for further mobilisation of savings into various wealth-creation avenues.

Considering the achievements witnessed in the past three decades, it is evident that India is on track to become one of the largest capital markets worldwide. This presents an incredible opportunity to empower billions of Indians to make informed choices in their wealth-creation journey. We will continue to play a leading role in mobilising a substantial portion of household savings into avenues of wealth creation.

Sustained Growth Amidst Regulatory Interventions

In the broking industry, regulations play a vital role due to the intricacies of Indian capital markets. I firmly believe that enhancing the regulatory framework in various aspects is crucial to ensuring stronger protection, particularly for the expanding retail investor base.

Despite previous regulatory interventions, the industry has shown consistent growth. The recent regulations governing the management of clients' funds represent another important step in instilling trust among retail participants. Our goal is to maintain productive collaboration with regulators as they work towards creating resilient and secure capital markets for all participants.

Prepared for the Journey of Growth

I am confident that the growth trajectory of India will persist, driven by its substantial human capital, resilient domestic consumption, and expanding service capabilities. At Arihant Capital, we have demonstrated continuous learning, efficient growth, and diversification of our product offerings while expanding our client base.

With our robust digital capabilities and a strategic focus on maximising lifetime client

value, we are primed to seize emerging opportunities. In the forthcoming fiscal year, our primary agenda will revolve around bolstering our digital capabilities.

We recognise the transformative power of digital technology in the financial industry and aim to leverage it to its fullest extent. By enhancing our digital capabilities, we aim to deliver a seamless and personalised experience to our clients while also streamlining our operations and expanding our reach. This commitment to digital innovation will enable us to stay at the forefront of the industry and cater effectively to the evolving needs of our valued clients.



India is witnessing an extraordinary surge in wealth generation, driven by its ambitious goal of becoming one of the 'Top 3 Global Economies' by 2027. The rapid advancement of revolutionary digital technologies is serving as the catalyst behind this remarkable growth, propelling the nation towards unprecedented success and unlocking a world of opportunities.



India is poised to make a significant leap in the global economic order, with a strong possibility of becoming the world's third-largest economy by 2027. We have recognised the growing aspirations for a better lifestyle, not only in urban centres but also beyond the top cities, presenting substantial growth potential. Aligning with this trend, we launched Arihant Plus to address the wealth-creation aspirations of every Indian.

As we continue to offer a diverse range of financial products to meet evolving client needs, we are confident in nurturing long-term relationships and unlocking the true potential of Arihant Plus.

Striding Ahead with Gratitude

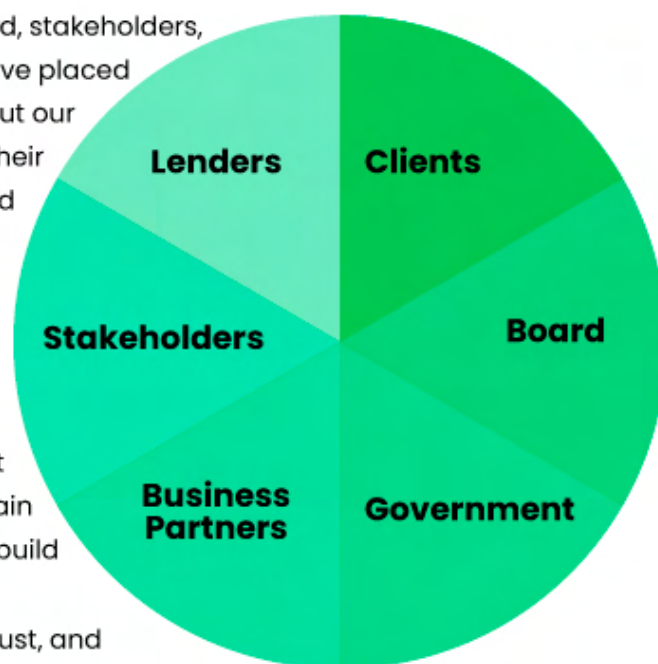
I would like to express my heartfelt appreciation to the Board, stakeholders, government, business partners, lenders, and clients who have placed their trust in us and provided unwavering support throughout our journey. I am also grateful to the regulatory authorities for their consistent efforts in taking proactive measures to safeguard the interests of retail investors and ensure the security and accessibility of Indian equities markets.

Furthermore, I extend my sincere gratitude to the entire team at Arihant Capital. Their tireless dedication and commitment to delivering exceptional service over the past year have been instrumental in our achievements. We remain optimistic as we continue to drive our fintech strategy and build upon the successes of FY23.

With a strong foundation built over 30 years of hard work, trust, and unwavering support, we are confident that the digitally empowered Arihant team will propel the company to new heights as we embark on the next phase of our journey. Together, we will embrace the opportunities ahead and chart a path of continued success in the ever-evolving landscape of our industry.

Best regards,

Arpit Jain
Joint Managing Director
Arihant Capital Markets Ltd.



Arihant at Service

Corporate Social Responsibility



Drawing Competition for a Sustainable Future on the Occasion of World Environment Day at Atlantis Office, Indore



Arihant Capital's cancer screening camp in Indore creates awareness about early detection



Arihant Capital generously provided furniture to a school in Kareli promoting a conducive learning environment and enhancing infrastructure



Health Checkup Camp Organised by Arihant Capital



Team Arihant plants 1,100 trees in Zappar village, Maharashtra, with Prasiddhi Foundation and Keshav Srushti

SYAT EDUCATION SOCIETY



To,
Arihant Capital Markets Ltd.
6 Lad Colony, Off Y N Road
Indore - 452001
Madhya Pradesh

LETTER OF GRATITUDE

We express our sincerest gratitude towards **Arihant Capital Markets Ltd.** and we consider it a great privilege to have been acknowledged for our work in education by this esteemed organisation.

Syat Education Society has been running a School under the name **THE ARHAM Body of Divinity & Excellence | THE ABODE School of Dreams** at Kareli, Madhya Pradesh since 2017 with an objective to provide quality education to the young brains of the rural India.

Letter of Gratitude received from Syat Education Society

Glimpse of FY23

Events at Arihant



**Investment Planning & Stock Analysis
Workshop for Empowering
Investors**



**Celebrating Business Excellence at the "I Believe"
Business Awards with Indore Mayor, Shri
Pushyamitra Bhargav, as the Chief Guest**



**Arihant Annual Business Partner Meet
in Shimla**



**Christmas celebration with Arihant
team at Indore**



**Arihant Campus Connect at
GSIMR, Indore**



**Arihant Annual Sales Meet
in Indore**

Awards & Recognition



Best Retail Brokerage
2022 & 2021
(India)



Best Analyst/Commentator
2022 & 2021
(India)



NOTICE

Notice is hereby given that the **THIRTY-FIRST ANNUAL GENERAL MEETING (31ST AGM)** of **ARIHANT CAPITAL MARKETS LIMITED (CIN: L67120MP1992PLC007182)** will be held on **Saturday, 05th August, 2023 at 12:30 P.M.** through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESSES:

1. To consider and adopt:
 - a) the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2023, together with the Reports of the Board of Directors and report of the Statutory Auditors thereon; and
 - b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2023, together with the Report of the Statutory Auditors thereon.

and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolutions:

a) “RESOLVED THAT the audited standalone financial statements of the Company for the financial year ended 31st March, 2023 together with the report of the Board of Directors and report of the Statutory Auditor thereon, as circulated to the shareholders, be and are hereby considered and adopted.”

b) “RESOLVED THAT the audited consolidated financial statements of the Company for the financial year ended 31st March, 2023 and report of the Statutory Auditor thereon, as circulated to the shareholders, be and are hereby considered and adopted.”

2. To declare Final Dividend on the equity shares of the Company for the financial year ended 31st March, 2023.

SPECIAL BUSINESSES:

3. To resolve not to fill the casual vacancy caused by retirement of Mrs. Anita Surendra Gandhi (DIN: 02864338) who retire by rotation at the conclusion of this Annual General Meeting.

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

“RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mrs. Anita Surendra Gandhi (DIN: 02864338), a Director retires by rotation at the conclusion of this Annual General Meeting, who does not seek re-election, be not re-appointed as a Director of the Company.

RESOLVED FURTHER THAT the vacancy caused as such on the Board of Directors of the Company, be not filled up.”

4. **APPROVAL FOR INCREASE IN REMUNERATION OF MS. SHRUTI JAIN HOLDING AN OFFICE OR PLACE OF PROFIT IN THE COMPANY.**

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

“RESOLVED THAT pursuant to the provisions of Regulations 2(1)(zc), 23(4) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; Section 188 of the Companies Act, 2013 (‘ the Act’) read with the rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable laws / statutory provisions, if any, and the Company’s Policy on Related Party Transactions, as amended from time to time, as per the recommendation and approval of the Nomination and Remuneration Committee and Audit Committee at their Meeting held on 20th May, 2023, approval of the shareholders be and is hereby accorded to enhance the prescribed limit of salary payable to Ms. Shruti Jain, Chief Strategy Officer of the Company and holding an office or place of profit in the Company, as computed under applicable provisions of the Companies Act, 2013 and its allied rules to increase remuneration from Rs. 2,45,000/- (Rupees Two Lakhs Forty-Five Thousand Only) per month to Salary scale from Rs. 2,50,000 /- to Rs. 3,50,000/- per month and such other perquisites in accordance with the Company rule with effect from 01st April, 2023.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or the Company Secretary of the Company be and is hereby authorised to do, all such acts, matters, deeds and things, settle any queries / difficulties / doubts arising from it, as may be considered necessary, proper or expedient to give effect to this resolution and for matters connected herewith or incidental there to in the best interest of the Company including filling of returns with any authority."

5. AUTHORITY TO BORROW MONEY UPTO A SUM OF Rs. 500 CRORES OVER AND ABOVE THE PAID UP CAPITAL, FREE RESERVES AND SECURITIES PREMIUM OF THE COMPANY UNDER SECTION 180(1)(C) OF THE COMPANIES ACT, 2013:

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

"RESOLVED THAT pursuant to the provisions of section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto (including any statutory modifications, amendment(s) or re-enactments thereof, for the time being in force) read in accordance with the Memorandum and read with the Articles of Association of the Company and in supersession of all the earlier resolutions passed in this regards, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee which the Board may have constituted or hereinafter constitute or any officer(s) authorized by the Board) for borrowing any sums of money from time to time from any one or more persons, firms, body corporate, banks or financial institutions whether by way of cash credit, advances or deposits, loans or bill discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation, lien or pledge of the Company's assets and properties whether movable or stock-in-trade and all or any of the undertakings of the Company notwithstanding that the money or moneys to be borrowed, together with the money already borrowed by the Company, apart from temporary loans including Bank Guarantee obtained from the company's bankers in the ordinary course of business may exceed aggregate of its paid up capital, free reserves and securities premium, provided that the total amount including the money/s already borrowed by the Company and outstanding at any time shall not exceed Rs. 500.00 Crores (Rupees Five Hundred Crores only).

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution and further to authorize any of its Committee(s) /Director(s) or any Officer(s) of the Company to do all such acts, deeds or things as it may in its absolute discretion deem necessary proper and fit.

RESOLVED FURTHER THAT a certified true copy of the above resolution signed by any one of the Directors or the Company Secretary of the Company be furnished to the concerned authorities as and when required."

6. TO CREATE CHARGE OVER THE ASSETS OF THE COMPANY IN FAVOUR OF BANKS AND/OR FINANCIAL INSTITUTIONS FOR LOANS BORROWED BY THE COMPANY PURSUANT TO SECTION 180(1)(A) OF THE COMPANIES ACT, 2013, UP TO Rs. 500 CRORES

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013 read with relevant Rules made thereunder (including any modification(s) thereto or re-enactment(s) thereof for the time being in force), provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, sanctions, consents, permissions as may be necessary, in supersession of all the earlier resolutions passed in this regards, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee which the Board may have constituted or hereinafter constitute or any officer(s) authorized by the Board) to pledge, mortgage, lien, hypothecate and/or charge all or any part of the moveable or immovable assets of the Company, tangible or intangible assets, and the whole or substantially the whole of the undertaking of the Company of every nature and kind whatsoever and/or creating floating and/or exclusive charge on all or any movable or immovable assets, tangible or intangible assets, wherever situated, both present and in future, of the Company and the whole or substantially the whole of the undertaking of the Company to or in favour of any bank(s) or other financial institution(s) or foreign lender(s) or multilateral financial institution(s) or investors or any other lenders or debenture

trustees or any other body corporate(s) or entity or entities or authority or authorities, as may be deemed appropriate by the Board, to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed Rs. 500.00 Crores (Rupees Five Hundred Crores only) at any time.

RESOLVED FURTHER THAT the Board of the Company be and are hereby authorized to finalise with bank(s) or other financial institution(s) or foreign lender(s) or multilateral financial institution(s) or investors or any other lenders or debenture trustees or any other body corporate(s) or entity or entities or authority or authorities the documents for creating aforesaid mortgage and/or the charge and to do all such acts, deeds, matters and things as may be necessary, proper and expedient or incidental for giving effect to this resolution and further to authorize any of its Committee(s) / Director(s) or any Officer(s) of the Company to do all such acts, deeds or things as it may in its absolute discretion deem necessary proper and fit.

RESOLVED FURTHER THAT a certified true copy of the above resolution signed by any one of the Directors or the Company Secretary of the Company be furnished to the concerned authorities as and when required.”

7. TO GIVE LOANS OR TO GIVE GUARANTEE(IES) OR TO PROVIDE SECURITY(IES) OR TO MAKE INVESTMENT(S) UPTO Rs. 100 CRORES UNDER SECTION 186 OF THE COMPANIES ACT, 2013

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

“**RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013 (the 'Act') read with the Companies (Meetings of Board and its Powers) Rules, 2014, and other applicable provisions, if any, of the Act (including any statutory modification, amendment or re-enactment thereof for the time being in force) and subject to other applicable laws and such other approvals, consents, sanctions and permissions as may be required in that behalf and in terms of the Memorandum and Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include any Committee which the Board may have constituted or hereinafter constitute or any officer(s) authorised by the Board to exercise the powers conferred on the Board by this Resolution) to give loans, inter corporate deposits from time to time on such terms and conditions as it may deem expedient to any person or other bodies corporate; give on behalf of any person, body corporate, any guarantee in connection with a loan made by any other person to, or to any other person by any other body corporate; and to acquire by way of subscription, purchase or otherwise the securities of any other body corporate, in excess of the limits prescribed under Section 186 of the Act up to an aggregate sum of Rs. 100.00 Crores (Rupees One Hundred Crores only) notwithstanding that the aggregate of loans and investments so far made, the amounts for which guarantee is given along with the investments, loans, inter corporate deposits, guarantee proposed to be made or given by the Board may exceed sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more, provided that the aforesaid limit shall not apply to the investment by way of subscription, purchase or otherwise in the securities of the Company’s wholly owned subsidiary company/ies, whether formed or to be formed.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any Directors of the Company and / or Company Secretary of the Company be and are hereby severally authorised to take from time to time all decisions and such steps as may be necessary for giving loans, guarantees or providing securities or for making such investments and to execute such documents, deeds, writings, papers and/or agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion, deem fit, necessary or appropriate.

RESOLVED FURTHER THAT a certified true copy of the above resolution signed by any one of the Directors or the Company Secretary of the Company be furnished to the concerned authorities as and when required.”

8. TO CONSIDER AND APPROVE THE ISSUANCE OF DEBENTURES ON A PRIVATE PLACEMENT BASIS:

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

“**RESOLVED THAT** pursuant to the provisions of Section 42, 71 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Debentures) Rules, 2014 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being

in force), subject to such other approvals, as may be required from regulatory authorities from time to time, and in accordance with the provisions of the Memorandum and Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company, to issue secured, unrated, unlisted, non-convertible, redeemable debentures for making offer(s) or invitation(s) to subscribe to secured, unrated, unlisted, nonconvertible debentures ("NCDs") on a private placement basis, in one or more tranches, for a period of 1 (one) / 2 (two) / 3 (three) years from a date hereof, on such terms and conditions including the price, coupon, premium / discount, tenor etc., as the committee constituted for the issuance of such debentures of the Company may decide in their absolute discretion.

RESOLVED FURTHER THAT the aggregate amount to be raised through the issuance of NCDs pursuant to the authority under this Resolution shall not exceed the overall limit of Rs. 100.00 Crores (Rupees One Hundred Crores only).

RESOLVED FURTHER THAT the secured unlisted NCDs issued on a private placement basis shall be secured by way of a pari passu charge on the secured debtors of the Company, with a security coverage of 1.2 times the value of the secured debtors, as specified in the offer document.

RESOLVED FURTHER THAT the Board be and is hereby authorized to constitute a committee in the name of "Debenture Issuance Committee" for the purpose of overseeing the issuance of the said NCDs, make any modifications, changes, or alterations to the terms and conditions of the secured unlisted NCDs, subject to compliance with the applicable laws and regulations in respect of such issue thereof.

The Debenture Issuance Committee includes members as; Mr. Arpit Jain, Mr. Ashish Maheshwari, Mr. Jitendra Jain and Mr. Sundar Rangan.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters, and things as may arise for the implementation of the aforesaid resolution including filing of relevant forms with regulators and for all matters connected therewith and to further execute all such agreements, documents, instruments, applications etc. as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the aforesaid resolution as it may in its sole discretion deem fit and to delegate all or any of its powers herein conferred to any of the Directors and/or officers of the Company, to give effect to this resolution."

9. TO SALE OR TRANSFER OR DEMERGER OF THE WHOLE OF UNDERTAKING OF ARIHANT FINANCIAL SERVICES LIMITED (WHOLLY OWNED SUBSIDIARY) AS SPECIFIED UNDER SUB-CLAUSE (A) OF SUB-SECTION (1) OF SECTION 180 OF THE COMPANIES ACT, 2013.

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

"RESOLVED THAT pursuant to provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable SEBI Regulations as amended from time to time, any other law for the time being in force and subject to the approval of Reserve Bank of India and such other approvals as may be applicable and required under various statutes or regulations or any other law for the time being in force, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board") to sell, transfer and dispose off or demerge, whole of investments/shareholdings in **Arihant Financial Services Limited**, which is a wholly owned subsidiary of the Company having Registered Office situated at Arihant House, 6 Lad Colony Y N Road Indore– 452001, Madhya Pradesh, India, including all its assets (tangible and intangible) and liabilities including the concerned licenses, permits, consents approvals whatsoever and the employees etc. to any person including Directors/shareholders / Promoter and Promoter Group and their relatives for a consideration as determined by the Registered Valuer or such higher value, to be discharged in form of cash and / or kind, on such terms and conditions and with such modifications as the Board may deem fit and appropriate in the interest of the Company."

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

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

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

10. TO SALE OR TRANSFER OR DEMERGER OF THE WHOLE OF UNDERTAKING OF ARIHANT INSURANCE BROKING SERVICES LIMITED (WHOLLY OWNED SUBSIDIARY) AS SPECIFIED UNDER SUB- CLAUSE (A) OF SUB-SECTION (1) OF SECTION 180 OF THE COMPANIES ACT, 2013.

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

“**RESOLVED THAT** pursuant to provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable SEBI Regulations as amended from time to time, any other law for the time being in force and subject to the approval of Insurance Regulatory and Development Authority of India (IRDAI) and such other approvals as may be applicable and required under various statutes or regulations or any other law for the time being in force, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”) to sell, transfer and dispose off or demerge, whole of investments / shareholdings in **Arihant Insurance Broking Services Limited**, which is a wholly owned subsidiary of the Company having Registered Office situated at 6, Lad Colony Y. N. Road, Indore, – 452001, Madhya Pradesh, India, including all its assets (tangible and intangible) and liabilities including the concerned licenses, permits, consents approvals whatsoever and the employees etc. to any person including Directors/ shareholders / Promoter and Promoter Group and their relatives for a consideration as determined by the Registered Valuer or such higher value, to be discharged in form of cash and/or kind, on such terms and conditions and with such modifications as the Board may deem fit and appropriate in the interest of the Company.”

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

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

RESOLVED FURTHER THAT any of the Directors of the Company and / or Company Secretary of the Company be and is hereby severally authorized to take all necessary actions and correspondence with the Registrar of Companies, Stock Exchanges, Bank etc., required to give effect to the above resolution.

**By order of the Board of Directors
For Arihant Capital Markets Limited**

**Place: Indore
Date: 15th June, 2023**

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

NOTES:

A statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”) in respect of the special business under Item No.: 3 to Item No.: 10 of the Notice is annexed hereto.

1. Pursuant to the General Circular No.: 14/2020 dated 08th April, 2020, Circular No.: 17/2020 dated 13th April, 2020, Circular No.: 20/2020 dated 05th May, 2020, Circular No.: 02/2021 dated 13th January, 2021, Circular No.: 21/2021 dated 14th December, 2021, Circular No.: 2/2022 dated 05th May, 2022 and Circular No.: 10/2022 dated 28th December, 2022 issued by the Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars'), the Company is convening the 31st Annual General Meeting (AGM) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue.

Further, Securities and Exchange Board of India (SEBI), vide its Circulars dated 12th May, 2020, 15th January, 2021, 13th May, 2022 and 05th January, 2023 (SEBI Circulars) and other applicable circulars issued in this regard, have provided relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

In compliance with the applicable provisions of the Companies Act, 2013 (the Act), the Listing Regulations and MCA Circulars, the 31st AGM of the Company is being held through VC / OAVM on Saturday, 05th August 2023 at 12:30 p.m. (IST). The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company situated at 6, Lad Colony, Y. N. Road, Indore - 452001, Madhya Pradesh, India, which shall be the deemed venue of the 31st AGM.

2. As per the provisions of Clause 3.A.II. of the General Circular No.: 20/2020 dated 05th May, 2020, the matters of Special Business as appearing at Item Nos. 3 and 10 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.

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 INSTEAD OF HIMSELF 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, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 08th April, 2020, 13th April, 2020 and 05th May, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No.: 17/2020 dated 13th April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.arihantcapital.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No.: 14/2020 dated 08th April, 2020 and MCA Circular No.: 17/2020 dated 13th April, 2020, MCA Circular No.: 20/2020 dated 05th May, 2020, MCA Circular No.: 2/2021 dated 13th January, 2021, Circular No.: 21/2021 dated 14th December, 2021, General Circular No.: 2/2022 dated 05th May, 2022 and and Circular No.: 10/2022 dated 28th December, 2022.
8. Institutional shareholders / corporate shareholders (i.e. other than individuals, HUFs, NRIs, etc.) are required to send a scanned copy (PDF/JPG format) of their respective Board or governing body Resolution, Authorization, etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-Voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail to bhattvirendra1945@yahoo.co.in with a copy marked to evoting@nsdl.co.in and mahesh.pancholi@arihantcapital.com. Institutional shareholders (i.e. other than individuals, HUFs, NRIs, etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter, etc. by clicking on “Upload Board Resolution/Authority Letter”, etc. displayed under “e-Voting” tab in their login.
9. The Register of Members, Beneficial Owner and Share Transfer Books of the Company will remain closed from Sunday, 30th July, 2023 to Saturday, 05th August, 2023, both days inclusive for the purpose of payment of dividend, if declared at the Annual General Meeting.
10. The Board of your Company has fixed Saturday, 29th July, 2023 as the "Record Date" for the purpose of determining entitlement of the Members to the final Dividend for the FY23, if declared at the AGM. Subject to the provisions of the Act, the final Dividend as recommended by the Board of Directors, if declared at the AGM will be paid within thirty days from the date of declaration i.e. within thirty days from Saturday, 05th August, 2023 (if declared) to those Members whose names appear:
 - a) in the Register of Members of the Company after giving effect to valid transmission or transposition requests lodged with the Company as on close of the business hours on Saturday, 29th July, 2023 and
 - b) as beneficial owners as at the end of business hours of Saturday, 29th July, 2023 as per the list furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of Shares held in Dematerialised form.
11. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12th May, 2020, Notice of the AGM along with the Annual Report 2022-23 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 2022-23 will also be available on the Company’s website www.arihantcapital.com websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and www.nseindia.com and on the website of NSDL (agency for providing the Remote e-Voting facility) <https://www.evoting.nsdl.com/>
12. As the Members may be aware that with effect from 01st April, 2020, Dividend Distribution Tax under Section 115-O of the Income-tax Act, 1961 as may be amended from time to time (“IT Act”) payable by domestic companies on declaration of dividend has been abolished. Pursuant to this amendment brought vide Finance Act, 2020, the Company would be under an obligation to deduct tax at source (“TDS”) in accordance with the provisions of the IT Act, from the final dividend, if approved by the Members at the AGM. In this regard, the Members may refer the Note on TDS on dividend distribution, appended to this Notice convening 31st AGM of the Company (“AGM Notice”).

Notes on TDS:

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Members having valid Permanent Account Number (PAN)	10%* or as notified by the Government of India (GOI)
Members not having PAN / valid PAN	20% or as notified by the GOI

**As per the Finance Act, 2021, Section 206AB has been inserted effective July 1, 2021, wherein the higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under section 206AB of the Finance Act, 2021.*

**As per section 139AA of the IT Act, every person who has been allotted a PAN and who is eligible to obtain Aadhar, shall be required to link the PAN with Aadhar. In case of failure to comply with this, the PAN allotted shall be deemed to be invalid / inoperative and he shall be liable to all consequences under the IT Act and tax shall be deducted at the higher rates as prescribed under the IT Act.*

However, no tax shall be deducted on the dividend payable to resident individual shareholders if the total dividend to be received by them during financial year 2023-24 does not exceed ₹5,000, and also in cases where members provide Form 15G / Form 15H (Form 15H is applicable to resident individual shareholders aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding of tax. PAN is mandatory for members providing Form 15G/ 15H or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20%** (plus applicable surcharge and cess) or as notified by the GOI on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA), read with Multilateral Instrument (MLI) between India and the country of tax residence of the shareholders, if they are more beneficial to them.

For this purpose, i.e. to avail the benefits under the DTAA read with MLI, non-resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian income tax authorities duly attested by the shareholders or details as prescribed under rule 37BC of the Income-tax Rules, 1962
- Copy of the Tax Residency Certificate for financial year 2023-24 obtained from the revenue or tax authorities of the country of tax residence, duly attested by shareholders
- Electronic Form 10F as per notification No.: 03/2022 dated 16th July, 2022 issued by the Central Board of Direct Tax [Notification can be read under notification-no-3-2022-systems.pdf (incometaxindia.gov.in)]. Form 10F can be obtained electronically through the e-filing portal of the income tax website at <https://www.incometax.gov.in/iec/foportal>
- Self-declaration by the shareholders of having no permanent establishment in India in accordance with the applicable tax treaty
- Self-declaration of beneficial ownership by the non-resident shareholder
- Any other documents as prescribed under the IT Act for lower withholding of taxes, if applicable, duly attested by the shareholders.

In case of Foreign Institutional Investors (FII) / Foreign Portfolio Investors (FPI), tax will be deducted under Section 196D of the IT Act at the rate of 20%** (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents, if applicable.

*** As per the Finance Act, 2021, Section 206AB has been inserted effective 01st July, 2021, wherein the higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under the provisions of the aforesaid Section. However, in case of a non-resident shareholder or a non-resident FPI / FII, the higher rate of tax as mentioned in section 206AB shall not apply if such non-resident does not have a permanent establishment in India.*

The Resident Non-Individual Members i.e. Insurance companies, Mutual Funds and Alternative Investment Fund (AIF) established in India and Non-Resident Non-Individual Members i.e. Foreign Institutional Investors and Foreign Portfolio Investors may alternatively submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform, on or before the aforesaid timelines.

13. Members who hold shares in dematerialized form are requested to quote Depository Account Number (Client ID No.) for recording of attendance at the meeting.
14. Members are requested to notify to the Company immediately, quoting Registered Folio No., change in their address, if any, with the pin code number.
15. Non-resident members are requested to immediately notify: - (i) change in their residential status on return to India for permanent settlement; and (ii) particulars of NRE account, if not furnished earlier.
16. Members who are holding shares in identical names in more than one folios, are requested to write to the Company/Ankit Consultancy Pvt. Ltd., the Registrar and Share Transfer Agent, to consolidate their holding in one folio.
17. Shareholders who are still holding physical share certificate are advised to dematerialize their shareholding to avail benefit of dematerialization.

18. Members are requested to note that the dividend remaining unclaimed for a continuous period of seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund (IEPF). In addition, all equity shares in respect of which dividend has not been claimed for seven consecutive years or more shall be transferred by the Company to demat account of the IEPF authority within a period of thirty days of such equity shares/dividend becoming due to be transferred to the IEPF. Accordingly, the Company would be transferring the Equity Shares and Final Dividend for the year ended 31st March, 2016. In the event of transfer of equity shares and the unclaimed dividends to IEPF, Members are entitled to claim the same from IEPF authority by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF rules.
19. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2015-16 to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Details of dividends so far transferred to the IEPF Authority are available on the website of IEPF Authority and the same can be accessed through the link: www.iepf.gov.in
20. 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.
21. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment / re-appointment at the AGM, is not furnished in the notice as there is no appointment / re-appointment of any director during the period under the review.
22. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN and any changes in their address/bank mandate to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details and any other changes to the Registrar and Share Transfer Agents in respect of their physical shares folio also at:

Ankit Consultancy Private Limited
Plot No.: 60 Electronic Complex, Pardeshipura,
Indore-452010, Madhya Pradesh, India.
23. 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.
24. The Board of Directors of the Company has appointed Mr. Virendra G. Bhatt, Practicing Company Secretary (Membership No.: A1157 / COP No.: 124), to act as Scrutiniser to scrutinise the process of remote e-voting and also e-voting during the AGM in a fair and transparent manner.
25. The Scrutiniser shall after the conclusion of Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company. The scrutiniser shall submit the consolidated scrutiniser's report, not later than two working days of conclusion of the Meeting, to the Chairman or any other person authorised by the Board. The results declared along with the consolidated scrutiniser's report shall be placed on the website of the Company
26. 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, Y. N. Road, Indore - 452001, Madhya Pradesh, India, on all working days (except Sundays and Public Holidays) between 11.00 a.m. to 1.00 p.m. up to the date of this Annual General Meeting ("AGM") and also at the AGM.

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

The remote e-voting period begins on 02nd August, 2023 at 09:00 A.M. and ends on 04th August, 2023 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 29th July, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 29th July, 2023.

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

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





Step 1: Access to NSDL e-Voting system

A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.

	<p>NSDL Mobile App is available on</p> <p>  App Store  Google Play </p> <div style="display: flex; justify-content: space-around;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. <u>The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</u>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p>

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

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

Login type	Helpdesk details
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000</p>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33</p>

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

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

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on “[Forgot User Details/Password?](#)”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) [Physical User Reset Password?](#)” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

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

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to at evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to mahesh.pancholi@arihantcapital.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to mahesh.pancholi@arihantcapital.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ('THE ACT').**Item No.: 3**

Under the provisions of Section 152 of the Companies Act, 2013, at least one-third of the directors who are liable to retire by rotation, shall retire at every Annual General Meeting of the Company. Mrs. Anita Surendra Gandhi (DIN:02864338) Executive Director of the Company, retires by rotation at this 31st Annual General Meeting, and has not offered herself for re-appointment.

The Company does not propose to fill up the vacancy at this 31st Annual General Meeting or any adjournment thereof. Hence, as required under Section 152 of the Act, an ordinary resolution is proposed not to fill up the vacancy caused by the retirement of Mrs. Anita Surendra Gandhi.

Mrs. Anita Surendra Gandhi (DIN: 02864338), was appointed as a Director at the Meeting held on 31st January, 2010. Being the longest-serving Executive Director on the Board. Mrs. Gandhi steered the Company for 13 years and occupied management positions in the Company including the Whole Time Director and at present she holds the office of the Executive Director of the Company. Throughout her tenure, Mrs. Gandhi has exemplified the qualities of a visionary leader and has been instrumental in shaping the growth and success of our organization. Her dedication, strategic insights, and unwavering commitment have played a pivotal role in steering our company through various challenges, transforming it into a formidable force within our industry. Furthermore, she has made significant contributions to the field of institutions, not just through her role at our company, but also through her active participation in industry associations and regulatory bodies. The Board of Directors had placed on record their appreciation for her vision, valuable guidance and advice extended by her during her tenure as a Director of the Company.

Except Mrs. Anita Surendra Gandhi, none of the directors and key managerial personnel or their relatives are interested financially or otherwise in the resolution as set out in Item No.: 3 of this notice.

Accordingly, the Board, based on the recommendation of the Nomination and Remuneration Committee, unanimously recommends the ordinary resolution as set out at item No.: 3 of this notice.

Item No.: 4

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings with related parties of the Company. The provisions of Section 188(l)(f) of the Companies Act, 2013 that govern the related party's appointment to any office or place of profit in the Company, its Subsidiary Company or Associate Company.

Ms. Shruti Jain, daughter of Mr. Ashok Kumar Jain (Chairman and Managing Director of the Company) was appointed as officers and holding a place of profit under Section 188(1)(f) and all other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modifications(s) or re-enactment thereof, for the time being in force), at a monthly salary of Rs. 2,45,000 per month respectively and a resolution to this effect was passed.

The said approval allowed a Salary scale from Rs. 2,50,000/- to Rs. 3,50,000/- per month; and further required, the Company to seek fresh approval of the members of the Company in the event of increase in salary in excess of the aforesaid limit.

In terms of Sections 188(1)(f) of the Companies Act, 2013 read with applicable rules and as per the recommendation and approval of Nomination and Remuneration Committee and Audit Committee, for enhancement in prescribed limit of Salary payable to Ms. Shruti Jain, Chief Strategy Officer of the Company and holding an office or place of profit in the company, are in the ordinary course of business and at arm's length basis transaction. Ms. Shruti Jain associated with the Company from last few years and meanwhile gave their best for its immense growth

Their present roles are crucial to provide impetus to the expanding national Business in the emerging market business of the Company. They are focusing on tapping the potential markets. Considering their qualification, experience and present role

prescribed limit of Companies Act is not commensurate, hence requires approval of the shareholders.

Except Mr. Ashok Kumar Jain & Mr. Arpit Jain and their relatives, none of the other Directors, Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution, except to the extent of their shareholding.

The Board recommends the Ordinary Resolution set out at Item No.: 4 of the Notice for approval by the Shareholders.

Item Nos.: 5 and 6

As per the provisions of Section 180 (1) (c) of Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the Company in General Meeting, borrow monies, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid up capital, free reserve and securities premium of the Company, that is to say, reserve not set apart for any specific purpose.

In view of impending expansion plan, there may be need to borrow money in excess of present limit.

Similarly, the Board of Directors be authorized to hypothecate, mortgage, create charge or lien and/or encumbrances on all or any of the moveable and/or immovable assets/properties of the Company and/ or whole or substantially whole of the undertaking of the Company, both present and future in favour of any lenders for securing any sum of money (whether in foreign currency and/or Indian Currency) borrowed or to be borrowed by the Company up to an aggregate limit of Rs. 500.00 Crores together with the interest as agreed, additional interest, accumulated interest, liquidated damages and all other costs, charges and expenses.

The Resolution set out at item No.: 5 & 6 of the notice is put forth for consideration of the members pursuant to the provisions of Section 180 (1) (c) of the Companies Act, 2013 to enable the Directors to borrow up to a sum of Rs. 500.00 crores (Rupees Five hundred crores) and to create charge over the assets of the Company in favour of Banks and/or Financial Institutions for loans borrowed by the Company pursuant to section 180(1)(a) of the Companies Act, 2013, up to Rs. 500.00 Crores.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or in any way interested in this resolution.

The Board of Directors recommends these enabling resolutions for approval of the members by way of Special Resolutions.

Item No.: 7

As per Section 186 (2) of the Companies Act, 2013 ("the Act"), the Company can give loans, advances, guarantees or provide any security in connection with the loan:

- up to 60% of its paid-up share capital, free reserves and security premium account; or
- 100% of its free reserves and securities premium account, whichever is more.

As per Section 186 (3) of the Act, the Company can give loans and make investments exceeding the aforesaid limits, after taking prior approval of members by means of a Special Resolution passed at a General Meeting of the Company.

Further, Section 186 (5) requires consent of all the directors present in the meeting to approve any investments, loans or guarantees given by the Company. Accordingly, the Board, had at its meeting held on 20th May, 2023, unanimously approved and recommended to the Members, the proposal for giving loans, guarantees and making investments upto Rs. 100.00 Crores (Rupees One Hundred Crores only), keeping in mind the foreseeable growth in business activities based on the assessment made at that point in time.

In order to enable the Company to achieve long term strategic and business objectives / potential, it is proposed to give powers to the Board of Directors or duly constituted committee thereof, for granting loans/making investment/providing guarantee or security, upto a limit of Rs. 100.00 Crores (Rupees One Hundred Crores only), under the provisions of Section 186 of the Companies Act, 2013, over and above the amount of loans to any person or body corporate; any guarantee given /

to be given, or security provided / to be provided, in connection with a loan given / to be given to any other body corporate or person, provided that the aforesaid limit shall not apply to the investment by way of subscription, purchase or otherwise in for the securities of the Company's wholly owned subsidiary company/ies, whether formed or to be formed.

The proposed Special Resolution as set out in Notice is enabling in nature for any further loan / investment / guarantee / security, to be made or given to subsidiaries / bodies corporate / to any banks, financial institutions or any other person as per the provisions of the Companies Act, 2013.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolution except to the extent of their shareholding, if any in the Company. The Board recommends passing of the Special resolution set out at Item No. 7 of the accompanying Notice for approval by the Members of the Company.

Accordingly, the Board recommends the special resolution set out at item No.: 7 for approval of members.

Item No.: 8

The Company uses the non-convertible debenture route as a source of funding to meet its business requirements. In terms of the provisions of Sections 42 and 71 of the Companies Act, 2013 every issue of debentures is required to be approved by the members of the Company by special resolution. Rule 14(2) of Companies (Prospectus and Allotment of Securities) Rules, 2014 permits a company to pass a previous special resolution once in a year for offer or invitation of non-convertible debentures to be made during the year on a private placement basis in one or more tranches. It may be noted that the shareholders have passed the said resolution for issue of non-convertible debentures from time to time, in one or more tranches up to Rs. 100 crores (Rupees One Hundred Crores Only)

Consent of the members is therefore sought in connection with the aforesaid for making offer(s) or invitation(s) to subscribe to unsecured, unrated, unlisted non convertible debentures ("NCDs") on a private placement basis, in one or more tranches, for a period of 1 (One) / 2 (Two) / 3 (Three) years from the date hereof, on such terms and conditions including the price, coupon, premium / discount, tenor etc., as the Board of Directors and committee of the Company may decide in their absolute discretion.

The following key information is being provided under the provisions of Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014:

- a) particulars of the offer including date of passing of Board resolution: As may be decided for each issuance by the Board of Directors.
- b) kinds of securities offered and the price at which security is being offered: Secured, Unlisted, Unrated, Redeemable, Non-convertible debentures. The price at which such securities may be offered may be decided for each issuance by the Board.
- c) basis or justification for the price (including premium, if any) at which the offer or invitation is being made: Not Applicable.
- d) name and address of Valuer who performed valuation: Not Applicable.
- e) material terms of raising such securities, proposed time schedule, purposes or objects of offer, Principle terms of assets charged as securities: As may be decided for each issuance by the Board.
- f) contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects: NIL

None of the directors or key managerial personnel of the company including their relatives are interested in the above resolutions.

Accordingly, the Board recommends the special resolution set out at item No.: 8 for approval of members.

Item No.: 9

The members of the Company are requested to note that as per provisions of Section 180(1)(a) of the Companies Act, 2013 (“the Act”), the Board of Directors of the Company (“the Board”) can exercise the power to sell, lease, demerge or otherwise dispose off the whole or substantially the whole of any undertaking(s) of the Company, only with the prior approval of the members of the Company by way of Special Resolution.

As per Explanation (i) and (ii) of Section 180(1)(a) of the Act:

- i. “undertaking” means an undertaking in which the company’s investment exceeds 20% of its networth as per the audited balance sheet of the preceding financial year or an undertaking which generates 20% of the total income of the company during the previous financial year.
- ii. “substantially the whole of undertaking” in any financial year means 20% or more of the value of the undertakings as per the audited balance sheet of the preceding financial year.

Your company has identified its “Arihant Financial Services Limited” as “Undertaking” in terms of Section 180(1)(a) of the Companies Act, 2013 and therefore requires members’ approval by way of ‘Special Resolution’ for disposal of the said business undertaking subject to approval of Reserve Bank of India (RBI).

In line with the strategic directions outlined by the Board of Directors (the “Board”) of Arihant Capital Markets Limited (the “Company”), the Board at its Meeting held on 31st January, 2023 approved the sale or transfer or demerge the whole of investments / shareholdings in Arihant Financial Services Limited (Wholly Owned Subsidiary) as specified under sub-clause (A) of sub-section (1) of Section 180 of the Companies Act, 2013, on a going concern, by way of a slump sale to any person including Directors/ shareholders and their relatives (“Transferee”) and the same has been approved by the Board of Directors of Arihant Financial Services Limited at the Meeting held on 31st January, 2023. The Company, the Transferee and the Wholly Owned Subsidiary are collectively referred to as the “Parties”.

The total income of the Business of the Wholly Owned Subsidiary for the year ended 31st March, 2023 was Rs. 325.46 lacs and formed 2.36% of the total income on consolidated basis. The profit / loss before tax of the Business of the Wholly Owned Subsidiary for the year ended 31st March, 2023 was Rs. 123.29 lacs.

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

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

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

Item No.: 10

The members of the Company are requested to note that as per provisions of Section 180(1)(a) of the Companies Act, 2013 (“the Act”), the Board of Directors of the Company (“the Board”) can exercise the power to sell, lease, demerge or otherwise dispose off the whole or substantially the whole of any undertaking(s) of the Company, only with the prior approval of the members of the Company by way of Special Resolution.

As per Explanation (i) and (ii) of Section 180(1)(a) of the Act:

- I. “undertaking” means an undertaking in which the company’s investment exceeds 20% of its networth as per the audited balance sheet of the preceding financial year or an undertaking which generates 20% of the total income of the company during the previous financial year.

ii. “substantially the whole of undertaking” in any financial year means 20% or more of the value of the undertakings as per the audited balance sheet of the preceding financial year.

Your company has identified its “Arihant Insurance Broking Services Limited” as “Undertaking” in terms of section 180(1)(a) of the Companies Act, 2013 and therefore requires members’ approval by way of ‘Special Resolution’ for disposal of the said business undertaking subject to approval of Insurance Regulatory and Development Authority of India (IRDAI).

In line with the strategic directions outlined by the Board of Directors (the “Board”) of Arihant Capital Markets Limited (the “Company”), the Board at its Meeting approved the sale or transfer or demerge the whole of investments / shareholdings in Arihant Insurance Broking Services Limited (Wholly Owned Subsidiary) as specified under sub- clause (A) of sub-section (1) of Section 180 of the Companies Act, 2013, on a going concern, by way of a slump sale to any person including Directors/ shareholders and their relatives (“Transferee”) and the same has been approved by the Board of Directors of Arihant Insurance Broking Services Limited. The Company, the Transferee and the Wholly Owned Subsidiary are collectively referred to as the “Parties”.

The total income of the Business of the Wholly Owned Subsidiary for the year ended 31st March, 2023 was Rs. 56.90 lacs and formed 0.41% of the total income on consolidated basis. The profit / loss before tax of the Business of the Wholly Owned Subsidiary for the year ended 31st March, 2023 was Rs. 36.42 lacs.

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

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

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

**By order of the Board of Directors
For Arihant Capital Markets Limited**

**Place: Indore
Date: 15th June, 2023**

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

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 31st Annual Report on the business and operations of Arihant Capital Markets Limited together with the audited financial statements for the financial year ended 31st March, 2023.

Financial Highlights

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

(₹ in Lacs)

Particulars	Standalone		Consolidated	
	2022-2023	2021-2022	2022-2023	2021-2022
Total Income	13246.84	15269.40	13776.03	17000.99
Profit Before Depreciation	3714.20	6007.56	4062.44	6609.12
Depreciation	187.01	112.46	189.76	118.72
Profit Before Tax	3558.19	6749.89	3938.71	6526.37
Provision for Taxation	935.33	1343.01	1026.95	1490.27
Net Profit After Taxation	2622.86	5406.88	2911.76	5036.10
Total Comprehensive Income	2624.80	5408.35	2924.41	5041.55
Appropriations:				
Transfer to General Reserve	2500.00	6000.00	2571.60	6050.00
Dividend	156.17	364.40	156.17	364.40
Balance Carried to Balance Sheet	1583.43	1614.80	1435.81	1268.03

Review of Operations

During the year under review, the company has posted total income of ₹ 13246.84 Lacs (previous year ₹ 15269.40 Lacs) on a Standalone basis and a net profit after tax, for the year 2022-23, of ₹ 2624.80 Lacs compared to ₹ 5046.88 Lacs in the previous year. On a consolidated basis during the year under review, the company has posted total income of ₹ 13776.03 Lacs (previous year ₹ 17000.99 Lacs). The consolidated net profit during the same period stands at ₹ 2911.76 as compared to ₹ 5036.10 Lacs in the previous year.

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

Change in the Nature of Business:

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

Transfer to General Reserves

The Company proposes to transfer ₹ 2500.00 Lacs to the general reserves out of the amount available for appropriations.

Share Capital

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

Dividend

The Board of Directors, have recommended a Dividend for the financial year ended on 31st March, 2023 @ 40% (i.e. ₹ 0.40/-) per equity share (face value of ₹ 1/- per share) to the equity shareholders. The Dividend will be paid after the approval of shareholders at ensuing Annual General Meeting.

Dividend Distribution Policy

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

Public Deposits

During the Financial Year 2022-23 under review the Company has neither invited nor accepted any public deposits within the meaning of section 73 & 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules 2014.

Subsidiaries

As on 31st March, 2023 Your Company have five wholly owned subsidiaries and one associate company. During the year, the Board of Directors reviewed the business operations and financial performance of the said Companies.

1. Arihant Futures and Commodities Limited
2. Arihant Financial Services Limited
3. Arihant Insurance Broking Services Limited
4. Arihant Institute of Financial Education Pvt. Ltd (Formerly Known as- Arihant Investment Advisers Pvt. Ltd.)
5. Arihant Capital (IFSC) Limited.
6. Electrum Capital Private Limited.*

* Associate Company

During the Financial year 2022-23 below mentioned wholly owned subsidiary companies ceased to be subsidiary of the company i.e.

1. Ahinsa Lifespace Infraheight Limited.

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

Directors and KMP

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

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

During the year under review, the Board of Directors of the Company appointed Ms. Swanubhuti Jain (DIN: 09006117) as a Non-Executive Independent Director of the Company w.e.f. 25th April, 2022 for a term of 5 years i.e. upto the conclusion of 35th Annual General Meeting and approved by the shareholders in the 30th Annual General Meeting held on 23rd July, 2022.

Mrs. Anita Surendra Gandhi (DIN: 02864338) who was appointed as Director at the board meeting held on 30th January, 2010, being the longest-serving Executive Director on the Board, retires by rotation at the ensuing annual general meeting. She has expressed her desire not to seek re-appointment as a Director and retire at the conclusion of the annual general meeting.

Particulars of the directors seeking appointment/re-appointment as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not required to be provided in the notes forming part of the notice for the ensuing Annual General Meeting as there is no appointment/re-appointment during the year.

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

During the year, the Board of Directors met 4 (Four) times. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report.

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

- (a) Mr. Ashok Kumar Jain, Managing Director;
- (b) Mr. Arpit Jain, Joint Managing Director;
- (c) Mrs. Anita Surendra Gandhi, Whole Time Director; (upto 31st March, 2023)
- (d) Mr. Tarun Goyal, Chief Financial Officer and
- (e) Mr. Mahesh Pancholi, Company Secretary.

Independent Director's Declaration

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

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

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

Familiarization program for independent directors

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

Remuneration and Nomination Policy

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

Board and Committee Meetings

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

Particulars of Loans, Guarantees or Investments by Company

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

Whistle Blower Policy/Vigil Mechanism

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

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

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

Transfer of Amounts to Investor Education and Protection Fund

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

Risk Management

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

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

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

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

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

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

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

A. Conservation of Energy

The steps taken or impact on conservation of energy:

- I. The operations of your Company are not energy intensive. However, adequate measures have been initiated to reduce energy consumption.
- II. The capital investment on energy conservation equipments: ₹12.86 lacs

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 ₹66.97 lacs (previous Year ₹6.27 lacs) and outflow ₹ 4.24 lacs (previous Year ₹ 13.81 lacs)

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 2023.

The Secretarial Audit Report for the Financial Year ended 31st March 2023, contains observations as provided by the Secretarial Auditor of the Company as “**Annexure – A**”.

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

Corporate Social Responsibility

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

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

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

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

Risk Management & Internal Financial Control and Its Adequacy

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

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

Performance Evaluation

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

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

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

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

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

Listing of Shares

Shares of the company are listed on BSE Limited (BSE) and National Stock Exchange of India which provides a wider participation to the investors nationwide.

Director's Responsibility Statement

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

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

Auditors and Auditors Report

Statutory Auditors

The Members at the 30th Annual General Meeting of the Company held on 23rd July, 2022, 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 35th Annual General Meeting.

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.

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

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

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

Internal Auditor

M/s Shah Kapadia & Associates, Practicing Chartered Accountant, is appointed as Internal Auditor of the Company to conduct the internal audit of the Company for the Financial Year 2022-23, as required under Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014.

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

There are no qualifications, reservations or adverse remarks made by Internal Auditors in their Report during the Financial Year 2022-23.

Management Discussion and Analysis Report

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

Corporate Governance

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

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

Annual Return

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Annual Return of the Company for Financial Year ended 31st March, 2023 is available on the Company website at: www.arihantcapital.com

Cost Auditor

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

Related Party Transactions

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

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

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

General

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

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

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

Your Company has zero tolerance towards sexual harassment at workplace. It has a well- defined policy in compliance with the requirements of the Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under. An Internal Committee is in place to redress complaints received regarding sexual harassment. The Company has not received any complaint of sexual harassment during financial year 2022-23.

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.

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

Dated: 20/05/2023

Place: Indore

For and on behalf of the Board of Directors

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

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31st March, 2023

[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 Y N Road,
Indore (M.P.) 452001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Arihant Capital Markets Limited** having **(CIN: L67120MP1992PLC007182)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Statutory Register, books, papers, minute books, forms and returns filed and other records maintained by **Arihant Capital Markets Limited (CIN:L67120MP1992PLC007182)** for the financial year ended on 31st March, 2023 according to the provisions of:

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

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the company during the audit period); and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the company during the audit period)
- i. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015

VI. Other applicable Acts;

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

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

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

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

- I. The Company has maintained the Structural Digital Database internally with the proper lock in till they installed the software in February, 2023.
- II. The Company has submitted incorrect data towards weekly monitoring of clients' funds in 2 areas as of 26-03-2021 and in 1 area as of 29-10-2021. SEBI Imposed penalty of Rs. 1,00,000/- excluding GST.
- III. SEBI imposed penalty of Rs. 50,000/- excluding GST- towards The Company has funded the clients' Transaction beyond T+2+5 days in 13 out of 50 instances (26% of the total sample instances) involving Rs. 7.75 crores.
 - a. The Company has passed on short margin reporting to clients in 10 instances pertaining to 10 clients involving Rs. 34,294/- . The company replied to SEBI in 1 instance, the shortfall in margin was due to non-payment of additional upfront margin requirement on the existing open position. It provided copy of the client ledger showing increase in the margin without new position.
 - b. In 2 instances, the margin penalties of Rs. 25,386/- in F&O segment and Rs. 3,862/- in CD segment were charged to the clients as the clients' cheques bounced, resulting in margin shortfall. It provided the copy of the bank statements and client ledgers.
 - c. In the remaining 9 instances, post-inspection, it credited the penalty charged to the clients.
 - d. It established a process to ensure that the margin penalty is not passed on to client for reasons which are not attributable to the clients.

After considering reply of company No penalty imposed.

- IV. The Company is engaged as a principal in a business other than securities involving personal financial liability by extending loans to 2 related entities to the extent of Rs. 13.07 crores and investing in 4 subsidiary companies to the extent of Rs. 7.11 crores. SEBI has imposed penalty of Rs. 5,00,000.00

Company has replied to the matter, Prior to the Exchange Circular No. NSE/COMP/50957 dated 07-01-2022, there was no express clarification on what will be considered as securities involving personal liability either in Rule 5 (b) of Chapter III of NSEIL Rules or Rule 8 (1) (f) and Rule 8 (3) (f) of SCRR or SEBI Circular No. SMD/POLICY/Cir-6/dated 07-05-1997. The restriction of lending or investment in related or group entities is expressly provided for the first time in Exchange Circular No. NSE/COMP/50957 dated 07-01-2022, enumerating the illustrative list of activities that shall be construed as non-compliance of Rule 8 (1) (f) and Rule 8 (3) (f) of SCRR. On receipt of said Circular, the Company immediately recalled the loans and liquidated or transferred its investments.

- V. As per SEBI's order, the Company failed to file suspicious transaction reports to Financial Intelligence Unit- India regarding certain discrepancies noted by the applicant in the Know Your Customer documents of its clients. In this regard SEBI has imposed Settlement of Rs. 17.50 Lacs. Management also replied The Company proposed to settle the proceedings initiated against it, without admitting or denying the findings of facts and conclusions of law and filed a settlement application with the SEBI in terms of the provisions of the SEBI (Settlement Proceedings) Regulations, 2018.

The High Powered Advisory Committee in its Meeting held on 22-02-2023, considered the settlement terms proposed and recommended that the case may be settled upon payment of Rs. 17,50,000/-.

The Company has paid the settlement amount and the SEBI vide Settlement Order dated 26-04-2023, disposed of the case.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

Date: 20/05/2023

Place: Indore

**For Ajit Jain & Co.
Company Secretaries**

AJIT JAIN

Proprietor

M.No. 3933

CP No. 2876

UDIN: F003933E000316905

Peer Review No. – 767/2020

PCS Unique ID No.: S1998MP023400

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

Annexure A to Secretarial Audit Report

To,
The Members,
ARIHANT CAPITAL MARKETS LIMITED
(CIN: L67120MP1992PLC007182)
6, Lad Colony Y N 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 Secretaries

AJIT JAIN

Proprietor

M.No. 3933

CP No. 2876

UDIN: F003933E000316905

Peer Review No. – 767/2020

PCS Unique ID No.: S1998MP023400

Date: 20/05/2023

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.

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

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

During the year Arihant Capital Markets Limited spent ₹ 82.85 Lakhs in the implementation of various CSR initiatives in the education, healthcare including preventive healthcare, gender equality etc.

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

2. Composition of CSR Committee:

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

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

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

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

6. Average net profit of the company as per section 135(5)
The average Net Profit for the last three years is ₹ 4142.67 Lacs

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 82.85 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: NA

(c) Amount required to be set off for the financial year, if any: NA

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 82.85 Lakhs

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

Total Amount Spent for the Financial Year. (in Lacs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer
₹ 82.85 Lakhs	-	-	-	-	-

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

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

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

S. No	CSR Project or Activity Identified	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in Lacs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration number
1.	Contribution to Indian Red Cross Society	Eradicating hunger, Poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Yes	Madhya Pradesh	Indore	7.70	No	Indian Red Cross Society	-
2.	Payment to Kunal Stores,	For Purchase of School Furnitures	No	Madhya Pradesh	Kareli Dist. Narsingh pur	4.45	Direct	-	-
3.	Education fees paid and sports Items Distribute and Distributions of Books and Copies	Fees paid to poor Student and distribution of Sports Items and distribution of Books, Copies etc.	Yes	Madhya Pradesh	Indore	2.38	Direct	-	-
4.	Shree Shakkar Bai Manikchand Digamber Jain Parmarthik Nyas	Promoting education including special education	No	Madhya Pradesh	Indore	11.00	No	Trust	CSR00029444
5.	Contribution to Aayushman Diagnostic Centre	Promoting health care including preventive health care	Yes	Madhya Pradesh	Indore	1.82	Direct	Organised Health check camp	-
6.	Shri Maheshwari Shaikshanik and Parmarthik Trust	Providing facilities to socially and economically backward groups	Yes	Madhya Pradesh	Indore	6.00	No	Shri Maheshwari Shaikshanik and Parmarthik Trust	CSR00023880

7.	Param Pujya Sant Maa Kankeshwari And Shodh Sansthan Samiti	Eradicating hunger, poverty and malnutrition	Yes	Madhya Pradesh	Indore	15.00	No	Trust	CSR00011867
8.	All India Marwari Yuva Manch	Cancer Scanning Camp	Yes	Madhya Pradesh	Indore	0.40	Direct	-	-
9.	Contribution to B S K B Association	Eradicating hunger, poverty and malnutrition	No	Maharashtra	Sion Mumbai	2.00	Direct	-	NA
10.	Shri Kund Kund Kahaan Digamber Jain Shasan Prabhavana Trust	Promoting education including special education	Yes	Madhya Pradesh	Indore	31.00	No	Shri Kund Kund Kahaan Digamber Jain Shasan Prabhavana Trust	CSR00040733
11.	Contribution for plantation	Ensuring environmental sustainability	No	Maharashtra	Thane	1.10	Direct	Keshav Srushti	CSR00002691

(d) Amount spent in Administrative Overheads: NIL

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

**(f) Total amount spent for the Financial Year: ₹ 82.85 Lacs
(8b+8c+8d+8e)**

(g) Excess amount for set off, if any

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

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

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

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

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

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

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

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

Date : 20/05/2023
Place : Indore

Ashok Kumar Jain
Chairman & Managing Director
DIN 00184729

ANNEXURE-C
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 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 and the comparison of remuneration of each Key Managerial Personnel(KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	% increase in Remuneration in the FY 2022-23	Ratio of Remuneration of each Director to Median remuneration of employees
1.	Ashok Kumar Jain*	(2.00)%	19.48%
2.	Mrs. Anita S. Gandhi*	(8.00)%	11.30%
3.	Mr. Arpit Jain*	(3.00)%	5.75%
4.	Sunil Kumar Jain	-	-
5.	Akhilesh Rathi	-	-
6.	Parag Rameshbhai Shah	-	-
7.	Ashish Maheshwari	-	-
8.	Jitendra Jain	-	-
9.	Swanubhuti Jain	-	-
10.	Mahesh Pancholi*	8.00%	4.19%
11.	Tarun Goyal*	36.00%	6.46%

*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 7.01% in the median remuneration of employees.
- (iv) There were 292 permanent employees on the rolls of Company as on 31st March, 2023.

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

FORM NO. AOC.1
Statement containing salient features of the financial statement of
subsidiaries/associate companies/joint ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of
Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries
 (Information in respect of each subsidiary to be presented with amounts)

₹ in Lacs

Sr. No.	Particulars	1	2	3	4	5
1	Name of the subsidiary	Arihant Financial Services Limited	Arihant Futures & Commodities Limited	Arihant Insurance Broking Services Limited	Arihant Institute of Financial Education Private Limited (Formerly Known as Arihant Investment Advisers Private Limited)	Arihant Capital (IFSC) Limited
2	Paid Up Share capital	25.00	35.50	75.00	25.00	140.00
3	Reserves & surplus	941.37	1,475.99	24.40	31.21	(0.16)
4	Total assets	2,574.29	1,520.49	106.50	57.61	140.15
5	Total Liabilities	1607.92	9.00	7.10	1.40	0.31
6	Investments	-	-	-	-	-
7	Turnover/Total Income	325.46	282.95	56.90	17.02	0.95
8	Profit before taxation	123.29	193.64	36.40	6.50	(5.27)
9	Provision for taxation	32.72	48.82	9.19	1.65	(0.74)
10	Profit after taxation	90.57	144.82	27.22	4.85	(4.54)
11	Proposed Dividend	-	-	-	-	-
12	% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%

***NOTE:**

During the Financial year 2022-23 Wholly Owned Subsidiary (WOS) company ceased to be the WOS of the Company i.e.

1. Ahinsa Lifespace Infraheight Limited

Part "B": Associates and Joint Ventures

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

₹ in Lacs

S.No.	Name of Associates and Joint Ventures	Electrum Capital Private Limited (Formerly Known as Electrum Investment Managers Limited)
1.	Latest audited Balance Sheet Date	31.03.2023
2.	Date on which the associate is associated	07.10.2020
3.	Shares of Associate held by the company on the year end	
i.	No. of shares	13,75,000
ii.	Investment in associates	1,37,50,000
iii.	Extend of Holding (in percentage)	27.23%
4.	Description of how there is significant influence	By virtue of holdings being 20% or more
5.	Reason why the associates not consolidated	N.A.
6.	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ in lacs)	281.96
7.	Profit or Loss for the year (₹in lacs)	65.42
i.	Considered in Consolidation (₹ in lacs)	30.72
ii.	Not Considered in Consolidation (₹ in lacs)	34.70

MANAGEMENT DISCUSSION AND ANALYSIS REPORT



Financial Year 2023: A Glance

FY23 witnessed a significant milestone with the Indian economy positioning itself as the fifth-largest global economy while showcasing unwavering resilience. Despite formidable challenges like inflationary pressures and a high-interest rate environment that affected the global economy, India markets remained buoyant.

Here is a recap of the major events of FY23.

- **Ukraine War Impact:** Russia's invasion of Ukraine in February 2022 triggered an energy supply shortage, causing fuel, food, and raw material prices to soar globally. This resulted in the US experiencing its highest inflation rate in forty years.
- **Covid-Threat and China:** The fiscal year started with the threat of the spread of new Covid-virus subtype, which resulted in China's decision to continue lockdown in its cities. This had a detrimental impact on the global supply chain. It also resulted in a significant increase in oil and food prices which in turn resulted in steep rise in inflation across the global economies. Even India was not spared either, and for most part of the year inflation remained beyond the RBI's tolerance limit.
- **Interest Rate Hikes:** Central banks, including the US Fed and the RBI, responded to high inflation fears by implementing aggressive rate hikes.
- **Foreign Portfolio Investment (FPI) Outflows:** Foreign investors withdrew ₹37,631 crores from Indian equity markets since April 2022 due to higher interest rates and concerns about market overvaluation.
- **Banking Crisis in the West:** Tech-focused regional banks in the US, such as SVB, Silicon Bank, and Signature Bank, collapsed due to deposit runs caused by higher interest rates and losses on bond portfolios. The crisis spread to Europe, resulting in UBS rescuing Swiss Lender Credit Suisse through a government-mediated deal.

The financial year 2022–23 was a subdued year for the Indian stock market, majorly influenced by a range of factors discussed above. The Indian stock markets were very volatile during FY23 and ended the year on a flat note. The benchmark BSE Sensex closed the year up 0.78%, while the Nifty ended down 0.44%. However, Nifty and Sensex outperformed most major global peers like the American Dow Jones, S&P 500, Nasdaq 100, Hong Kong's Hang Seng and Australia's S&P/ASX 200 in financial year 2023.

Remarkably, India emerged as the second-best performer among emerging markets, trailing only South Africa. The resilience of Indian equities was primarily attributed to robust investments from domestic institutions, amounting to nearly ₹1.62 lakh crores. Foreign portfolio investors sold Indian shares worth ₹37,631 crores. Despite their sell-off, domestic sectors like FMCG, auto, and banks experienced notable gains, with the Nifty FMCG index rising by 26%, while auto and banking sectoral indices increased by 16% and 11%, respectively, by the end of the fiscal year. On the other hand, sectors such as pharma, energy, metals, realty, and IT witnessed declines ranging between 12% and 28% in FY23. Robust growth in the agriculture, construction, and services sectors and a rebound in manufacturing in the March quarter supported India's 7.2% growth in FY23, beating the official forecast of 7%.

Indian Economy Outlook FY24

According to the International Monetary Fund (IMF), in FY24, the Indian economy is expected to grow at 6.5%. The logistic costs and commodity costs, which had risen substantially due to the Ukraine–Russia war, have started tapering and have also resulted in better margins for various companies. To control inflation, the Reserve Bank of India (RBI) had to adopt a tightening policy and raise interest rates by 250 basis points during the year. However, we expect the interest rates hikes to come to a pause during the next fiscal year.

India's oil import bill is crucial as it is a major component of cross-border trade. India's trade deficit in merchandise exports had gone up in FY23 from the previous year, and improvements in service exports were insufficient to offset the imbalance in trade. In FY24, the major challenges for India will be a slowdown in exports as the global economy is showing signs of a slowdown and the impact of higher interest rates. The projections of all major global rating agencies are also indicating a global slowdown.

On the positive side, India has one of the youngest population in the world. The government is committed to infrastructure growth, and adequate capex is happening on defense and infrastructure. Moreover, Indian banking sector has shown resilience during a global banking crisis demonstrating inherent strength of the economy and the banking system. We are likely to see consolidation with a strong positive bias and continue to attract the attention of global investors amidst a forecasted global slowdown.

Global Outlook FY24

According to the International Monetary Fund (IMF), the global economy is anticipated to face a slowdown in the coming years. Projections suggest that growth rates will see a dip in 2023 before stabilizing in 2024 (as per calendar year). Advanced economies, including the USA, are likely to experience a notable decline in growth rates, with estimates falling from 2.7% in 2022 to 1.3% in 2023.

The IMF's analysis highlights an anticipated global economic slowdown, particularly in advanced economies. Inflation is projected to decrease, although core inflation may take additional time to reach desired levels.

Indian Broking Industry

The Indian broking industry exhibits a remarkable diversity, encompassing numerous intermediaries that contribute to the market infrastructure. In the past few years, many new digital and discount broking companies have entered the market resulting in severe competition and low brokerage rates. The growth and competition in the market further intensified during the Covid-19 pandemic when the number of demat account openings saw record growth. This has helped in increasing the penetration of equity as an asset class among Indians and the entry of many young Indians into the markets.

We are happy to announce that our new mobile app Arihant Plus and web trading platforms launched in August 2022. This will help us compete better in the market and help in the next leg of the company's growth. We have discussed elaborately about the trading platforms and the digitization journey in the forthcoming section.

Who We Are and What We Do?

We are Arihant Capital, India's leading financial services company helping investors meet their financial goals for over three decades. Our main objective is to assist our customers in growing their wealth by effectively managing risk and maximizing returns and offering them the right tools and services. Over the years, we have expanded our operations and gained a reputation as a trusted and respected financial firm.

Over the years, our company has broadened our service offerings to include equity and equity derivatives, commodity, and currency broking services, margin funding, portfolio management, merchant banking services, financial product distribution, financial planning, insurance services, and depository services. Our extensive network comprises 644 investment centers spread across 161 cities in India. We cater to a diverse client base exceeding two lac clients, which includes retail investors, high net-worth individuals, and both domestic and foreign financial institutions.

At Arihant Capital, we strive to provide personalized financial solutions, leveraging our expertise, experience, and comprehensive range of services. Our commitment to client-first approach, professionalism, and integrity has established us as a trusted partner for individuals and institutions.



Here is a list of products and services offered by Arihant Capital:

Products and Services Offered:

Broking and Depository	Retail and Institutional broking, depository services
Institutional Broking	Serving banks, insurance companies, mutual funds and other institutions
Trading Platforms	Mobile and web trading platforms for equities, ETF, derivatives, mutual fund, IPO, commodity and currencies
Merchant Banking	Capital markets services, corporate finance, strategic advisory
Mutual Funds	Mutual funds/IPOs, NPS services
Insurance	General insurance and life insurance
NBFC & MTF	Loan against shares and margin trading funding services
Portfolio Management Services	Investment portfolio in stocks, fixed income
NRI	Depository services, investment across asset classes and platforms

*Arihant Capital Markets along with its subsidiaries together are hereinafter referred to as Arihant or the Company.

Our Digital Platform- Arihant Plus Mobile App

The Arihant Plus Mobile App, launched across multiple platforms including iOS, web, and Android, has gained significant traction among both existing and new clients.


Investing in general can be very complex for the average user. After gathering data on how traders and investors use the mobile application and other trading platforms, we designed Arihant Plus to make trading and investing easier and accessible for everyone. Our goal is to un-complicate investing in stock markets and provide users with the right tools and resources to create wealth. With Arihant Plus, we have tried to create a well-thought-out UI (user interface) that's cleaner, simpler, and caters to both beginners and experienced traders and combined it with the right tools and features so that even first-time users can quickly and easily understand.

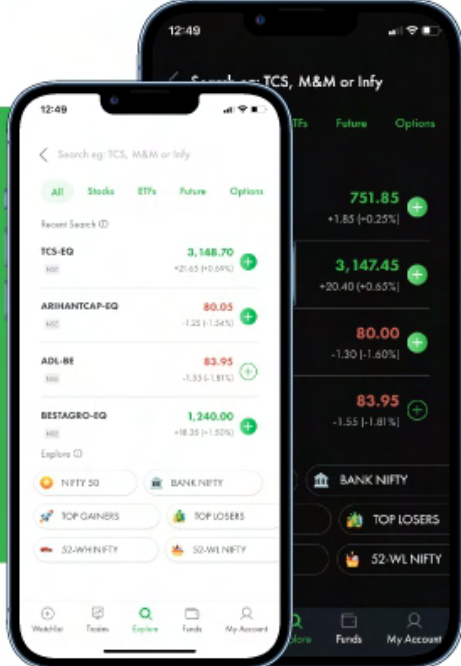
With an already impressive Play Store rating of 4.84 stars, the application has been received well. Moving forward, Arihant Plus will continue to expand features and products, ensuring seamless and smart trading and investment experience for its users.

Experience trading like never before with

ArihantPlus

SCAN HERE !





**DOWNLOAD OUR
NEW MOBILE APP
ARIHANT PLUS**

What does Arihant Plus offer to clients

- Convenience:** The Arihant Plus mobile app is designed to create a friction-free trading journey for clients. The app provides users with a convenient and user-friendly platform to trade and invest in stocks. The new mobile app has been designed after a lot of research and based on feedback from clients to make their trading journey smoother, simpler, and quicker. Clients can conveniently track market trends, execute trades, find advanced charting and order types, and monitor their portfolios, anytime, anywhere with ease through our new trading platforms.
- Great UI/UX:** The right UI/UX enables users to make more rational decisions and better trade execution thereby helping them to achieve their financial goals, resulting in higher user satisfaction scores. By presenting information in an easily understandable form, users can get actionable insights about their money. That's what we are trying to achieve with Arihant Plus.
- Innovation:** Arihant Capital's investment in developing the Arihant Plus mobile app showcases its commitment to innovation and embracing digital transformation. By leveraging cutting-edge technology, the app offers a seamless and immersive user experience, empowering clients with advanced tools and features to make informed investment decisions.
- Real-Time Updates:** Users of the app stay updated with real-time market information, enabling them to make timely investment decisions. The app provides live streaming of stock prices, market news, research, and market analysis, ensuring users can make informed decisions.
- Security:** Arihant Plus prioritizes the security and privacy of its users. The app incorporates top-notch robust security measures to ensure the confidentiality and integrity of client information.

Review of Operations

The financial performance of our company in FY23 was directly influenced by the volatility witnessed in the Indian financial markets. The fluctuations in the market had a substantial impact on our revenues. However, despite these challenges, we remained resilient and focused on strengthening our digital capabilities.

The company's financial performance and key financial ratios for the period under review are mentioned as follows:

Year ended (₹ in lacs)	March 31, 2023	March 31, 2022
Income from operations	₹13,754.77	₹16,975.09
Other Income	₹21.26	₹25.90
Total Income	₹13,776.03	₹17,000.99
Total Expenditure	₹9,903.35	₹10,510.59
Profit before Tax	₹3,938.71	₹6,526.37
Tax on Profit	₹1,026.95	₹14,90.27
Net Profit for the period	₹2,911.76	₹5,036.10
Earnings Per Share	₹2.80	₹4.84

Key Financial Ratios

S. No.	Ratios	March 31, 2023	March 31, 2022
1.	Earning Per share (EPS)	2.80	4.84
2.	Debt Equity Ratio	0.23	0.36
3.	Debtors Turnover Ratio	0.75	0.98
4.	Total Debt to Total Assets	0.11	0.14
5.	Return on Networth	0.11	0.22

During the financial year, your company’s revenues dropped 18.97% from ₹16,975.09 lacs in FY22 to ₹13,754.77 lacs in FY23. This drop in revenue and also the profits were due to several factors:

- Stock market performance has a direct correlation to our business. Due to global economic uncertainty resulting in increased volatility in the market, lower participation was seen from our clients.
- To achieve the next level of growth, the company kickstarted its digitization journey which required significant investments in technology and hiring the right talent. We also engaged top consultants in the country to help us in our digitization efforts. This increased our costs considerably.
- Last year, the company had an exceptional income due to sale of wholly owned subsidiary. Due to its addition to the total revenues, the drop seen in FY23 revenues is steeper

Recognizing the importance of the digital landscape, we made significant investments to attract top talent, reinforcing our commitment to innovation and customer-centricity. Notably, in FY23, we achieved a major milestone with the successful launch of the Arihant Plus Mobile App.

While market volatility posed obstacles, we remain steadfast in our pursuit of growth and are confident in our ability to navigate through dynamic market conditions.



Risk factors relating to our business operations

The company pays close attention to the risks associated with its products, as they could potentially harm the business. It has established clear risk management policies to handle changing market conditions and evolving regulations, regularly reviewing its risk management framework. The company has dedicated resources in terms of people, processes, and technology to effectively manage its risk management system. It takes proactive measures to identify and address risks and opportunities, aiming to safeguard and add value for its stakeholders. Some key risks that affect the company's overall governance include economic and geopolitical risks, technology risks, operational risks, market risks, regulatory risks, governance risks, resource risks, and reputation risks.



1. Economic & Geopolitical Risk

As a financial services company, the company's business is materially affected by the economic conditions of the country and even global economies, global economic slowdown, and any geopolitical risks.

2. Technological Risk

- The Company will have to be abreast with the rapidly changing technology to offer seamless and improved experience to its clients. If the Company is unable to keep pace with this, it runs the risk of technology obsolescence.
- The management periodically reviews various technology risks such as protecting sensitive customer data, identity theft, cyber-crimes, data leakage, business continuity, access controls, etc. While the Company has put in place processes, systems and tools and is actively monitoring suspicious activities, there can be times that.
- 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.
- Our success depends largely upon our highly skilled technology professionals and our ability to hire, attract, motivate, retain and train these personnel.

3. Operational Risks

Security breaches pose a significant operational risk for financial services company, potentially resulting in significant liability and reputational damage. The breach of the company's systems, as well as those of its clients or third parties, can lead to unauthorized access, theft of sensitive information, such as client personal data or financial details, and potential financial fraud. Such incidents can result in financial losses, legal implications, regulatory penalties, and erosion of customer trust.

4. Market Risk

Market volatility is a significant risk, as sudden price movements and increased market fluctuations can affect trading volumes and investor activity. Economic conditions also play a role, as downturns or recessions can reduce investor confidence and trading activity. Hence, like other players in the market, our business is highly sensitive to economic and political conditions prevalent in the country. Any sustained downturn in general economic conditions or Indian equity markets and severe market fluctuations would likely result in reduced client trading volumes and net revenues, and hence, will have a material adverse effect on our profitability.



5. Reputation Risk

Over the years, the company pays special attention to issues that may create a reputational risk. Events that can negatively impact the organization position are handled cautiously ensuring utmost compliance with relevant laws.

Our reputation could be at risk and we may be liable to our clients or to regulators for damages caused by inadvertent disclosure of confidential information and sensitive data. Our reputation, access to capital and longer-term financial stability could be at risk if we are unable to meet our stated action goals.

6. Credit Risk

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

7. Competition Risks

As a financial services company operating in the rapidly evolving industry, we face significant challenges due to competition risk. The market landscape has become increasingly competitive, making it harder for us to differentiate ourselves and attract new customers. Aggressive pricing strategies employed by our competitors can trigger price wars, resulting in squeezed profit margins and overall diminished profitability.

Established brokerage firms with strong brand recognition and abundant resources pose a formidable challenge. Furthermore, regulatory changes introduce additional complexities, increasing our compliance costs and creating barriers to entry. To navigate these challenges, we understand the utmost importance of maintaining customer loyalty. Competitors offering attractive incentives, superior service, or additional features can tempt our clients to switch brokers.

8. Compliance Risk

As a participant in the securities markets and a registered merchant banker, we are subject to extensive regulation under the Securities and Exchange Board of India (SEBI), multiple exchanges and other regulatory bodies. The costs and uncertainty related to complying with such regulations continue to increase. While the slew of new regulations introduced by SEBI are in the interest of the investors, and we really welcome such changes, these regulations may impact our business operations, enhance capital requirement and impose restrictions on the activities we are allowed to do and the facilities we can offer to the clients.

Despite our best efforts to comply with all the applicable regulations, there are a number of risks, particularly in areas where applicable regulations or laws may be unclear or where regulators could revise their previous guidelines. Additionally, some legal/regulatory frameworks provide for the imposition of fines and penalties for noncompliance even though the noncompliance was unintentional or inadvertent and even though the systems and processes reasonably designed to prevent violations were in place. Such a finding can affect our business, and damage our reputation.

9. Litigation Risk

As a financial services company, we face significant litigation and regulatory risks. Litigation and arbitration claims include those brought by our clients, authorized partners and the regulators. An unfavorable judgment, settlement, injunction or fine could materially impact our business and affect our operating results. Moreover, such litigation can require the expenditure of significant company resources.

Risk Management

Risk management holds a pivotal role in our business strategy and planning discussions. At Arihant, we have implemented a robust risk management framework that allows us to identify, understand, and effectively manage risks associated with our operations.

Integrating risk management seamlessly across all aspects of our business, we aim to strike the right balance between risk and return while ensuring prudent financial management. Compliance with applicable laws, rules, and regulations is of utmost importance to us. Risk management is deeply ingrained in our overall strategy, fostering a strong risk culture that encourages a holistic approach to risk management throughout our organization.

Regular review of our risk management policies and processes is conducted by the Audit Committee, which also stays informed about risk assessments, the impact of risks on our business, and our mitigation plans. We are committed to maintaining a vigilant and proactive approach to risk management, ensuring the security and stability of our operations in the best interest of our stakeholders.

Human Resources

Arihant has an experienced and talented pool of employees who play a key role in enhancing business efficiency, devising strategies, setting up systems, and responding to an evolving business environment. The company has embarked on several human resource initiatives to enhance the productivity of the organisation. The company endeavours to provide a safe, conducive, and productive work environment. Arihant is committed to providing a positive work environment free of discrimination and harassment. Equal opportunity and fair treatment are part of our code of conduct.

The company believes that the quality of its employees is the key to its success and is committed to equipping them with skills that enable them to seamlessly evolve with ongoing technological advancements. Our success depends in large part on our management team, key personnel, and our ability to attract and retain them.

The company conducts training programmes to improve technical and behavioural skills, business excellence, management skills, and leadership skills. It also creates awareness about company values and the code of conduct. The company believes in a safety culture and implements policies and programmes to safeguard the health and well-being of its people. It also strives to create a diverse and inclusive workplace that accommodates people from varied backgrounds with an unbiased attitude towards personal preferences, cultural or sexual orientation, geographical origin, etc.

Corporate Social Responsibility (CSR)

Outline of our CSR Policy

At our core, we are deeply committed to social responsibility, recognizing its pivotal role in fostering positive societal change. Our comprehensive CSR program reflects our dedication to striking a harmonious balance that encompasses human welfare, environmental stewardship, and community empowerment. By seamlessly integrating CSR principles into our business operations and actively participating in CSR initiatives, we are steadfast in our pursuit of continuous contributions to global sustainable development. This policy serves as our guiding framework, outlining the principles and processes that underpin the execution, implementation, and monitoring of our CSR activities. With unwavering commitment, we strive to create a lasting impact and uplift the communities we serve.

Arihant's Commitment to Corporate Social Responsibility

In FY23, our company demonstrated its unwavering commitment to Corporate Social Responsibility (CSR) and works in several areas including education, upliftment of the underprivileged, healthcare, and sustainability.

For India to grow, we strongly believe we need to uplift and empower young underprivileged children and give them access to quality education in small villages. To support this, your company engaged in several activities through its CSR initiatives including donation of furniture to schools, financial support to educational institutions, and funding construction of school building. Furthermore, we distributed books and copies, and other stationary materials to students, ensuring they get access to quality education.

We also actively engaged in plantation drives to reduce our carbon footprint.

Recognizing the importance of sports and health, we have invested in sports activities for the underprivileged, organized health camps, and provided diagnostics services.

The comprehensive details of our Corporate Social Responsibility (CSR) activities are included in the Board Report, highlighting our commitment to social impact. For accessing our company's CSR policy, please click [here](#). We invite stakeholders and interested parties to visit our website and familiarize themselves with our CSR initiatives and the strategic framework we have established to drive positive change in the communities we serve.

Internal Control System

The internal control systems are designed to safeguard the Company's assets and ensure efficient productivity at all levels. The systems are adequate for the size of the business and the industry in which it operates. Well-defined processes, guidelines, and procedures and adequate internal information systems enable the Company to enhance internal controls.

Decision-making is made easier due to proper information flow. Periodic and frequent audits ensure strict adherence to the set procedures and processes. The audit committee reviews reports presented by the internal auditors on a routine basis. The committee makes note of the audit observations and takes corrective actions, if necessary. It maintains a constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

The Environment

At Arihant, we place great importance on promoting eco-friendly and environmentally conscious practices. We actively encourage our clients to embrace paperless solutions by opting for electronic trade confirmations (e-contract notes), account statements, and bills. By going paperless, not only do we contribute to preserving the environment, but we also enable our clients to conveniently access vital information electronically, regardless of their location.

Our philosophy encompasses achieving outstanding performance while upholding ethical behavior and a steadfast dedication to minimizing our environmental footprint. We firmly believe that sustainable practices and responsible actions go hand in hand with delivering successful outcomes. By embracing eco-friendly initiatives, we strive to create a positive impact on the environment and foster a greener, more sustainable future for all.

Commitment to doing what is right

At Arihant Capital Markets, our top management team and board of directors are dedicated to doing what is right. We prioritize the best interests of our associates, clients, and shareholders, ensuring ethical leadership and value creation that fosters trust and long-term success.

Opportunities, Challenges & Strengths

Opportunities

- Despite the steep growth in the number of new demat accounts in India over the last five years, the penetration of equity as an asset class is still very low in the country. This presents an opportunity for us to cater to this growing customer base in the equity segment and offer our services.
- The Indian market is witnessing a significant shift towards digital platforms for trading and investing. We look to leverage technology to provide a seamless and user-friendly trading experience to our clients, attracting more customers in the process.
- Offering a wide range of investment options, including equities, derivatives, mutual funds, commodities, merchant banking activities and more.
- Providing personalized services to retail investors. Building relationships, offering tailored investment advice, and providing prompt customer support can help attract and retain clients.
- Corporates looking at consolidation/acquisitions / restructuring open out opportunities for the corporate advisory business.
- There has been an increase in disposable income, and this provides an opportunity for getting more wallet share from our customers.
- By adhering to regulatory compliance, maintaining transparency, and providing a reliable and secure trading platforms, we seek to establish trust with clients, leading to long-term relationships.

Challenges

- The brokerage industry in India is highly competitive, with several established players and new entrants vying for market share. We may face tough competition from larger brokerage firms with more extensive resources and established brands.
- Customer preferences and expectations are continually evolving. Retail investors now seek seamless, user-friendly interfaces, mobile trading apps, and personalized services. We need to continuously assess and respond to changing customer demands to stay competitive.

Regulatory Changes.

- The stock markets can be volatile, influenced by various factors such as economic conditions, political developments, and global events. We need to have robust risk management systems in place to mitigate potential losses and protect our clients' investments.
- Market trends making other assets relatively attractive as investment avenues.

Strengths

- **Established Brand:** Arihant Capital Markets Limited (ACML) is a well-known and respected brand in the brokerage industry in India, instilling trust and credibility among clients and stakeholders.
- **Experienced Management Team:** The company is backed by a highly experienced top management team with a proven track record, ensuring effective leadership and strategic decision-making.
- **Strong Franchisee Network:** ACML has established leadership in the franchisee business, fostering strong relationships with its franchisees and promoting growth and profitability for both parties.
- **Focus on Research and Differentiation:** The company's understanding of equity as an asset class and its commitment to quality research set it apart from competitors, providing valuable insights to clients and enhancing its competitive edge.

Commitment to superior quality and process execution.

Strategy

Our strategic vision at Arihant Capital Markets is to seize the immense growth and consolidation opportunities within the brokerage industry. Leveraging our robust infrastructure, experience and knowledge, we aim to expand our market share and enhance profitability. Staying at the forefront of industry dynamics, we will embrace technological advancements to ensure our offerings are aligned with evolving client expectations.

By strategically expanding our network in high-potential markets with manageable competition, we will strengthen our position and reinforce our relevance to clients. Our client-centric approach will enable us to deeply understand their investment requirements and deliver tailored solutions that meet their unique needs. Through these initiatives, we are committed to building a sustainable organization that remains attuned to our clients' agendas, fosters growth opportunities for our employees, and delivers profitable returns for our valued investors.

Statutory Compliance

At Arihant Capital Markets, we place great emphasis on statutory compliance, ensuring that we adhere to all relevant regulations and laws. Our company has established a robust and transparent compliance framework that is well-documented and easily demonstrable. This framework enables our management to effectively monitor and report on compliance risks and exposures to the Board. To ensure comprehensive compliance, our Chief Compliance Officer provides a declaration at each Board Meeting, confirming adherence to the provisions of various statutes. This declaration is obtained after obtaining confirmation from all operating departments across our subsidiary companies in India. By maintaining a strong focus on statutory compliance, we prioritize operating ethically and responsibly, thereby earning the trust and confidence of our stakeholders.

Cautionary Statement

The Management Discussion and Analysis (MDA) report provides a comprehensive overview of the company's objectives, projections, estimates, and expectations. It is important to note that these statements may be forward-looking, as defined by applicable laws and regulations. However, it is crucial to understand that the actual outcomes and results may vary significantly from what is expressed or implied in the report. Numerous factors can influence the company's operations, including changes in governmental regulations, tax regimes, forex markets, economic developments both in India and the countries where the company operates, and other incidental factors. Therefore, it is essential to consider these dynamic elements when interpreting the information presented in the MDA report.

Report on Corporate Governance

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

1) Company's philosophy on corporate governance

Your Company is dedicated to upholding the highest standards of corporate governance. Its philosophy is rooted in transparency, accountability, and ethical conduct. Your Company believe in conducting its business with integrity, ensuring fair and responsible practices across all aspects of its operations. This commitment extends to diverse and independent Board of Directors, who provide unbiased guidance and oversight. It prioritizes the rights of its shareholders, providing them with timely and accurate information to make informed decisions. Its robust risk management processes, compliance with legal obligations, and commitment to transparency and disclosure further reinforce our dedication to governance excellence.

In addition to accountability and performance evaluation, your Company places a strong emphasis on employee engagement and development. The Company value its employees as most valuable asset and foster a culture of empowerment and continuous learning. Its responsibility extends beyond the confines of its organization and actively contribute to the betterment of society through corporate social responsibility initiatives and sustainable practices. By continuously improving the corporate governance practices and adhering to these principles, your Company aim to create long-term value for its stakeholders, building trust and maintaining its position as a trusted stock broking company in the market.

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

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

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

Your Company confirms the compliance of Corporate Governance as contained in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations, 2015 ("SEBI LODR Regulation") as amended, the details of which are given below.

2) Board of Directors

a) Composition and Category of the Board

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

The Company has the policy to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board.

As on 31st March, 2023, the Board of Directors of your Company comprised of nine (9) Directors. The Board has an optimum combination of executive and non-executive directors. Out of total nine (9), three (3) are Executive Directors, one (1) is Non-Executive Non-Independent Director and five (5) are Independent Directors. As the Chairman of the Board is not a regular non-executive director, the requirement of atleast half of the Board of Directors comprising of independent directors is also met. The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations.

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

S. No	Name of the Director and Category	No. of membership on Board committees including the Company	No. of chairmanship on Board committees including the Company	No. of Board meetings attended during the Financial Year 2022-23	Attendance at last AGM held on July 23, 2022
1.	Mr. Ashok Kumar Jain (Chairman and Managing Director) (DIN: 00184729)	1	0	4	Yes
2.	Mr. Arpit Jain (Joint Managing Director) (DIN: 06544441)	1	0	4	Yes
3.	Mrs. Anita Surendra Gandhi (Whole Time Director) (upto 31 st March, 2023) (DIN: 02864338)	0	0	2	Yes
4.	Mr. Sunil Kumar Jain (Non-executive Non- Independent) (DIN: 00184860)	2	0	4	Yes
5.	Mr. Akhilesh Rathi (Independent Director) (DIN: 02002322)	2	2	3	No
6.	Mr. Parag Rameshbhai Shah (Independent Director) (DIN: 00512469)	2	0	4	Yes
7.	Mr. Ashish Maheshwari (Independent Director) (DIN: 00185949)	2	1	4	Yes
8.	Mr. Jitendra Jain (Independent Director) (DIN: 08377285)	1	0	4	No
9.	Ms. Swanubhuti Jain (Independent Director) (DIN: 09006117) (Appointed w.e.f 25 th April, 2022)	0	0	4	Yes

- Mr. Ashok Kumar Jain & Mr. Sunil Kumar Jain are relatives (brother) and Mr. Arpit Jain being the son of Mr. Ashok Kumar Jain. No other Director is related to any other Director on the Board of the Company.
- Ms. Swanubhuti Jain (DIN: 09006117) as a Non-Executive Independent Director of the Company w.e.f. 25th April, 2022 for a term of 5 years i.e. upto the conclusion of 35th Annual General Meeting and approved by the shareholders in the 30th Annual General Meeting held on 23rd July, 2022.
- None of the Directors hold office in more than ten Public Companies. None of the Independent Directors of the company serve as an Independent Director in more than seven listed companies. All Directors are also in compliance with the limit on Independent Directorships of listed companies as prescribed under SEBI (LODR) Regulations, 2015.
- Other directorships do not include alternate directorships, of companies registered under section 8 of the Companies Act, 2013 and of companies incorporated outside India.
- None of the Directors on the Board is a member of more than ten committees or Chairman of Five Committees. Chairmanship/Membership of board committees includes chairmanship/membership of audit committee, stakeholders' relationship committee and Risk Management Committee only. The membership/chairmanship of board committee of private limited companies, foreign companies and companies registered under section 8 of the Companies Act, 2013 are excluded for the aforesaid purpose.
- Board of Directors of the company is much more aware on Company's business, Risk, Opportunities, Policies, Business Strategy, Sales and Marketing, Corporate Governance etc.

b) Board meetings held during the year

The Board of Directors of the Company met 4 (Four) times during the financial year 2022-23. At least one meeting of the Board was held every quarter and the time gap between any two consecutive board meetings did not exceed 120 days during the financial year 2022-23.

The details of director's attendance at board meetings held during financial year 2022-23 are as under:

S. No.	Date of Board Meetings	Board Strength (No. of Directors)	No. of Directors present	No. of Independent Directors Present
1.	25 th April, 2022	9	9	5
2.	22 nd July, 2022	9	8	5
3.	21 st October, 2022	9	9	5
4.	31 st January, 2023	9	7	4

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

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

c) Familiarisation Programme for Independent Directors

The Company formulated a policy on Familiarisation Programme for Independent Directors to provide them an opportunity to

familiarise with the Company, its management and its operations so as to gain a clear understanding of their roles and responsibilities. They have full opportunity to interact with senior management personnel and are provided all documents required and sought by them for enabling them to have a good understanding of the Company, its various operations and the industry on which it is a part. The weblink for the familiarisation programmes for Independent Directors is: <https://www.arihantcapital.com/investor-relations/esg>.

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

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

d) Independent Directors Meeting

The SEBI LODR and Schedule IV to the Act mandate the Independent Directors of the Company to hold at least one meeting in every financial year, without the attendance of non-independent directors and members of the management. During the financial year ended 31st March, 2023, the Independent Directors met on 31st January, 2023, inter alia, to review the performance of Non-Independent Directors & the Board as a whole, to review the performance of the Chairman of the Company and to assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board.

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

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

f) Confirmation of Independent Directors:

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

Committees of the Board

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

- i) Audit Committee
- ii) Stakeholders Relationship Committee
- iii) Nomination and Remuneration Committee
- iv) Corporate Social Responsibility Committee
- v) Risk Management Committee

3) Audit committee

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

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

The Committee held Four (4) meetings during the financial year 2022-23 and the gap between any two meetings did not exceed 120 days. The Dates on which the Audit Committee Meetings held were: 25th April, 2022, 22nd July, 2022, 21st October, 2022 and 31st January, 2023. 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	3
2.	Mr. Sunil Kumar Jain	Member	4	4
3.	Mr. Parag Rameshbhai Shah	Member	4	4
4.	Mr. Ashish Maheshwari	Member	4	4

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

- i. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

- iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (a) matters required to be included in the Directors' Responsibility Statement to be included in the Boards' Report in terms of clause (c) of sub-section (3) of section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit report.
- v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- vi. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- vii. Approval or any subsequent modification of transactions of the company with related parties;
- viii. Scrutiny of inter-corporate loans and investments;
- ix. Evaluation of internal financial controls and risk management systems;
- x. Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- xi. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xii. Discussion with internal auditors of any significant findings and follow up there on;
- xiii. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- xiv. To review the functioning of the Whistle Blower mechanism;
- xv. Carrying out such other function as may be delegated by the Board from time to time or specified in the circular, notification issued by SEBI, from time to time or provided under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other law for the time being in force.

4) Nomination and Remuneration Committee

The Nomination and Remuneration Committee determines and recommends to the Board the compensation payable to the directors. The remuneration committee consists of four non-executive directors as members, viz., Mr. Akhilesh Rathi, Mr. Sunil Kumar Jain, Mr. Parag Rameshbhai Shah and Mr. Ashish Maheshwari. Mr. Mahesh Pancholi acts as the secretary and Mr. Akhilesh Rathi is the chairman of the committee. The Committee's composition meets with requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015. During the year, two (2) meetings of the Nomination and Remuneration Committee were held on 25th April, 2022 and 31st January, 2023. The Terms of Reference of Nomination & Remuneration Committee include the following:

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

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

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

a) Performance Evaluation of Independent Directors, Board of Directors, Committees of Board and Senior Management

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

The Directors were given various forms for evaluation of the following:

- Evaluation of Chairperson
- Evaluation of Board
- Evaluation of Independent Director
- Evaluation of Committees of the Board

5) Remuneration of Directors

There was no pecuniary relationship or transaction between the Non-Executive Directors and the Company during the financial year 2022-23. All the non-executive directors receive remuneration only by way of sitting fees for attending meeting of the board/committee. The said policy of the company is available on the website on <https://www.arihantcapital.com/investor-relations/esg>. The details of the remuneration paid to Chairman and managing directors and whole-time director during the year is as under: (₹ in Lacs)

S. No.	Name of the Director	Salary	Perquisite	Commission	Total
1.	Mr. Ashok Kumar Jain	60.00	1.00	0.00	61.00
2.	Mr. Arpit Jain	18.00	-	150.00	168.00
3.	Mrs. Anita S. Gandhi	35.40	-	-	35.40

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

(₹ in Lacs)

S. No.	Name of the Director	No. of Equity Shares	Sitting fees	Convertible Instruments
1.	Mr. Sunil Kumar Jain	5353280	1.80	0
2.	Mr. Akhilesh Rathi	299235	1.30	0
3.	Mr. Parag Rameshbhai Shah	0	1.80	0
4.	Mr. Ashish Maheshwari	0	1.80	0
5.	Mr. Jitendra Jain	0	1.80	0
6.	Ms. Swanubhuti Jain	0	1.80	0

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 2022-23, the Committee met 4 times

i.e., on 25th April, 2022, 22nd July, 2022, 21st October, 2022, and 31st January, 2023. 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	3
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.

Status Report of investor queries and complaints for the period from 01st April, 2022 to 31st March 2023 is given below:-

S. No.	Particulars	No. of Complaints
1.	Investor complaints pending at the beginning of the year	Nil
2.	Investor complaints received during the year	9
3.	Investor complaints disposed of during the year	9
4.	Investor complaints remaining unresolved at the end of the year	Nil

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 One(1) meeting during the financial year 2022-23, on 31st January, 2023. 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	1	1
2.	Mr. Akhilesh Rathi	Member	1	0
3.	Mr. Sunil Kumar Jain	Member	1	1
4.	Mr. Ashish Maheshwari	Member	1	1

8) Risk Management Committee

Pursuant to Regulation 21 (5) of the SEBI (Listing Obligation and Disclosures Requirement) Regulation, 2015 the Board has constituted the Risk Management committee on April 25, 2022 comprising of Mr. Ashish Maheshwari, Chairman of the Committee, Mr. Jitendra Jain Member, and Mr. Arpit Jain assist members, to frame, implement and monitor risk management plan of the Company.

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

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. Ashish Maheshwari	Chairman	3	3
2.	Mr. Jitendra Jain	Member	3	3
3.	Mr. Arpit Jain	Member	3	3

9) General body meetings

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

Financial Year	Venue	Date	Time
2019 – 2020	Meeting held through Video Conferencing (“VC”)/ other Audio-Visual Means(“OAVM”)	26/09/2020	12.30 P.M.
2020- 2021	Meeting held through Video Conferencing (“VC”)/ other Audio-Visual Means(“OAVM”)	25/09/2021	12:30 P.M.
2021-2022	Meeting held through Video Conferencing (“VC”)/ other Audio-Visual Means(“OAVM”)	22/07/2022	12:30 P.M.
2021-2022	Meeting held through Video Conferencing (“VC”)/ other Audio-Visual Means(“OAVM”)	26/03/2022	11:00 A.M.

Special resolution/ Postal ballot

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

2020

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

2021

1. To re-appoint Mr. Ashok Kumar Jain (DIN: 00184729) as a Managing Director.
2. To appoint Mr. Arpit Jain (DIN: 06544441) as a Joint Managing Director.
3. To re-appoint Mrs. Anita Surendra Gandhi (DIN: 02864338) as a Whole Time Director of the Company.
4. Appointment of Mr. Jitendra Jain as an Independent Director of the company.
5. To Sale or Transfer the whole of Undertaking of Arihant Futures and Commodities Limited (Material Subsidiary / wholly owned Subsidiary) as specified under sub- clause (A) of sub-section (1) of Section 180 of the Companies Act, 2013.
6. To Sale or Transfer the whole of Undertaking of Arihant Lifespace Infra Developers Limited (Material Subsidiary / wholly owned Subsidiary) as specified under sub- clause (A) of sub-section (1) of Section 180 of the Companies Act, 2013.
7. To Sale or Transfer the whole of Undertaking of Arihant Institute of Financial Education Private Limited (Formerly Known as Arihant Investment Advisers Private Limited) wholly owned Subsidiary of the Company as specified under sub- clause (A) of sub-section (1) of Section 180 of the Companies Act, 2013.

2022

1. Appointment of Ms. Swanubhuti Jain as an Independent Director of the Company
2. Re-appointment of Mr. Ashish Maheshwari as an Independent Director of the Company.
3. Sub-Division/Split of Equity shares of the company from face value of ₹ 5/- per Equity share to face value of ₹ 1/- per Equity share.
4. Alteration of capital clause of memorandum of association of the company.

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.

10) 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 70 in the Annual Report.

11) 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.

12) Other Disclosures

- i. There are no materially significant transactions with its promoters, the directors or the senior management personnel, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company. The disclosure in respect of related party transactions is provided in the notes on accounts. All contracts with the related parties entered into during the year are in normal course of business and have no potential conflict with the interest of the Company at large and are carried out on arm’s length basis at fair market value. The policy on dealing with related party transactions is available on the website of the Company www.arihantcapital.com as well as disclosed half yearly/yearly on Consolidated Basis on BSE and NSE.
- ii. **Shareholders’ Rights:** As the quarterly and half yearly, financial results are published in the newspapers and are also posted on the Company’s website, the same are not being sent separately to the shareholders.
- iii. The Company’s financial statements for the financial year 2022-23 do not contain any audit qualification.
- iv. The Internal Auditors of the Company make presentation to the Audit Committee on their reports as per the approved audit programmes by the Audit Committee at the beginning of the year on a quarterly basis.
- v. The Company has complied with the requirements of Stock Exchanges, Securities and Exchange Board of India and other statutory authorities/regulatory on matter relating to capital markets during the last three years however, SEBI has imposed penalty or show cause notices to company as mentioned in Annual Secretarial Compliance Report and Secretarial Audit Report. Though, the Company has filed a suitable reply for the same mentioning the reason of non-inclusion of certain items.
- vi. The Company has implemented the mandatory requirements of corporate governance as set out in the listing agreement with stock exchanges.
- vii. The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Towards this end, the Company has framed a Whistleblower Policy. No personnel has been denied access to the Audit Committee. The detail Whistleblower policy has been uploaded on the Company’s website:<https://www.arihantcapital.com/investor-relations/esg>
- viii. The Company has formulated a policy on materiality of Related Party Transactions and on dealing with Related Party Transactions. The said Policy is available on the website of the Company <https://www.arihantcapital.com/investor-relations/esg>
- ix. The Annual tentative calendar of the Board meetings is circulated to the members of the Board, well in advance. The Agenda and other related information on the items in the agenda also provided on time, to enable Board members to take informed decision. The Agenda and related information are circulated in electronic form.
- x. The Company has not raised any fund through preferential allotment or qualified institutions placement, hence the disclosure of details of utilization of the fund as specified under Regulation 32(7A) of the Listing Regulations is not applicable.
- xi. The Company has obtained a Certificate from Mr. Virendra G. Bhatt Company Secretaries in practice certifying that none of the Directors on the Board of the Company for the year ended on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/Ministry of Corporate Affairs or any such Statutory Authority
- xii. The Board also review the declarations made by the Managing Director &CEO, CFO andthe Company Secretary regarding compliance with all applicable laws and reviews the related compliance reports, on quarterly basis.
- xiii. During the year ended 31st March, 2023, the Board had accepted all the recommendations of the Committees, which are mandatorily required.
- xiv. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to M/s. Dinesh Ajmera & Associates, the Statutory Auditor of the Company for the year ended 31st March, 2023, is as follows: ₹ in Lacs

· Fees for audit and related services paid to M/s. Dinesh Ajmera & Associates	10.52
· Other fees paid to M/s. Dinesh Ajmera & Associates	0.22

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

- No. of Complaints on Sexual Harassment received during year : NIL
- No. of Complaints disposed off during the Year : Not Applicable
- No. of cases pending as on end of the Financial Year : Not Applicable

xvi. The details of 'Loans and Advances in the nature of loan to firms/companies in which directors are interested by name and amount' as provided in note no. 9 in the Standalone Balance Sheet.

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

Regulation	Particulars of regulation	Compliance Status
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders relationship committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
25	Obligation with respect to Independent Directors	Yes
26	Obligations with respect to employee including Senior Management, key managerial persons, directors and promoters	Yes
27	Other Corporate Governance Requirements	Yes

13) Code for prevention of insider-trading practices

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

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

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 2022-23. A declaration to this effect signed by the Chairman & Managing Director is given in this Annual Report.

15) CEO/ CFO certification

This Certificate Certifies that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs.

As required under Regulation 17 (8) and Regulation 33 (2) (a) of the SEBI (LODR) Regulations, 2015 with the BSE/NSE, the

CEO/CFO certificate for the financial year 2022-23 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 20th May, 2023.

16) Subsidiary and Material Subsidiary Companies

- **Subsidiary Companies**

All the subsidiary companies of the Company are managed by their Boards having the rights and obligations to manage these companies in the best interest of respective stakeholders.

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

However, the board monitors the performance of such companies, interalia, by reviewing:

a) Financial statements, the investment made by the unlisted subsidiary companies, statement containing all significant transactions and arrangements entered by the unlisted subsidiary companies forming part of the financials being reviewed by the Audit, Risk and Compliance Committee of the Company on a quarterly basis.

b) Minutes of the meetings of the unlisted subsidiary companies, if any, are placed before the Company's Board regularly.

c) Providing necessary guarantees, letter of comfort and other support for their day-to-day operations from time-to-time.

- **Material Subsidiary Companies**

As required under Regulations 16(1) (c) and 46 of the Listing Regulations, the Board of Directors has approved the Policy on Determination of Material Subsidiaries ("Policy"). The said policy is available on the website of the Company at www.arihantcapital.com

Although, during the year under review, Ahinsa Lifespace Infraheight Limited ceased to be the subsidiary of the Company.

17) 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.

18) 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.

19) Adoption of Non-Mandatory Requirements

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

20) 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 31st March, 2023.

For Arihant Capital Markets Limited

Date: 20/05/2023
Place: Indore

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

Corporate Governance Certificate

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

1. I, Ajit Jain, Proprietor at Ajit Jain & Co., Practicing Company Secretaries, have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2023, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

Managements' Responsibility

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

Our Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the books, papers, minutes books, forms, returns and other relevant records and documents maintained by the company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

5. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2023.

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

7. The certificate is issued solely for the purpose of complying with the aforesaid SEBI Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this Certificate.

For Ajit Jain & Co.
Company Secretaries

Place: Indore
Date: 20/05/2023

CS Ajit Jain
(Proprietor)
M.No: 3933
C.P. No: 2876
UDIN number: F003933E000316960
Peer Review Certificate No.: 767/2020
PCS Unique ID No.: S1998MP023400

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Arihant Capital Markets Limited** (hereinafter referred to as “the Company”) having CIN: L67120MP1992PLC007182 and having registered office at 6, Lad Colony, Y. N. Road, Indore – 452001, Madhya Pradesh, India, 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, 2023 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 the Directors	DIN	Date of Appointment at current Designation	Original Date of Appointment
1.	Ashok Kumar Jain	00184729	25/06/1992	25/06/1992
2.	Sunil Kumar Jain	00184860	25/06/1992	25/06/1992
3.	Ashish Maheshwari	00185949	09/09/2017	01/12/2006
4.	Parag Rameshbhai Shah	00512469	09/09/2010	30/01/2010
5.	Akhilesh Rathi	02002322	22/01/1994	22/01/1994
6.	Anita Surendra Gandhi	02864338	01/02/2010	30/01/2010
7.	Arpit Jain	06544441	25/09/2021	25/01/2021
8.	Jitendra Jain	08377285	25/09/2021	14/06/2021
9.	Swanubhuti Jain	09006117	23/07/2022	25/04/2022

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

Date: 15th May, 2023
 Place: Mumbai

Virendra G. Bhatt
Practicing Company Secretary
 ACS No.: 1157 / COP No.: 124
 Peer Review Cert. No.: 1439/2021
 UDIN: A001157E000308849

GENERAL SHAREHOLDER'S INFORMATION

1	Date and Time of 31 st AGM	05 th August, 2023, 12:30 P.M.
2	Venue of Annual General Meeting (AGM)	The 31 st Annual General Meeting (AGM) of the Company will be held on Saturday, the 05 th day of August, 2023 at 12:30 P.M. The Company is conducting AGM through VC/OAVM in compliance with the applicable provisions of the Companies Act, 2013 and MCA General Circular No. 14/2020, dated 08th April, 2020, MCA General Circular No. 17/2020, dated 13th April, 2020, MCA General Circular No. 20/2020, dated 5th May, 2020, MCA General Circular No. 02/2021 and as such there is no requirement to have a venue for the AGM
3	Date(s) of Book Closure	30.07.2023 to 05.08.2023 (both days inclusive)
4	Financial Calendar Financial Results for* - Quarter ending June 30 th , 2023 Quarter ending September 30 th , 2023 Quarter ending December 31 st , 2023 Year ending March 31 st , 2024 *tentative dates	Second week of August, 2023 Second week of November, 2023 Second week of February, 2024 Last week of May, 2024
5	Financial Year	1 st April 2023 to 31 st March 2024
6	Dividend Payment Date	On or after 10 th August, 2023
7	Listing of Equity Shares on the Stock Exchange at	The BSE Limited P.J. Towers, Dalal Street, Mumbai-400001 National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Bandra (E) Mumbai - 400 051.
8	CIN of the Company	L67120MP1992PLC007182
9	Security Code	511605 (BSE) ARIHANTCAP (NSE)
10	ISIN	INE420B01036
11	Stock Market Data:	Monthly high and low stock price along with volumes of equity shares traded on BSE and NSE for the FY 2022-23 is given below:

BSE LIMITED

Month	High (Rs)	Low (Rs)	Volume in Lacs
April 2022	486	77.90	951.88
May 2022	93.70	76.45	1023.71
June 2022	84.90	73.10	169.07
July 2022	83.50	70.95	259.12
August 2022	79.80	60.15	469.24
September 2022	87.00	70.70	718.04
October 2022	77.90	65.00	213.37
November 2022	78.20	64.50	268.06
December 2022	71.00	57.00	180.21
January 2023	74.90	46.00	218.73
February 2022	58.90	42.00	90.65
March 2023	48.95	33.01	163.81

NSE LIMITED

Month	High (Rs)	Low (Rs)	Volume in Lacs
April 2022	479.00	77.60	6500.94
May 2022	93.90	75.75	2194.62
June 2022	84.40	72.85	854.36
July 2022	82.90	70.30	2063.81
August 2022	79.80	60.45	3362.66
September 2022	86.70	70.45	3129.25
October 2022	77.90	61.40	2289.73
November 2022	78.50	64.00	2750.54
December 2022	71.00	55.60	2712.11
January 2023	69.40	45.80	3218.18
February 2022	52.95	41.65	1107.32
March 2023	44.95	33.25	1198.37

12. Distribution schedule as on March 31st, 2023

Shareholding of Nominal Value of		No of Share holders	% of Total holders	Share Amount in Rs.	% of Total Equity
Rs.	Rs.				
UPTO	1000	9234	80.59	1742842	1.67
1001	2000	715	6.24	1088661	1.05
2001	3000	326	2.85	827682	0.79
3001	4000	408	3.56	1365984	1.31
4001	5000	188	1.64	895917	0.86
5001	10000	262	2.29	1963804	1.89
10001	20000	156	1.36	2263269	2.17
20001	30000	57	0.50	1439152	1.38
30001	40000	29	0.25	975972	0.94
40001	50000	13	0.11	593607	0.57
50001	100000	39	0.34	2834651	2.72
100000	ABOVE	31	0.27	88121259	84.64
Total		11458	100.00	104112800	100.00

13 Dematerialization of Shares

About 98.84 per cent of Company's paid up equity share capital has been dematerialized up to March 31st, 2023

14 Foreign Exchange Risk and Hedging Activities

Not Applicable

15. Dematerialized at NSDL & CDSL

Physical

102906680

1206120

16 Shareholding Pattern as on March 31, 2023:

Category	No. of Shares Held	% of Shareholding
Promoters & Promoters Group	77171740	74.12
Foreign Portfolio Investors	397675	0.38
Corporate Bodies	1159732	1.11
Indian Public	23482084	22.55
NRI / OCB	167083	0.16
Others – Clearing Members	225356	0.22
IEPF	1509130	1.45
TOTAL	104112800	100.00

17 Share Transfer System & Dematerialization

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

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

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

18 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- 4217192
Fax No. : 731-4217199
Email: mahesh.pancholi@arihantcapital.com

Notes:

- I. Annual listing fee for the Year 2023-24 has been paid to the BSE Limited and NSE Limited, Mumbai.
- II. Annual Custody Fee for the Year 2023-24 has been paid to NSDL and CDSL.
- III. Distribution schedule and Shareholding Pattern as on March 31st, 2023.
- IV. During the Financial Year 2021-22, the Company has credited Rs. 3,84,579/- lying unpaid /unclaimed in the dividend account (2014-15) 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 2015-16, to the Investor Education and Protection Fund in term of the provisions of the Companies Act, 2013. The details of unclaimed/unpaid dividend are also available on the MCA and also on website of the Company.
- V. The Company has also uploaded the details of unpaid/unclaimed amounts lying with the company as on July 23, 2022 (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. Securities & Exchange Board of India (SEBI) vide its circular SEBI/HO/MIRSDMIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 and circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021 as made it mandatory to furnish PAN, email address, mobile number, bank account details and nomination

- by holders of Physical Securities. In this regard individual letters are sent to all the physical Shareholders. You are requested to furnish Valid PAN, KYC and nomination immediately to the RTA. You are requested to kindly check the website for more details.
- 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 and National Stock exchange of India Limited electronically through BSE Listing Centre and NEAPS.
 - XI. 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.
 - XII. We solicit suggestion for improving our investor services.

CEO/CFO CERTIFICATE

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

We the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Arihant Capital Markets Limited ("the Company") to the best of our knowledge and belief certify that:

- a. We have reviewed financial statements for the quarter and year ended 31st March, 2023 and that to the best of our knowledge and belief, we state that:
 - I. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - II. these statements together present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, no transactions are entered into by the Company during the period, which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We are responsible for establishing and maintaining internal controls over financial reporting and that we have evaluated the effectiveness of internal control systems pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit committee:
 - I. significant changes, if any, in internal control over financial reporting during the quarters and year;
 - II. significant changes, if any, in accounting policies during the quarter and year ended 31st March, 2023 the same have been disclosed in the notes to the financial statements; and
 - III. Instance of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Indore
Date: 20/05/2023

Tarun Goyal
CFO

Ashok Kumar Jain
MD

Business Responsibility and Sustainability Report (BRSR)

SECTION A - GENERAL DISCLOSURES

- | | | |
|----|---|---|
| 1 | Corporate Identity Number (CIN) | - L67120MP1992PLC007182 |
| 2 | Name of the Listed Entity | - ARIHANT CAPITAL MARKETS LIMITED |
| 3 | Year of incorporation | - 25/06/1992 |
| 4 | Registered office address | - 6, Lad Colony Y.N. Road, Indore – 452001 (MP) |
| 5 | Corporate address | - 1011, Solitaire Corporate Park, Building No. 10, 1st Floor, Chakala, Andheri (East), Mumbai – 400093 |
| 6 | E-mail | - contactus@arihantcapital.com |
| 7 | Telephone | - 07314217100 |
| 8 | Website | - www.arihantcapital.com |
| 9 | Financial year for which reporting is being done | - 2022-23 |
| 10 | Name of the Stock Exchange(s) where shares are listed | - The Bombay Stock Exchange India Limited and National Stock Exchange of India Ltd. |
| 11 | Paid-up Capital | - Rs. 104112800 |
| 12 | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | - Mr Mahesh Pancholi (Company Secretary),
Email: mahesh.pancholi@arihantcapital.com,
Ph: 0731-4217100 |
| 13 | Reporting boundary | - Disclosures made in this report are on a standalone basis |
| 14 | Details of business activities (accounting for 90% of the turnover): | |

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Broking and Financial Service	Financial Advisory, Brokerage and Consultancy Services	87.00%

15 Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Broking	66120	60%
2	Merchant Banking and Distribution of Financial Products	66120	27%

16 Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	Nil	25	25
International	Nil	0	0

17 Markets served by the entity:
a. Number of locations

Location	Number
National (No. of States)	9
International (No. of Countries)	Nil

b. What is the contribution of exports as a percentage of the total turnover of the entity? - Nil
c. A brief on types of customers - Arihant Capital is an integrated technology-based securities firm offering a wide range of services including retail and institutional broking, financial products distribution, private wealth management and issuer and advisory services. Our customers include Resident and Non Resident individuals, HUF's, Corporates etc.

18 Details as at the end of Financial Year:
a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	292	205	70.21	87	29.79
2.	Other than Permanent (E)	0	0	0.00	0	0.00
3.	Total employees (D + E)	292	205	70.21	87	29.79

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	0	0	0	0	0

19 Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	2	22.22%
Key Management Personnel	5	1	20.00%

20 Turnover rate for permanent employees

Permanent Employees	FY (Turnover rate in current FY)	FY (Turnover rate in previous FY)	FY (Turnover rate in the year prior to the previous FY)
Male	17.2%	20.2%	18.5%
Female	16%	19.23%	17.5%

Permanent Workers	FY (Turnover rate in current FY)	FY (Turnover rate in previous FY)	FY (Turnover rate in the year prior to the previous FY)
Male	0%	0%	0%
Female	0%	0%	0%

* includes all employees except those on probation

21 Names of holding / subsidiary / associate companies / joint ventures

S.no	Name of the holding/subsidiary/ associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Arihant Futures & Commodities Limited	Subsidiary	100%	No
2	Arihant Financial Services Limited	Subsidiary	100%	No
3	Arihant Insurance Broking Services Limited	Subsidiary	100%	No
4	Arihant Institute of Financial Education Private Limited (Formerly Known as Arihant Investment Advisers Private Limited)	Subsidiary	100%	No
5	Arihant Capital (IFSC) Limited	Subsidiary	100%	No
6	Electrum Capital Private Limited (Formerly Known as Electrum Investment Managers Limited)	Associate	27.23%	No

Note: The company sold its entire shareholding in wholly owned subsidiary Ahinsa Lifespace Infraheight Limited during the year.

22

(i)	Whether CSR is applicable as per section 135 of Companies Act, 2013:	Yes
(ii)	Turnover (Rs. In Lakhs.)-	13228.05
(iii)	Net worth (Rs. In Lakhs.)-	23227.98

23 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2022-2023 Current Financial Year					FY 2021-2022	
		(If Yes, then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints pending resolution at close of the year	Remarks	Number of complaints pending resolution at close of the year
Communities	If the stakeholders have any grievances, they can contact Mr. Mahesh Pancholi (Company Secretary) at mahesh.pancholi@arihantcapital.com	0	0	NA	0	NA	0	NA
Investors (other than shareholders)		0	0	NA	0	NA	0	NA
Shareholders		9	0	Resolved	0	Resolved	0	Resolved
Employees and workers		0	0	NA	0	NA	0	NA
Customers		3	0	Resolved	0	Resolved	0	Resolved
Value Chain Partners		3	0	Resolved	0	0	0	0
Other (please specify)		0	0	NA	0	NA	0	NA

24 Overview of the entity's material responsible business conduct issues					
Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format					
S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Privacy and Data Security	Opportunity & Risk	<p>Risk: As the world becomes more digitised, and especially in the wake of the pandemic, where the number of online users increased tremendously, privacy and data security are becoming key concerns.</p> <p>Opportunity: Having a strong information security structure (software, knowledgeable staff, and operational procedures) enables us to mitigate cyber threats, safeguard the privacy and security of all of our stakeholders' confidential information, and facilitate corporate growth.</p>	<p>Regarding information technology/cybersecurity risk, the company has developed rules that outline thresholds, mitigation tactics, and internal controls. To defend the organization's cyberspace from cyber-attacks, risks, and vulnerabilities, policies for information security management and cyber security and cyber resilience are in place. The organisation has a Personal Data Protection Standard that seeks to instill a culture of data protection responsibility within Arihant Capital and raise employee understanding of data protection, acceptable data handling procedures, and relevant regulations pertaining to personal data.</p>	<p>Positives include easier business process automation, higher stakeholder credibility and confidence, better data management, and brand reputation protection.</p> <p>Negative: Privacy and data security breaches.</p>
2	Community and Social Impact	Opportunity	<p>Opportunity: Arihant Capital has a long history of dedication to corporate social responsibility (CSR). The goal of our organisation is to assist significant socioeconomic sustainable development and make it possible for more individuals to take part in and profit from the nation's economic growth. According to the company's stated CSR philosophy, it supports the causes of skill-development training for sustainable livelihood, healthcare, including preventive healthcare, women's empowerment, senior citizen welfare, and contribution to incubators for fostering an entrepreneurial culture through the incubation of new ventures/start-ups that may create livelihood opportunities, new products/services, and foster financial inclusion.</p>	<p>NA</p>	<p>Negative: Privacy and data security breaches.</p>
3	Human Capital	Opportunity & Risk	<p>Opportunity: We continually invest in the growth and development of our personnel and their alignment with the company's growth strategy since human capital is one of our most important strategic imperatives.</p> <p>Risk: Because there is a great demand for qualified personnel, it is essential to continually spend in training newer employees so they are prepared for the workplace while also automating and streamlining operations.</p>	<p>Our culture is one of meritocracy, openness, and equal opportunity. High-performing personnel are given opportunities for growth and development in advance. In order to safeguard the wellbeing of our employees and their families during COVID-19, we enabled technology work from home and facilitated health & vaccination-related assistance. In order to increase the speed at which we can give our customers fair digital products and processes, we have invested in acquiring vital and essential people. We make significant investments in programmes that support learning and development, performance support, career progression, engagement, diversity, and inclusion at work. We have a strong grievance handling procedure in place to resolve employee issues. We assess staff alignment on a regular basis and, if necessary, take corrective action.</p>	<p>Positive: Productivity increases when essential talent is retained through various human resources initiatives.</p> <p>Negative: High attrition risks cause pay inflation and continuity losses.</p>

Section B: Management and Process Disclosures									
The National Guidelines for Responsible Business Conduct (NGRBCs) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:									
Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	https://www.arihantcapital.com/investor-relations/esg							
2	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y
4	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The company has obtained ISO 9001:2015 certification							
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	For some policies, we don't have mandatory targets, pledges, or review procedures. We have systems in place to monitor important factors including shareholder complaints, staff satisfaction surveys, and resource consumption like water, paper, and electricity.							
6	Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	We track key parameters in policies and record it for learning and development to enhance our policies.							

Governance, leadership and oversight																																																																												
7	<p>Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements: One of our top priorities is conducting business in an ethical and sustainable way. Discussions about key ESG issues are ongoing with all of our stakeholders, and we have determined that some of the most crucial ones are environmental footprint, efficient and transparent customer service, corporate governance, risk management, human capital development, and community engagement.</p> <p>Our ESG executive forum and highly qualified, diverse board supervise the company's ESG path.</p> <p>We implemented procedures such as the Comprehensive Code of Conduct and Business Ethics, a sound risk culture, digitised business, the launch of innovative products, investments in developing cybersecurity and information security, employee welfare policies, resource monitoring, and setting goals to reduce electricity consumption.</p>																																																																											
8	<p>Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</p> <p style="text-align: center;">Board Of Directors</p>																																																																											
9	<p>Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</p> <p style="text-align: center;">No</p>																																																																											
10	<p>Details of Review of NGRBCs by the Company:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="width: 30%;">Subject for Review</th> <th colspan="9">Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee</th> <th colspan="9">Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)</th> </tr> <tr> <th>P 1</th><th>P 2</th><th>P 3</th><th>P 4</th><th>P 5</th><th>P 6</th><th>P 7</th><th>P 8</th><th>P 9</th> <th>P 1</th><th>P 2</th><th>P 3</th><th>P 4</th><th>P 5</th><th>P 6</th><th>P 7</th><th>P 8</th><th>P 9</th> </tr> </thead> <tbody> <tr> <td>Performance against above policies and follow up action</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> <tr> <td>Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances</td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> <td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td> </tr> </tbody> </table> <p>Everywhere it is specified, company policies have been adopted by the board, board committees, and senior management. According to the frequency specified in the relevant policies or on a need-basis, whichever comes first, policies are periodically examined in all aspects, including legislative requirements, and appropriate revisions are made to the policies.</p> <p>The Company has put the appropriate processes in place to guarantee adherence to all pertinent laws.</p>	Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)									P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	Performance against above policies and follow up action																			Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances																		
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Performance against above policies and follow up action																																																																												
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances																																																																												
11	<p>Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 16.6%;">P 1</td> <td style="width: 16.6%;">P 2</td> <td style="width: 16.6%;">P 3</td> <td style="width: 16.6%;">P 4</td> <td style="width: 16.6%;">P 5</td> <td style="width: 16.6%;">P 6</td> <td style="width: 16.6%;">P 7</td> <td style="width: 16.6%;">P 8</td> <td style="width: 16.6%;">P 9</td> </tr> </tbody> </table> <p>No, however internal audits and evaluations of the company's rules and procedures are occasionally conducted.</p>	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9																																																																		
P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9																																																																				

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	2	Programmes involved disseminating information about the company's industry and further growth prospects	100
Key Managerial Personnel	7	Programmes involve function of product development, marketing and distribution	100
Employees other than BoD and KMPs	13	Programmes involve trainings for successful on ground implementation of the strategies formulated by the senior management	100
Workers	Not Applicable		

2 Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website) :- Nil

3 Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
The company had filed an appeal before the Securities appellate Tribunal (SAT) for review of penalty levied by the SEBI. The company has made payment of the penalty imposed by the SEBI vide letter dated 29 December, 2021 and closed the said matter.	SEBI

4 Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Company has an anti-corruption and anti-bribery policy.

5 Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	CY	PY
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6 Details of complaints with regard to conflict of interest:

	CY		PY	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7 Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest

Not Applicable

LEADERSHIP INDICATORS

1 Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

The Company on an annual basis sends an email communication to all vendor partners informing them about the Code of Conduct and Business Ethics of the Company.

2 Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes

The company appoints members of the board after doing a thorough selection process and careful consideration of their qualifications, expertise, and alignment with the company's strategic goals and values. This process is done of the prospective member to avoid future conflict of interest. Further the company obtains an undertaking from such members for no future action that would lead to conflict of interest.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1 Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

The majority of Capex investments were made in information technology due to the nature of the company's industry. In order to support the Company's digital objectives, investments were made as an addition to capital assets in the form of IT infrastructure, including hardware and software. The proportion of the Company's total addition to fixed assets that was spent on R&D and capital expenditures related to information technology was 44.3% in FY 2023 (compared to 46.3% in FY 2022).

In order to support the Company's digital objectives, investments were made as an addition to capital assets in the form of IT infrastructure, including hardware and software. The proportion of the Company's total addition to fixed assets that was spent on R&D and capital expenditures related to information technology was 71% in FY2022 (compared to 90% in FY2021).

	Current Year Financials	Previous Year Financials
R&D	Nil	Nil
Capex	180.16	75.78

2 a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

b. If yes, what percentage of inputs were sourced sustainably?

The sourcing of inputs is unrelated to our primary activities, and resource consumption is restricted to maintaining operations.

3 Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The company generates municipal waste. The municipal corporation collects the waste generated on daily basis. The company has eco-friendly policies and condemns the use of plastic packaging. Instead the company promotes the use of eco-friendly packaging. The company does not generate any other kind of waste.

4 Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

NotApplicable

LEADERSHIP INDICATORS

1 Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

The company is involved in institutional and retail broking. Hence, Life Cycle Perspective / Assessments is not applicable on the company.

2 If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same -

NotApplicable

3 Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Nil

4 Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	CY			PY		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	The company condemns the use of plastic bags. Instead the company promotes the use of eco-friendly modes of packaging. Hence, the company does not generate any plastic waste.					
E-waste	Nil			Nil		
Hazardous waste	Nil			Nil		
Other waste	The company generates municipal waste which is collected by municipal corporation on daily basis.					

5 Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Not Applicable

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

1 Essential Indicators

a. Details of measures for the well-being of employees:											
Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
	Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)	
Permanent employees											
Male	205	205	100%	205	100%	0	0%	0	0	0	0
Female	87	87	100%	87	100%	87	100%	0	0	0	0
Total	292	292	100%	292	100%	87	30%	0	0	0	0
Other than Permanent employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0
b. Details of measures for the well-being of workers:											
Category	% of Workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
	Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)	
Permanent Workers											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0
Other than Permanent Workers											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

2 Details of retirement benefits, for Current FY and Previous Financial Year.						
Benefits	CY			PY		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. Of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	52	152	Y	47	136	Y
Gratuity	98	285	Y	94	273	Y
ESIC	31	91	Y	32	94	Y
Others – please specify	0	0	NA	0	0	NA

3 Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.
 Yes

4 Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy

The company believes in equal opportunities for specially abled people. But the company does not have any policy in its place.

5 Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0	0	0	0
Female	0	0	0	0
Total	0	0	0	0

6 Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Employees	Yes
Other than Permanent Employees	The company does not have any non-permanent employees and workers
Permanent Workers	
Other than Permanent Workers	

7 Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees/workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. Of employees/workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees						
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
Total Permanent Workers						
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0

8 Details of training given to employees and workers:

Category	CY					PY				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	205	205	100%	205	100%	195	195	100%	195	100%
Female	87	87	100%	87	100%	65	65	100%	65	100%
Total	292	292	100%	292	100%	260	260	100%	260	100%
Workers										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0

9 Details of performance and career development reviews of employees and worker:

Category	CY			PY		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	205	205	100%	195	195	100%
Female	87	87	100%	65	65	100%
Total	292	292	100%	260	260	100%
Workers						
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
Total	0	0	0	0	0	0

10 Health and safety management system:
a Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

The Company has stringent guidelines to ensure safety of employees and visitors. We monitor air quality at our corporate offices and take steps to improve it on a regular basis. Frequent equipment checks, such as air conditioners, chillers, UPS, stabilisers, and DG, are performed to mitigate any wear and tear caused by ongoing operation.

Fire extinguishers are kept stocked to ensure that they can be used effectively in the event of an emergency. All of the branches and corporate offices have smoke detectors and fire alarm systems. Employees are informed about assembly points for the corporate offices.

The floor plans of the premises are exhibited at strategic spots.

b What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

NotApplicable

c Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

NotApplicable

d Do the employees/ worker of the entity have access to non-occupational medical and healthcare services?

Yes, our employees have access to non-occupational medical and healthcare services. First aid kits are maintained and are available at all times on the premises.

11 Details of safety related incidents, in the following format:

	Category	CY	PY
Lost Time Injury Frequency Rate (LTIFR) (per onemillion-person hours worked)	Employees	Nil	Nil
	Workers	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	Nil	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

12 Describe the measures taken by the entity to ensure a safe and healthy work place.

We check for Air quality at our corporate offices spaces and take regular measures to improve the same Frequent / equipment checks are carried out to mitigate any wear and tear due to continued use, E.g.: Air Conditioners, Chillers, UPS, Stabilisers and DG Covid protocols are reiterated periodically to all employees "Premise Floorplans are displayed at crucial locations
Fire alarm systems and smoke detectors are installed at all premises"

13 Number of Complaints on the following made by employees and workers:

	CY			PY		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	Nil	0	0	Nil
Health & Safety	0	0	Nil	0	0	Nil

14 Assessments for the year

Working Conditions	No assessment has been carried out during the year
Health and safety practices	No assessment has been carried out during the year

15 Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not Applicable

Leadership Indicators

1 Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

No

2 Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company complies with the law's requirements for the withholding of employees' statutory contributions to income tax, provident fund, professional tax, ESIC, and other obligations when they become due. Vendors who are part of the value chain have an equal obligation to abide by the terms of their agreement with the company. To guarantee the aforementioned, the Company has internal and statutory audit policies and procedures.

3 Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	2022-23	2021-22	2022-23	2021-22
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4 Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

The Company offers its employees the chance to upskill throughout their employment through domain, skills, and leadership trainings. The company made sure none of our staff lost their jobs as a result of the pandemic.

5 Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	As a Health and Safety practice, Health check-up is done for all staff on yearly basis.
Working Conditions	Covid tests and Vaccinations were done by the company for all security staff and Office Boys.

6 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

The same health and safety resources are available to all value chain participants who work in our offices, and any significant danger to their health and safety is handled correctly within a certain time frame.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1 Describe the processes for identifying key stakeholder groups of the entity.

The stakeholders are determined based on the significance of their impact on the business and the impact of the business on them.

2 List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/others –please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders and Investors	No	Quarterly results, Investor presentations, Annual Report, Annual General Meeting, Investor/analysts calls and meet, Media releases, Website.	Ongoing engagement with at least one engagement on a quarterly basis	<ul style="list-style-type: none"> To answer investor queries on financial performance To present business performance highlights to investors
Government and Regulators	No	Meetings with key regulatory bodies, Written communications, Presentations, Industry associations.	Ongoing	Seeking clarifications and relaxation, communicating challenges and providing recommendations, knowledge sharing, regulatory inspections and queries.
Business Partners and Vendors	No	Channel partner meets, workshops, conferences and forums, One-to-one meetings, Telephonic and email communication, Channel partner management portal and app.	Ongoing	All activities pertaining to infrastructure and services are done by our vendor partners with periodic engagements like <ul style="list-style-type: none"> Assignment and closure of jobs Discussion on scope of work and other details. Taking No Due confirmations from them at set intervals. Encouraging E-Invoicing.

Employees	No	Direct contact, Email, senior leadership connect programs, team engagements, survey, SMS, Calls, Website.	Ongoing	To create an effective communication channel and inform employees on key developments within the Company; align them to the shared purposes of the Company and business strategy; energise employees to deliver the employee value proposition PLEDGE.
Customers	No	Multi-modal distribution network and engagement (email, SMS, app, calls, chatbot, postal communication, call center, digital platform, website) channels, Customer satisfaction measurement and relationship management, Media campaigns, advertising, road / reverse road shows	Ongoing	<ul style="list-style-type: none"> • Regular updates on Launch of new products features are shared with customers. • New product features are shared with customers. • Communication pertaining to customer experience on website, applications etc. are shared

Leadership Indicators

1 Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The key to strengthening our ties to our social obligations has been to foster an atmosphere where the Board regularly engages with different stakeholders and community members on social issues.

When the Board has delegated the consultation, the Board will receive the opinions and feedback of the stakeholders in written or video format.

2 Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

The company and its stakeholders believe in financial inclusion of every strata of the society. The company and its stakeholders are committed to this goal. The company interacts with its various investors and analysts to incorporate the same in its day to day functioning and modus operandi.

3 Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

We offered financial literacy trainings to marginalised beneficiaries.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1 Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	CY			PY		
	Total (A)	No. Of employees/workers covered (B)	% (B / A)	Total (C)	No. of employees /workers covered (D)	% (D / C)
Employees						
Permanent	292	292	100%	260	260	100%
Other than permanent	0	0	0	0	0	0
Total Employees	292	292	100%	260	260	100%
Workers						
Permanent	0	0	0	0	0	0
Other than permanent	0	0	0	0	0	0
Total Workers	0	0	0	0	0	0

All employees at the time of joining as well as on a yearly basis declare that they have read and understood the Code of conduct and business ethics principles

2 Details of minimum wages paid to employees and workers, in the following format:

Category	CY					PY				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal Minimum Wage		More than Minimum Wage	
		No.(B)	% (B / A)	No.(C)	% (C/A)		No.(E)	% (E/D)	No.(F)	% (F/D)
Employees										
Permanent										
Male	205	0	0	205	100%	195	0	0	195	100%
Female	87	0	0	87	100%	65	0	0	65	100%
Other than Permanent										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Workers										
Permanent										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
Other than Permanent										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0

3 Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors (BoD)	2	180.61	1	38.6
Key Managerial Personnel	2	27.02	-	0
Employees other than BoD and KMP	205	26.1	87	23.65
Workers	0	0	0	0

4 Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5 Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has adopted employee oriented policies covering areas such as Human Rights Policy, Diversity, Equity and Inclusion Policy, Code of Conduct and Business Ethics, Whistle Blower Policy and prevention of sexual harassment at workplace, which endeavors to provide an environment of care, nurturance and opportunity to accomplish professional aspirations and provide a safe redressal mechanism for employee grievances.

6 Number of Complaints on the following made by employees and workers:

	CY			PY		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other humanrights related issues	0	0	NA	0	0	NA

7 Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

- The Company provides protection against discrimination to employees who makes disclosure or raises a concern under the whistle blower policy/Grievance Redressal Policy where the employee discloses his/her identity, discloses the information in good faith, believes it to be substantially true, does not act maliciously nor makes false allegations and does not seek any personal or financial gain.
- The Company strictly prohibits any attempt of retaliation by anyone against any employee who raises a concern under the policy in good faith.
- Cases related to prevention of sexual harassment at work place are treated with utmost sensitivity and confidentially in line with the guidelines of the Sexual Harassment of Women at Work Place (prevention, prohibition and redressal) Act 2013.

8 Do human rights requirements form part of your business agreements and contracts?(Yes/No)

Human rights requirements form a part of the Company's business agreements and contracts as and where relevant.

9 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Nil
Forced/involuntary labour	Nil
Sexual harassment	Nil
Discrimination at workplace	Nil
Wages	Nil
Others – please specify	Nil

10 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

Leadership Indicators

1 Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Not Applicable

2 Details of the scope and coverage of any Human rights due-diligence conducted.

Nil

3 Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4 Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	In all of our dealings, the Company expects its value chain partners to uphold the same values, beliefs, and business ethics as the Company. However no formal examination of value chain partners has been conducted.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

5 Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	(Current Financial Year)	(Previous Financial Year)
Total electricity consumption (A)	0.34 MWh	0.32 MWh
Total fuel consumption (B)	187.5 MWh	Not Available
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	188MWh	0.32 MWh
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.142	0.00021

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

Yes, Ekobon Technologies LLP

2 Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3 Details of disclosures related to water

The Company's use of water is strictly limited to human consumption. As we are not a manufacturing organisation, the prescribed table does not apply to the Company. Hence, We are not required to fill out the table in the prescribed format. In the office, efforts have been made to ensure that water is used sparingly.

Sensor taps are put in office washrooms in a variety of offices to reduce water consumption. Domestic trash (sewage) from offices and branches is not allowed to enter aquatic bodies without treatment.

4 Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not Applicable

5 Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	(Current Financial Year)	(Previous Financial Year)
NOx			
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others—please specify			

The company is a service provider and not a manufacturing concern and hence this point is not applicable.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? No

Not Applicable

- 6 Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format: NA

Parameter	Unit	(Current Financial Year)	(Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	<i>Metric tonnes of CO₂ equivalent</i>	37.12	Not Available
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	<i>Metric tonnes of CO₂ equivalent</i>	0.23	Not Available
Total Scope 1 and Scope 2 emissions per rupee of turnover	CO₂ per billion rupees of turnover	28.29	Not Available

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? Yes,

Ekobon Technologies LLP

- 7 Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.
No

- 8 Provide details related to waste management by the entity, in the following format:

Parameter	FY (Current Financial Year)	FY (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	NA	NA
E-waste (B)	NA	NA
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	NA	NA
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. By materials relevant to the sector)	65.5	59.5
Total (A+B+C+D+E+F+G+H)		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	0	0
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

9 Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Not Applicable

10 If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not Applicable

11 Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not Applicable

12 Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: NA

Not Applicable

Leadership Indicators

1 Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	(Current Financial Year)	(Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	0.3 MWh	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	0.3 MWh	0
From non-renewable sources		
Total electricity consumption (D)	0.31 MWh	0.32 MWh
Total fuel consumption (E)	0	0
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	0.31 MWh	0.32 MWh

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2 Provide the following details related to water discharged:

The company is in the financial services industry and does not discharge any water. Hence this point is Not Applicable

3 Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

Not Applicable

4 Please provide details of total Scope 3 emissions & its intensity, in the following format:

The company is not presently tracking its Scope 3 emissions

- 5 With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

- 6 If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/ effluent discharge /waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Not Applicable

- 7 Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The company has installed fire extinguishers to avoid fire accidents. The company has installed antivirus in all its computers to have cybersecurity. The company installs best quality electrical equipments and conducts pest control from time to time to avoid any damage.

- 8 Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Not Applicable

- 9 Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Nil

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

- 1
a Number of affiliations with trade and industry chambers/ associations.
b List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations
1	Association of National Exchange Members of India	National

- 2 Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Not Applicable

Leadership Indicators

Details of public policy positions advocated by the entity:

Not Applicable

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

- 1 Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Please refer CSR annexure which is part of the Annual Report

- 2 Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not Applicable

3 Describe the mechanisms to receive and redress grievances of the community

The company has placed a complaint register in the HR department to resolve the complaints of the various stakeholder groups.
The company reviews the complaints on regular basis and takes appropriate actions.

4 Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	Current Financial Year	Previous Financial Year
Directly sourced from MSMEs/ small producers	The company is a service provider and hence this point is Not Applicable	
Sourced directly from within the district and neighbouring districts		

Leadership Indicators

1 Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments

Not Applicable

2 Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Please refer CSR annexure which is part of the annual report

3

a Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

Not applicable

b From which marginalized /vulnerable groups do you procure?

Not Applicable

c What percentage of total procurement (by value) does it constitute?

Not Applicable

4 Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Not Applicable

5 Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable

6 Details of beneficiaries of CSR Projects:

Please refer CSR annexure which is part of the Annual Report

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1 Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The company holds conferences several times during the year to know consumer complaints and feedback regarding company's services.

2 Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	Not Applicable

3 Number of consumer complaints in respect of the following:

	(Current Financial Year)		Remarks	(Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Other	0	0	NA	0	0	NA

4 Details of instances of product recalls on account of safety issues:

Not Applicable

5 Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Not Applicable

6 Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable

Leadership Indicators

- 1 Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

<https://www.arihantcapital.com/>

- 2 Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

The company conducts customer awareness programme on pan India basis for all its customers where it disseminates information regarding safe and responsible usage of company's products and services

- 3 Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

The company sends SMS messages, e-mails & showcases the information on its website to inform the consumers of any risk or discontinuation of essential services.

- 4 Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Not Applicable

- 5 Provide the following information relating to data breaches:**

- a Number of instances of data breaches along-with impact**

Nil

- b Percentage of data breaches involving personally identifiable information of customers**

Nil

INDEPENDENT AUDITORS' REPORT

To the Members of
ARIHANT CAPITAL MARKETS LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **ARIHANT CAPITAL MARKETS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, (including the statement of Other Comprehensive Income), Statement of Changes in Equity and statement of Cash Flows for the year then ended, and notes to the standalone Ind AS financial statements, including, a summary of significant accounting policies and other explanatory information. (Hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act"), in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the act read with the companies (Indian Accounting Standards) rules, 2015 as amended, ("Ind AS") and other principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, and its Profit, and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

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

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

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

Management's Responsibility for the Standalone Ind AS financial statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, Profit/Loss (and other comprehensive income, changes in equity and cash flows of the Company in

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

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

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

Auditor’s Responsibility for the standalone Ind AS financial statements

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

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

1. Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
3. Further, as required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Statement of Changes in Equity and the statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.
 - f) With respect to the adequacy of the internal financial control over financial reporting of the company with reference to these Standalone Ind AS financial statements and the operating effectiveness of such control, refer to our separate report in *Annexure "B"*.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company, as detailed in note 42 to the Standalone Ind AS financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2023.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or

provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

(b) No interim dividend was declared and paid by the company during the year.

(c) The Board of directors of the company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the act, as Applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

CA Dinesh Ajmera
Partner
Membership No. :402629
UDIN : 23402629BGXFBU5739
Indore, May 20, 2023

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of **ARIHANT CAPITAL MARKETS LIMITED** on the accounts for the year ended 31st March, 2023)

- i. In respect of the Company’s Property Plant & Equipments:
 - (a) (A) The Company has maintained proper records to show full particulars, including quantitative details and situation of Property Plant & Equipment.
(B) The Company has maintained proper records to show full particulars of Intangible assets.
 - (b) The Property Plant & Equipment of the Company are physically verified by the management at regular intervals. During the year, as informed to us, no discrepancies have been noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us, we report that the title deeds, comprising all the immovable properties are held in the Company’s name as at the balance sheet date.
 - (d) The company has not revalued any of its property, plant and equipment and intangible assets during, the year.
 - (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. In respect of the Company’s Inventory:
 - (a) The securities held as stock in trade have been verified by the Management with the statement of holdings provided by depository participants and brokers at reasonable intervals. In our opinion, the frequency of verification is reasonable and no material discrepancies between the book records and the statement of holdings provided by NSDL, other depository participants and brokers have been noticed.
 - (b) The Company has not been sanctioned working capital limits in excess of Rs.5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses 3(iii) (a), (b), (c), (d), (e) & (f) of the order are not applicable to the Company.
- iv. The company has complied with the provisions of section 185 and 186 of Companies Act, 2013 in respect of loans, investments, guarantees and securities, as applicable.
- v. According to the information and explanation given to us, the company has not accepted deposits from the public within the meaning of the directives issued by the Reserve Bank of India, under provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- vi. According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 in respect of the activities carried by the company.
- vii. a) As per the records of the Company, the company is generally regular in depositing the statutory dues including GST, provident fund, employees’ state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amount in respect of GST, income tax, sales tax, service tax, custom duty, excise duty, cess, applicable to it, is outstanding as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and on the basis of examination of records of the Company there is no provident fund, sales tax, income tax, wealth tax, cess which have not been deposited on

account of dispute except for the following instances:

Statute In which pending	Nature of Dues	Financial Year	Forum at which pending	Amount involved (in lacs)
Income Tax Act, 1961	Tax and Interest thereon	2012-13	Commissioner of Income Tax (Appeals)	18.47
Income Tax Act, 1961	Tax and Interest thereon	2017-18	Commissioner of Income Tax (Appeals)	13.21
Income Tax Act, 1961	Penalty	2011-12	Commissioner of Income Tax (Appeals)	1.60
Income Tax Act, 1961	Penalty	2013-14	Commissioner of Income Tax (Appeals)	1.60
Income Tax Act, 1961	Penalty	2014-15	Commissioner of Income Tax (Appeals)	1.20
Income Tax Act, 1961	Tax and Interest thereon	2019-20	Commissioner of Income Tax (Appeals)	30.90

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any banks, financial institutions, government or other lender.
- (b) The company is not declared willful defaulter by any bank or financial institution or other lender.
- (c) The company has not taken any term loan during the year hence this clause is not applicable.
- (d) The funds raised on short term basis have not been utilized for long term purposes.
- (e) The company has not taken any such type of funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. (a) According to the information and explanation given to us and the record examined by us, the Company has not raised any money by way of initial public offer or further public offer during the year. Hence, clause 3(ix) of the order is not applicable.
- (b) Based on our audit procedures and according to the information given by the management, the company has not made any preferential allotment or private placement of shares or convertible debentures.
- xi. (a) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto the date of this year.
- (c) According to the information and explanations given to us, there is no whistle-blower complaints received during the year by the company hence this clause is not applicable.
- xii. Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act,

2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable Indian Accounting Standards.

- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) According to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 hence this clause is not applicable.
- (b) The company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934 hence this clause is not applicable.
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India hence this clause is not applicable.
- (d) The group has no CIC as part of the group hence this clause is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, in our opinion no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. (a) The company has spent full amount as required to be spent as per the Companies Act 2013. No amount remained unspent which were required to be transferred in respect of other than ongoing projects in Funds specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.
- (b) The company has spent full amount as required to be spent as per the Companies Act 2013. No amount remained unspent which were required to be transferred in respect of ongoing projects in Funds specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.

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

CA Dinesh Ajmera
Partner
Membership No. :402629
UDIN : 23402629BGXFBU5739
Indore, May 20, 2023

ANNEXURE “B”

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report even date to the Members of **ARIHANT CAPITAL MARKETS LIMITED** on the accounts for the year ended 31st March, 2023)

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

We have audited the internal financial controls with reference to Standalone Ind AS financial statements of **Arihant Capital Markets Limited** (“the Company”) as of 31 March 2023 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone Ind AS financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to standalone Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls over Financial Reporting

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

statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that;

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

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

CA Dinesh Ajmera
Partner
Membership No. :402629
UDIN : 23402629BGXFBU5739
Indore, May 20, 2023

Standalone Balance sheet as at March 31, 2023

(₹ in Lacs)

Particulars	Note No.	March 31, 2023	March 31, 2022
ASSETS			
1 Financial assets			
a. Cash and cash equivalents	4	1,390.60	3,407.22
b. Bank balance other than Cash and cash equivalent	5	18,465.93	20,439.74
c. Derivative financial instruments	6	15.76	-
d. Securities for trade	7	471.90	1,672.79
e. Trade receivables	8	17,269.46	19,615.02
f. Loans	9	6,658.65	4,255.95
g. Investments	10	2,252.32	2,942.45
h. Other financial assets	11	371.87	1,323.25
		46,896.49	53,656.42
2 Non financial assets			
a. Property, plant and equipment	12	1,147.19	893.91
b. Other intangible assets	13	238.37	69.37
c. Other non financial assets	14	540.98	452.96
		1,926.54	1,416.24
3 Assets held for sale	15	-	191.23
		-	191.23
Total Assets		48,823.03	55,263.89
LIABILITIES & EQUITY			
LIABILITIES			
1 Financial Liabilities			
a. Derivative financial instruments	17	-	37.51
b. Trade Payables	18		
i) Total outstanding dues of micro & small enterprises		29.12	41.12
ii) Total outstanding dues of creditors other than micro & small enterprises		18,244.57	23,558.97
c. Borrowings	19	5,058.65	7,787.80
d. Other financial Liabilities	20	1,754.43	2,129.50
		25,086.77	33,554.90
2 Non Financial Liabilities			
a. Current Tax Liabilities (net)	21	39.89	233.62
b. Provisions	22	193.44	186.31
c. Deferred Tax Liabilities (net)	23	114.65	150.12
d. Other non financial liabilities	24	160.30	379.59
		508.28	949.64
3 Equity			
a. Equity share capital	25	1,041.13	1,041.13
b. Other equity	26	22,186.85	19,718.22
		23,227.98	20,759.35
Total Liabilities & Equity		48,823.03	55,263.89

Significant Accounting Policies and Notes on Financial Statements 1 to 62

As per our report of even date

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

CA. Dinesh Ajmera
 Partner

Membership No. : 402629

UDIN : 23402629BGXFBU5739

Indore, May 20, 2023

Ashok Kumar Jain
 Managing Director
 DIN-00184729

Arpit Jain
 Joint Managing
 Director
 DIN-06544441

Mahesh Pancholi
 Company Secretary
 M.No. F7143

Tarun Goyal
 Chief Financial
 Officer
 M.No. 407449

For and on behalf of the Board

Statement of Profit & Loss for the year ended March 31, 2023

(₹ in Lacs)

Particulars	Note No.	March 31, 2023	March 31, 2022
Income			
I Revenue from Operations			
Interest Income	27	4,802.80	4,090.29
Dividend Income	28	55.54	11.40
Fees & Commission Income	29	7,842.94	9,178.51
Net Gain on fair value changes	30	526.77	1,963.71
II Other Income	31	18.79	25.49
III Total Income		13,246.84	15,269.40
IV Expenses			
Finance costs	32	885.58	573.50
Fees and commission expense	33	4,662.92	5,387.83
Impairment on financial instruments	34	(7.77)	17.96
Employee Benefits Expenses	35	2,023.23	1,672.48
Depreciation and Amortization Expenses	36	187.01	112.46
Other Expenses	37	1,968.68	1,610.07
Total		9,719.65	9,374.30
V Profit Before Exceptional Items and Tax		3,527.19	5,895.10
VI Exceptional items	39	31.00	854.79
VII Profit Before Tax		3,558.19	6,749.89
VIII Tax Expenses	40		
Current Tax		971.45	1,232.19
Deferred Tax		(36.12)	110.81
Total Tax Expenses		935.33	1,343.01
IX Profit/(loss) for the year		2,622.86	5,406.88
X Other Comprehensive Income			
(A) Items that will not be reclassified to profit & loss			
Remeasurements of the defined benefit plans		2.59	1.96
Tax effect relating to above item		(0.65)	(0.49)
Total (A)		1.94	1.47
(B) Items that will be reclassified to profit & loss			
Tax effect relating to above item		-	-
Total (B)		-	-
Total Other Comprehensive Income (A+B)		1.94	1.47
XI Total Comprehensive Income for the period		2,624.80	5,408.35
XII Earnings per Share	41		
Equity Shares of ₹1 each			
Basic (Amount in ₹)		2.52	5.19
Diluted (Amount in ₹)		2.52	5.19

Significant Accounting Policies and Notes on Financial Statements 1 to 62

As per our report of even date

For Dinesh Ajmera & Associates

Chartered Accountants

Firm Reg No:011970C

CA. Dinesh Ajmera

Partner

Membership No. : 402629

UDIN : 23402629BGXFBU5739

Indore, May 20, 2023

Ashok Kumar Jain
 Managing Director
 DIN-00184729

Arpit Jain
 Joint Managing
 Director
 DIN-06544441

Mahesh Pancholi
 Company Secretary
 M.No. F7143

Tarun Goyal
 Chief Financial
 Officer
 M.No. 407449

For and on behalf of the Board

Cash Flow Statement for the year ended March 31, 2023

(₹ in Lacs)

Particulars	Note No.	March 31, 2023	March 31, 2022
A Cash flow (used in) / generated from operating activities			
Profit before tax		3,558.19	6,749.89
Add / (less) : Adjustments			
Unrealised (gain)/loss on Fair value changes of Securities for trade		15.94	11.62
(Profit) / Loss on sale of fixed assets		-	0.51
(Profit) / Loss on sale of Investments		316.47	(1,479.79)
Depreciation / amortisation		187.01	112.46
Interest paid on borrowings		735.68	443.64
Dividend income		(55.54)	(11.40)
Operating profit before working capital changes		4,757.75	5,826.93
Adjustments for changes in working capital:			
-(Increase)/Decrease in Other bank balance		1,973.81	(1,566.74)
-(Increase)/Decrease in Derivative financial instruments		(15.76)	-
-(Increase)/Decrease in Securities for Trade		1,184.95	(697.30)
-(Increase)/Decrease in Trade receivables		2,345.56	(5,344.08)
-(Increase)/Decrease in Loans		(2,402.70)	(2,427.75)
-(Increase)/Decrease in Other financial assets		951.38	(942.32)
-(Increase)/Decrease in Other non financial assets		(51.14)	(153.24)
-Increase/(Decrease) in Derivative financial instruments		(37.51)	29.08
-Increase/(Decrease) in Trade payables		(5,326.40)	7,382.87
-Increase/(Decrease) in Other financial liabilities		(375.07)	(2,805.27)
-Increase/(Decrease) in Other non financial liabilities		(219.29)	(393.72)
-Increase/(Decrease) in Provisions		9.72	31.33
Cash generated from operations		2,795.30	(1,060.21)
Income tax paid (net)		(1,202.04)	(1,049.23)
Net cash (used in) / generated from operating activities (A)		1,593.26	(2,109.44)
B Cash flow (used in) / generated from Investing activities			
- (Purchase) / Proceeds from sale of property, plant and equipment		(609.31)	(186.57)
- (Purchase) / Proceeds from sale of investments		564.89	1,069.37
- Dividend income received		55.54	11.40
Net cash (used in)/ generated from investing activities(B)		11.12	894.20
C Cash flow (used in) / generated from Financing activities			
- Dividend paid		(156.17)	(364.39)
- Interest paid		(735.68)	(443.64)
- Increase/ (Decrease) in Borrowings		(2,729.15)	2,982.51
Net cash (used in) / generated from financing activities (C)		(3,621.00)	2,174.48
Net increase in cash and cash equivalents (A+B+C)		(2,016.62)	959.24
Cash and cash equivalents at the beginning of the period		3,407.22	2,447.97
Cash and cash equivalents at the end of the period		1,390.60	3,407.22
Cash and cash equivalents comprise of			
Cash and cheques in hand		12.57	11.65
Balances with scheduled banks		1,378.03	3,395.57
Total		1,390.60	3,407.22
Notes:			
i) The above cash flow statement has been prepared under the "Indirect method" as set out on the Indian Accounting Standard (Ind AS-7) Statement of Cash Flow.			
ii) Figures in Negative indicate cash outflows.			

Significant Accounting Policies and Notes on Financial Statements 1 to 62

As per our report of even date

For Dinesh Ajmera & Associates

 Chartered Accountants
 Firm Reg No:011970C

CA. Dinesh Ajmera

Partner

Membership No. : 402629

UDIN : 23402629BGXFBU5739

Indore, May 20, 2023

Ashok Kumar Jain
 Managing Director
 DIN-00184729

Arpit Jain
 Joint Managing
 Director
 DIN-06544441

Mahesh Pancholi
 Company Secretary
 M.No. F7143

Tarun Goyal
 Chief Financial
 Officer
 M.No. 407449

For and on behalf of the Board

Statement of Changes in Equity For the year ended March 31, 2023

A. Equity Share Capital				(₹ in Lacs)
Particular				Amount
Balance as at April 1, 2021				1,041.13
Changes in equity share capital during the year				-
Balance as at March 31, 2022				1,041.13
Changes in equity share capital during the year				-
Balance as at March 31, 2023				1,041.13
B. OTHER EQUITY				(₹ in Lacs)
Particulars	Reserve & Surplus		Total Equity	
	Retained Earnings	General Reserve		
Balance as at April 1, 2021	2,570.85	12,103.42	14,674.27	
Profit for the period	5,406.88	-	5,406.88	
Other comprehensive income	1.47	-	1.47	
Transfer to General Reserve	(6,000.00)	6,000.00	-	
Final Dividend	(208.23)	-	(208.23)	
Interim Dividend	(156.17)	-	(156.17)	
Balance as at March 31, 2022	1,614.80	18,103.42	19,718.22	
Profit for the period	2,622.86	-	2,622.86	
Other comprehensive income	1.94	-	1.94	
Transfer to General Reserve	(2,500.00)	2,500.00	-	
Final Dividend	(156.17)	-	(156.17)	
Balance as at March 31, 2023	1,583.43	20,603.42	22,186.85	

For Dinesh Ajmera & Associates
Chartered Accountants
Firm Reg No:011970C
CA. Dinesh Ajmera
Partner
Membership No. : 402629
UDIN : 23402629BGXFBU5739
Indore, May 20, 2023

Ashok Kumar Jain
Managing Director
DIN-00184729

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Company Secretary
M.No. F7143

Tarun Goyal
Chief Financial
Officer
M.No. 407449

For and on behalf of the Board

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1: CORPORATE INFORMATION

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

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

The Board of Directors approved the standalone financial statements for the year ended March 31, 2023 and authorized for issue on May 20, 2023.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of preparation

The financial statement for the year ended March 31, 2023 has been prepared in accordance with Indian Accounting Standard (‘Ind AS’). The Company is covered under the definition of NBFC. These Financial Statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). These Financial Statements of the Company are presented in Indian Rupees (“INR”), which is also the Company’s functional currency and all values are rounded to nearest lacs.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated

2.1 Income Recognition

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

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

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

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

- Identification of contract(s) with customers;

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

(i) Brokerage income

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

(ii) Fee & Commission income

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

(iii) Depository income

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

(iv) Interest income

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

(v) Dividend income

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

2.2 Income Tax

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

Current Tax

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

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

Deferred Tax

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

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

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

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

2.3 Cash and cash equivalents

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

2.4 Asset held for sale

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

2.5 Financial Instruments

(A) Initial recognition and measurement:

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

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

(B) Fair value of financial instruments:

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

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

(a) Financial assets

(i) Classification and subsequent measurement

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

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

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortized cost.

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

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

Financial assets at amortized cost are subsequently measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and

losses and impairment are recognized in profit or loss. Any gain and loss on de-recognition are recognized in profit or loss.

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

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

(ii) Impairment

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

ECL are probability-weighted estimate of credit losses. For trade Receivables Company follows simplified approach which requires expected lifetime losses to be recognized. For other assets, the company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is a significant increase in credit risk full lifetime ECL is used. For ECL all financial assets are classified as follows
 Stage 1: Financials assets that are not credit impaired
 Stage 2: Financials assets with significant increase in credit risk but that is non-credit impaired.
 Stage 3: Financials assets that are credit impaired.

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

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

(iii) Derecognition

A financial asset is derecognized only when:

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

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

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

(b) Financial liabilities

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

(iii) Derecognition

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

2.6 Property, plant and equipment

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

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

Depreciation methods, estimated useful lives and residual value:

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

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

Derecognition:

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

2.7 Intangible assets

Measurement at recognition:

Intangible assets are recognized where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment, if any.

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

Amortization

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

Assets	Useful Life
Computer Software	6 years

Derecognition:

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

2.8 Leases

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

2.9 Offsetting financial instruments

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

2.10 Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal /external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of asset is the higher of its fair value or value in use. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects the current market assessment of time value of money and the risks specific to it. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognized 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 recognized.

2.11 Segment reporting

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

2.12 Provisions and contingencies

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

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an

outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.13 Employee benefits

(i) Short-term obligations

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered. The Company recognizes 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 recognized provident fund, which is a defined contribution scheme, is charged to the Statement of Profit and Loss in the period in which they occur.

Defined benefits plan:

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

2.14 Dividend Distribution

Dividends paid is recognized in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

2.15 Earnings per share

a) Basic earnings per share

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

b) Diluted earnings per share

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

2.16 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements.

2.17 Events after reporting date

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

2.18 Derivative financial instruments

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

2.19 Foreign currency transaction

Initial recognition

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

Exchange differences

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

2.20 Investment in subsidiaries and associates

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

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

NOTE 3: KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

- (a) **Provision and contingent liability:** On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. For Contingencies losses that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.
- (b) **Allowance for impairment of financial asset:** Judgements are required in assessing the recoverability of overdue and determining whether a provision against those is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.
- (c) **Recognition of deferred tax assets:** Deferred tax assets are recognised for unused tax-loss carry forwards, deductible temporary differences and unused tax credit to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.
- (d) **Defined benefit plans:** The cost of defined benefit plans and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.
- (e) **Property, plant and equipment and Intangible Assets:** Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation and amortization to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

Notes Forming Part Of Standalone Financial Statement

(₹ in Lacs)

Particulars	March 31, 2023	March 31, 2022
4. Cash and Cash Equivalents		
Cash in hand	12.57	11.65
Balances with banks		
In current accounts	1,378.03	3,395.57
Total	1,390.60	3,407.22
5. Bank Balances other than Cash and Cash Equivalent		
Earmarked balances with bank towards Unclaimed dividend	24.37	25.67
Fixed deposit with maturity for less than 12 months *	10,865.00	7,736.75
Fixed deposit with maturity for more than 12 months *	7,504.00	12,615.25
Interest accrued on fixed deposits	72.56	62.07
Total	18,465.93	20,439.74
* Fixed Deposit with bank includes Deposits under the lien of :		
BSE Limited (ICCL)	3,719.00	10,376.00
National Commodity Exchange Limited & NCCL	282.50	480.50
Multi Commodity Exchange of India Limited & MCX-CCL	1,227.50	1,725.50
Over Draft facility	20.00	-
Bank for guarantees issued	13,100.00	7,750.00
Pension Fund Regulatory and Development Authority	20.00	20.00
Total	18,369.00	20,352.00
*Fixed deposits are pledged with exchange and banks for meeting margin requirements and for obtaining bank guarantee respectively.		
6. Derivative Financial Instruments		
(i) Equity linked derivatives	15.76	-
Total	15.76	-
Notional amounts	1,639.30	-
Note : - The derivatives are used for the purpose of trading.		
7. Securities for trade		
Quoted Equity Shares		
Adani Power Limited (Nil (50,000) shares, face value of ₹ 10 each)	-	92.55
BCL Industries Limited (40,900 (Nil) shares, face value of ₹ 10 each)	161.02	-
Escorts Kubota Limited (Nil (25,000) shares, face value of ₹ 10 each)	-	422.71
Fortis Healthcare Limited (Nil (10,000) shares, face value of ₹ 10 each)	-	29.04
Gujarat State Fertilizers & Chemicals Limited (50,000 (Nil) shares, face value of ₹ 2 each)	59.50	-
Heritage Foods Limited (Nil (60,000) shares, face value of ₹ 5 each)	-	192.15
Icici Securities Limited (Nil (25,000) shares, face value of ₹ 5 each)	-	155.31
Mirza International Limited (3,000 (Nil) shares, face value of ₹ 2 each)	1.05	-
Oberoi Realty Limited (14,000 (Nil) shares, face value of ₹ 10 each)	117.96	-
Oil and Natural Gas Corporation Limited (Nil (2,50,000) shares, face value of ₹ 5 each)	-	409.75
Poonawalla Fincorp Limited (25,000 (Nil) shares, face value of ₹ 2 each)	73.13	-
Royal Orchid Hotels Limited (13,210 (Nil) shares, face value of ₹ 10 each)	36.01	-
Sun Tv Network Limited (Nil (50,000) shares, face value of ₹ 5 each)	-	244.93
Sylph Technologies Limited (73,878 (Nil) shares, face value of ₹ 10 each)	23.23	-
Tata Teleservices (Maharashtra) Limited (Nil (9,810) shares, face value of ₹ 10 each)	-	16.35
The Phoenix Mills Limited (Nil (10,000) shares, face value of ₹ 2 each)	-	110.00
Total	471.90	1,672.79

Notes Forming Part Of Standalone Financial Statement

(₹ in Lacs)

Particulars	March 31, 2023	March 31, 2022
8. Trade Receivables*		
Considered good- Secured	17,084.99	18,983.47
Considered good - Unsecured	184.47	631.55
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - Credit impaired	-	-
Total (Gross)	17,269.46	19,615.02
Less: Impairment loss allowance	-	-
Total (Net)	17,269.46	19,615.02
Out of which:		
Due from Directors	Nil	Nil
Due from a firm including LLP's and Private Limited Company in which a Director of the Company is a Partner or a Director respectively	Nil	Nil
*For Ageing of Trade Receivable refer note no. 49.		
9. Loans		
[A] Loans measured at Amortised Cost		
Margin trading facility	6,658.65	4,255.95
Total (Gross)	6,658.65	4,255.95
Less: Impairment loss allowance	-	-
Total (Net)	6,658.65	4,255.95
[B]		
i) Secured by tangible assets	6,658.65	4,255.95
ii) Unsecured	-	-
Total (Gross)	6,658.65	4,255.95
Less: Impairment loss allowance	-	-
Total (Net)	6,658.65	4,255.95
[C] Loans in India		
i) Public Sector	-	-
ii) Others	6,658.65	4,255.95
Total (Gross)	6,658.65	4,255.95
Less: Impairment loss allowance	-	-
Total (Net)	6,658.65	4,255.95
Stage wise break up of loans -		
Low credit risk (Stage 1)	6,658.65	4,255.95
Significant increase in credit risk (Stage 2)	-	-
Credit impaired (Stage 3)	-	-
Total	6,658.65	4,255.95
10. Investments		
Equity Instruments		
(A) At Fair Value through Profit or Loss		
1. Investment in Quoted shares		
Alicon Castalloy Limited		
(Nil (1,370) shares, face value of ₹ 5 each)	-	9.05
Apcotex Industries Limited		
(Nil (4,732) shares, face value of ₹ 2 each)	-	16.98

Notes Forming Part Of Standalone Financial Statement

(₹ in Lacs)

Particulars	March 31, 2023	March 31, 2022
Artemis Medicare Services Limited (40,000 (Nil) shares, face value of ₹ 1 each)	27.16	-
Cg Power And Industrial Solutions Limited (Nil (5,100) shares, face value of ₹ 2 each)	-	9.66
D. P. Abhushan Limited (1,91,353 (2,55,499) shares, face value of ₹ 10 each)	592.91	955.44
Dfm Foods Limited (Nil (1,885) shares, face value of ₹ 2 each)	-	5.57
Gufic Biosciences Limited (15,000 (6,599) shares, face value of ₹ 1 each)	27.96	16.43
H.G. Infra Engineering Limited (Nil (1,762) shares, face value of ₹ 10 each)	-	9.83
Hariom Pipe Industries Limited (15,000 (Nil) shares, face value of ₹ 10 each)	71.80	-
Indiabulls Real Estate Limited (Nil (7,221) shares, face value of ₹ 2 each)	-	7.32
Ion Exchange (India) Limited (530 (Nil) shares, face value of ₹ 10 each)	18.09	-
Jubilant Ingrevia Limited (Nil (2,656) shares, face value of ₹ 1 each)	-	11.95
Kolte - Patil Developers Limited (Nil (4,007) shares, face value of ₹ 10 each)	-	11.31
Mastek Limited (Nil (386) shares, face value of ₹ 5 each)	-	12.82
Nitiraj Engineers Limited (1,48,307 (2,48,307) shares, face value of ₹ 10 each)	105.08	181.02
One 97 Communications Limited (Paytm) (Nil (1,000) shares, face value of ₹ 1 each)	-	5.28
Poddar Pigments Limited (Nil (3,422) shares, face value of ₹ 2 each)	-	11.13
Poonawalla Fincorp Limited (31,000 (Nil) shares, face value of ₹ 2 each)	90.68	-
Rane Holdings Limited (5,500 (Nil) shares, face value of ₹ 10 each)	47.63	-
Revathi Equipment Limited (1,700 (Nil) shares, face value of ₹ 10 each)	21.81	-
Spectrum Electrical Industries Limited (Nil (7,60,000) shares, face value of ₹ 10 each)	-	710.60
Stove Kraft Limited (Nil (1,568) shares, face value of ₹ 10 each)	-	9.63
Ttk Healthcare Limited (3,902 (Nil) shares, face value of ₹ 10 each)	40.50	-
Sub-Total (1)	1,043.62	1,984.03
2. Investment in Unquoted shares		
Das Offshore Limited (2,054 (Nil) shares, face value of ₹ 10 each)	250.00	-

Notes Forming Part Of Standalone Financial Statement

(₹ in Lacs)

Particulars	March 31, 2023	March 31, 2022
Hdb Financial Services Limited (5,320 (5,320) shares, face value of ₹ 10 each)	34.58	38.97
National Stock Exchange Limited (NSE) (8,000 (7,500) shares, face value of ₹ 1 each)	255.92	251.25
Quest Global Technologies Limited (Nil (90,000) shares, face value of ₹ 10 each)	-	9.00
Saurashtra Kutch Enterprise Limited (1 (1) shares, face value of ₹ 5000 each)	5.05	5.05
The Saraswat Co-Operative Bank Limited (500 (500) shares, face value of ₹ 10 each)	0.05	0.05
Sub-Total (2)	545.60	304.32
(B) At cost		
1. Investment in subsidiaries		
Arihant Capital (IFSC) Limited (14,00,000 (14,00,000) shares, face value of ₹ 10 each)	140.00	140.00
Arihant Financial Services Limited (2,50,000 (2,50,000) shares, face value of ₹ 10 each)	206.24	206.24
Arihant Future & Commodities Limited (3,55,000 (3,55,000) shares, face value of ₹ 10 each)	79.52	79.52
Arihant Institute of Financial Education Private Limited (2,50,000 (2,50,000) shares, face value of ₹ 10 each)	25.00	25.00
Arihant Insurance Broking Services Limited (7,50,000 (7,50,000) shares, face value of ₹ 10 each)	75.00	75.00
Less : Accumulated Impairment*	(9.16)	(9.16)
Add : Reversal of Impairment Loss*	9.00	-
Sub-Total (1)	525.60	516.60
2. Investment in Associate		
Electrum Capital Private Limited (13,75,000 (13,75,000) shares, face value of ₹ 10 each)	137.50	137.50
Sub-Total (2)	137.50	137.50
Total (A+B)	2,252.32	2,942.45
i) Investments in India	2,252.32	2,942.45
ii) Investments outside India	-	-
Total	2,252.32	2,942.45
*The Company has accounted for its investments in Subsidiaries at cost less impairment loss. Based on the assessment of the internal sources of information, management has identified indicators of impairment or reversal of impairment in respect of its investments in subsidiaries. In the current year, management has performed an impairment assessment by comparing the carrying value of these investments to their recoverable amount and found the indication of reversal of impairment loss recognized in prior years. Accordingly reversal of impairment loss of ₹ 9 lacs has been recognised in Profit and Loss account.		
11. Other Financial Assets		
Deposits with Exchanges / Depositories	276.95	1,209.89
Deposit with Related parties (Refer Note No.47)	34.50	34.50
Other Deposits	24.27	23.35
Other Advances	36.15	55.51
Total	371.87	1,323.25

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

(₹ in Lacs)

Particulars	Building	Furniture & Fixtures	Office Equipments	Computers	Electrical Installations	Motor Vehicles	Total
Gross carrying Amount							
As at April 1, 2021	577.89	82.73	65.10	203.77	11.79	165.61	1,106.89
Additions	-	1.48	9.14	75.78	8.36	68.86	163.62
Disposals	-	-	-	6.72	-	12.49	19.21
Balance as at March 31, 2022	577.89	84.21	74.24	272.83	20.15	221.98	1,251.30
Additions	-	124.71	50.84	180.16	11.42	39.01	406.14
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2023	577.89	208.92	125.08	452.99	31.57	260.99	1,657.44
Accumulated Depreciation							
As at April 1, 2021	30.98	28.29	28.16	130.43	4.39	51.81	274.06
Additions	10.33	9.50	11.45	40.20	1.45	20.56	93.49
Disposals	-	-	-	6.45	-	3.70	10.15
Balance as at March 31, 2022	41.31	37.79	39.61	164.18	5.84	68.67	357.40
Additions	10.33	14.72	16.16	77.74	2.67	31.23	152.85
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2023	51.64	52.51	55.77	241.92	8.51	99.90	510.25
Net Carrying Amount							
Balance as at March 31, 2022	536.58	46.43	34.64	108.65	14.31	153.31	893.91
Balance as at March 31, 2023	526.25	156.41	69.31	211.07	23.06	161.09	1,147.19

13. Other Intangible Assets

Particulars	Software	Total
Gross carrying Amount		
As at April 1, 2021	96.65	96.65
Additions	31.50	31.50
Disposals	-	-
Balance as at March 31, 2022	128.15	128.15
Additions	203.17	203.17
Disposals	-	-
Balance as at March 31, 2023	331.32	331.32
Accumulated Depreciation		
As at April 1, 2021	39.79	39.79
Additions	18.98	18.98
Disposals	-	-
Balance as at March 31, 2022	58.78	58.78
Additions	34.17	34.17
Disposals	-	-
Balance as at March 31, 2023	92.95	92.95
Net Carrying Amount		
Balance as at March 31, 2022	69.37	69.37
Balance as at March 31, 2023	238.37	238.37

Notes Forming Part Of Standalone Financial Statement

(₹ in Lacs)

Particulars	March 31, 2023	March 31, 2022
14. Other Non Financial Assets		
Employee Advance	3.14	4.43
Prepaid expenses	281.80	205.80
Tax Receivables (IT Department)	151.75	114.87
GST Receivables	31.41	37.47
Other Advances	72.88	90.39
Total	540.98	452.96
15. Assets held for sale		
(A) Assets classified as held for sale		
(i) Investment in subsidiaries (Refer Note No. 16)	-	190.00
(ii) Advances for expenses	-	1.23
Total (A)	-	191.23
(B) Liabilities directly associated with assets classified as held for sale		
(i) Payable to subsidiaries	-	-
Total (B)	-	-
Net assets held for sale (A-B)	-	191.23
16. Investment in subsidiaries*		
Investments in Equity Instruments of subsidiaries (fully paid up equity shares of ₹ 10/- each)		
i) Ahinsa Lifespace Infraheight Limited	-	190.00
Total	-	190.00
*The company has sold its entire shareholding in subsidiary Ahinsa Lifespace Infraheight Limited on September 30, 2022 for a total consideration of ₹ 221 Lacs.		
17. Derivative Financial Instruments		
(i) Equity linked derivatives	-	37.51
Total	-	37.51
Notional amounts	-	5,861.93
Note : - The derivatives are used for the purpose of trading.		
18. Trade Payables*		
Micro, Small and Medium Enterprises (Refer Note No. 44)	29.12	41.12
Other than Micro, Small and Medium Enterprises	18,244.57	23,558.97
Total	18,273.69	23,600.09
*For Ageing of Trade Payable refer note no. 50.		
19. Borrowings		
[A] Loans repayable on demand		
- Amortised Cost		
i) from banks	4,408.65	7,137.80
ii) from Director	650.00	650.00
Total	5,058.65	7,787.80
[B]		
i) Borrowings in India	5,058.65	7,787.80
ii) Borrowings outside India	-	-
Total	5,058.65	7,787.80
[C]		
i) Secured *	4,408.65	7,137.80
ii) Unsecured	650.00	650.00
Total	5,058.65	7,787.80
*Secured against pledge of securities, trade receivables and immovable property.		

Notes Forming Part Of Standalone Financial Statement
***Details of Assets pledged as security**

1. The Company availed overdraft facility from ICICI Bank amounting to ₹ 2,000 Lacs. Outstanding book balance of overdraft is ₹ 1,651.71 Lacs (March 31, 2022: ₹ 1,993.71 Lacs).

The aforesaid overdraft is secured by way of first charge on trade receivables of the company.

2. The Company availed overdraft facility from Axis Bank amounting to ₹ 6,000 Lacs. Outstanding book balance of overdraft is ₹ 2,261.61 Lacs (March 31, 2022: ₹ 4,646.60 Lacs).

The aforesaid overdraft is secured by way of first charge on trade receivables of the company.

3. The Company availed loan against property from ICICI Bank amounting to ₹ 500 Lacs. Outstanding book balance of loan is ₹ 495.33 Lacs (March 31, 2022: ₹ 497.49 Lacs).

The aforesaid loan is secured by way of first charge by way of equitable mortgage of building situated at 1011, Solitaire Corporate Park, Building No.10, 1st Floor, Andheri Ghatkopar Link Road Chakala Andheri (EAST) Mumbai in the name of the company.

4. The Company availed loan against shares from Tata Capital Financial Services Limited amounting to ₹ 1,000 Lacs. Outstanding book balance of overdraft is ₹ Nil (March 31, 2022: Nil).

The aforesaid loan is secured against equity securities of the company.

(₹ in Lacs)

Particulars	March 31, 2023	March 31, 2022
20. Other Financial Liabilities		
Employee Benefits Payable	240.72	143.27
Franchise Deposit	637.27	613.95
Other Deposit	209.49	499.32
Expenses Payable	99.84	105.32
Other Payable (includes payable to vendors)	542.74	741.97
Unclaimed Dividend*	24.37	25.67
Total	1,754.43	2,129.50
*Out of the above amount, the company is required to credit a sum of ₹ 3,88,578.75 lying in the unclaimed dividend account, on or before June 15, 2023 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)	39.89	233.62
Total	39.89	233.62
22. Provisions		
Provision for Gratuity (Refer Note No. 46)	193.44	186.31
Total	193.44	186.31
23. Deferred Tax Liabilities (net)		
Deferred Tax Liabilities (net) (Refer Note No. 40)	114.65	150.12
Total	114.65	150.12
24. Other Non Financial Liabilities		
Statutory Dues Payable	160.30	182.59
Other Advances	-	197.00
Total	160.30	379.59
25. Share Capital		
Authorised		
12,50,00,000 equity share of ₹ 1/- each (2,50,00,000 of ₹ 5/- each)	1,250.00	1,250.00
Issued, Subscribed & Paid up		
10,41,12,800 equity share of ₹ 1/- each (2,08,22,560 of ₹ 5/- each)	1,041.13	1,041.13
Total	1,041.13	1,041.13

Notes Forming Part Of Standalone Financial Statement

Particulars	March 31, 2023	March 31, 2022		
The Company has sub-divided its 2,08,22,560 equity shares of face value of ₹ 5 each fully paid up into 10,41,12,800 equity shares of face value of ₹ 1 each fully paid up w.e.f. April 15, 2022 as recommended by board of directors and approved by the shareholders of the company in the Extra Ordinary General Meeting held on March 26, 2022.				
a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period				
<u>Equity Shares of face value ₹ 1/- (face value ₹ 5/- March 22)</u>				
Share outstanding at the beginning of the period	2,08,22,560	2,08,22,560		
Share outstanding at the end of period	10,41,12,800	2,08,22,560		
b. Terms/rights attached to equity shares				
The company has one class of equity shares having a par value of ₹ 1 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	33,531,680 (32.21%)	67,06,336 (32.21%)		
Kiran Jain	23,641,600 (22.71%)	47,28,320 (22.71%)		
Sunil Kumar Jain	5,353,280 (5.14%)	10,70,656 (5.14%)		
Arpit Jain	5,739,200 (5.51%)	11,47,840 (5.51%)		
d. Shareholding of Promoter				
For the year ended March 31, 2023				
S. No.	Promoter's Name	No. of Shares	% of total shares	% Change during the Year
1	Ashok Kumar Jain	3,35,31,680	32.21	-
2	Kiran Jain	2,36,41,600	22.71	-
3	Sunil Kumar Jain	53,53,280	5.14	-
4	Arpit Jain	57,39,200	5.51	-
5	Swati Jain	41,07,580	3.95	(0.45)
6	Shruti Jain	31,10,400	2.99	-
7	Ratik Jain	9,60,000	0.92	-
8	Kamal Kumar Jain (HUF)	2,56,000	0.25	-
9	Anvita Jain	1,92,000	0.18	-
10	Meena Jain	1,52,000	0.15	-
11	Kamal Kumar Jain	1,28,000	0.12	-
Total		7,71,71,740	74.12	(0.45)

Notes Forming Part Of Standalone Financial Statement

For the year ended March 31, 2022

S. No.	Promoter's Name	No. of Shares	% of total shares	% Change during the Year
1	Ashok Kumar Jain	67,06,336	32.21	2.58
2	Kiran Jain	47,28,320	22.71	-
3	Sunil Kumar Jain	10,70,656	5.14	(2.58)
4	Arpit Jain	11,47,840	5.51	-
5	Swati Jain	9,15,516	4.40	-
6	Shruti Jain	6,22,080	2.99	-
7	Ratik Jain	1,92,000	0.92	-
8	Kamal Kumar Jain (HUF)	51,200	0.25	-
9	Anvita Jain	38,400	0.18	-
10	Meena Jain	30,400	0.15	-
11	Kamal Kumar Jain	25,600	0.12	-
	Total	1,55,28,348	74.57	-

(₹ in Lacs)

Particulars	March 31, 2023	March 31, 2022
26. Other Equity		
General Reserve		
Balance at the beginning of the year	18,103.42	12,103.42
Transfer from Retained Earnings	2,500.00	6,000.00
Balance as at end of the year	20,603.42	18,103.42
Retained Earnings		
Balance at the beginning of the year	1,614.80	2,570.85
Transfer from Statement of Profit and Loss	2,622.86	5,406.88
Remeasurement of Defined Benefit Plan (Net of Taxes)	1.94	1.47
Final Dividend	(156.17)	(208.23)
Interim Dividend	-	(156.17)
Transfer to General Reserve	(2,500.00)	(6,000.00)
Balance as at end of the year	1,583.43	1,614.80
Total	22,186.85	19,718.22

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

(₹ in Lacs)

Particulars	March 31, 2023	March 31, 2022
27. Interest Income		
On financial assets measured at amortised cost-		
Interest on loans	-	67.92
Interest on deposits with banks	962.19	1,066.66
Interest on Margin deposit with exchange	27.25	0.05
Interest on Margin funding and delayed payment	3,813.36	2,955.66
Total	4,802.80	4,090.29
28. Dividend Income		
From Securities	55.54	11.40
Total	55.54	11.40
29. Fees and commission income		
Commission Received (Net)	345.05	194.85
Brokerage Income	7,148.87	8,527.48
Depository Receipts	240.84	287.53
Fees From Merchant Banking	108.18	168.65
Total	7,842.94	9,178.51
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)	246.73	391.83
(ii) Profit/(loss) on securities held for trade	627.51	92.09
(B) Others		
- Profit/(loss) on sale of investments (net) at fair value through profit or loss*	(347.47)	1,479.79
Total	526.77	1,963.71
*Profit on sale of subsidiaries shown in Exceptional items (Refer Note No. 39)		
Fair value changes		
Realised gain	654.87	907.71
Unrealised gain	(128.10)	1,056.00
Total	526.77	1,963.71
31. Other Income		
Income from Rent	9.38	3.10
Bad debts recovered	2.25	-
Miscellaneous income	7.16	22.39
Total	18.79	25.49
32. Finance Costs		
On financial liabilities measured at amortised cost-		
Interest on Borrowings	735.68	443.64
Interest paid on Deposit	149.08	128.44
Other Interest expenses	0.82	1.42
Total	885.58	573.50
33. Fees and Commission Expense		
Sub Brokerage/Referral Fees	3,864.93	4,493.40
Depository charges	83.58	112.58
Exchange Transaction Charges	702.38	752.74
Clearing Charges	-	19.48
Merchant Banking Expenses	12.03	9.63
Total	4,662.92	5,387.83

Notes Forming Part Of Standalone Financial Statement

(₹ in Lacs)

Particulars	March 31, 2023	March 31, 2022
34. Impairment on financial instruments		
On financial assets measured at amortised cost-		
Investments in subsidiaries (Refer Note No. 10)	(9.00)	9.16
Bad Debts written off	1.23	8.79
Total	(7.77)	17.96
35. Employee Benefits Expenses (Includes Managerial Remuneration)		
Salaries, wages and bonus	1,925.98	1,607.25
Contribution to provident and other fund (Refer Note No. 46)	38.02	23.22
Gratuity expense (Refer Note No. 46)	22.79	19.45
Staff welfare expenses	36.44	22.56
Total	2,023.23	1,672.48
36. Depreciation and amortisation expense		
Depreciation on Property, plant & equipment	152.84	93.48
Amortisation on other intangible assets	34.17	18.98
Total	187.01	112.46
37. Other Expenses		
Advertisement	25.32	33.22
Auditors' Remuneration (Refer Note No. 38)	9.12	9.68
Bank Charges	178.30	128.22
Business Development	84.42	71.59
Corporate Social Responsibility (Refer Note No. 59)	82.85	60.63
Communication Costs	161.86	113.40
Electricity	59.47	49.45
Insurance	10.24	15.43
Legal and Professional	295.52	266.66
Loss On Fixed Assets	-	0.51
Membership Fee & Subscription	22.78	23.43
Miscellaneous	131.64	81.43
Office Expenses	40.34	26.27
Rent	134.47	120.91
Repairs & Maintenance	55.17	73.18
Software Maintenance	547.83	437.09
Stationery & Printing	19.32	14.87
Travel & Conveyance	110.03	84.10
Total	1,968.68	1,610.07
38. Remuneration To Auditors (Exclusive of Taxes)		
As Auditors:		
Statutory audit	7.00	7.00
Tax audit	1.00	1.00
Limited review	0.90	0.90
Other services	0.22	0.78
Total	9.12	9.68
39. Exceptional items		
Profit on sale of subsidiaries (Refer Note No. 10 & 15)	31.00	854.79
Total	31.00	854.79
40. Tax Expense		
I. The major components of income tax expense for the year are as under		
(A) Current tax expense		
Current tax for the year	980.42	1,249.42
Tax adjustment in respect of earlier years	(8.97)	(17.23)
Total current tax expense (A)	971.45	1,232.19
(B) Deferred tax expense		
Change in deferred tax liabilities	(36.12)	110.81
Net deferred tax expense (B)	(36.12)	110.81
Total (A+B)	935.33	1,343.01

Notes Forming Part Of Standalone Financial Statement

(₹ in Lacs)

Particulars	March 31, 2023	March 31, 2022		
B. Reconciliation of tax expenses and the accounting profit for the year is as under				
Profit / (loss) before income tax expense	3,558.18	6,749.89		
Tax at the rate of 25.17%	895.52	1,698.81		
Difference due to :				
Tax effect of expense allowed on payment basis	0.66	6.04		
Tax on expense not tax deductible	20.85	15.39		
Tax adjustment relating to fair valuation of equity instrument	84.08	(587.57)		
Tax adjustment of previous years	(8.97)	(17.23)		
Tax effect of different depreciation	(19.90)	(4.16)		
Tax effect on chapter VI	(13.97)	(2.87)		
Tax on income taxable at different rate	13.18	112.13		
Others	-	11.65		
Current tax expense (A)	971.45	1,232.19		
Deferred tax liability on PPE & Intangible Assets	19.90	9.75		
Deferred tax asset on expense allowed on payment basis	(0.66)	(1.14)		
Deferred tax asset on fair valuation	(55.36)	102.21		
Deferred tax expense (B)	(36.12)	110.81		
Total Tax Expense (A+B)	935.33	1,343.01		
Effective Tax Rate	26.29%	19.90%		
C. Movement of deferred tax assets and liabilities				
Particulars	Year Ended March 31, 2023			
	As at April 1, 2022	Credit / (Charge) in Profit of Loss	Credit / (Charge) in OCI	As at March 31, 2023
Deferred tax liability on account of :				
Timing difference on PPE & Intangible Assets as per books and Income Tax Act, 1961	81.72	(19.90)	-	101.62
Fair valuation of Securities for Trade as per Ind AS	(2.92)	(2.92)	-	-
Total deferred tax liabilities (A)	78.80	(22.82)	-	101.62
Deferred tax assets on account of:				
Expenses allowable u/s. 43B on payment basis				
-Gratuity	46.89	2.45	(0.65)	48.69
-Bonus	3.93	(1.78)	-	2.14
Fair valuation of Equity Instruments as per Ind AS	(122.14)	58.28	-	(63.85)
Total deferred tax assets (B)	(71.32)	58.95	(0.65)	(13.02)
Net deferred tax Liability / (Assets) (A-B)	150.12	36.13	(0.65)	114.64
Particulars	Year Ended March 31, 2022			
	As at April 1, 2022	Credit / (Charge) in Profit of Loss	Credit / (Charge) in OCI	As at March 31, 2023
Deferred tax liability on account of :				
Timing difference on PPE & Intangible Assets as per books and Income Tax Act, 1961	71.97	(9.75)	-	81.72
Fair valuation of Securities for Trade as per Ind AS	(3.86)	(0.94)	-	(2.92)
Total deferred tax liabilities (A)	68.11	(10.69)	-	78.80
Deferred tax assets on account of:				
Expenses allowable u/s. 43B on payment basis				
-Gratuity	45.27	2.11	(0.49)	46.89
-Bonus	4.90	(0.97)	-	3.93
Fair valuation of Equity Instruments as per Ind AS	(20.87)	(101.27)	-	(122.14)
Total deferred tax assets (B)	29.30	(100.13)	(0.49)	(71.32)
Net deferred tax Liability / (Assets) (A-B)	38.81	(110.82)	(0.49)	150.12

Notes Forming Part Of Standalone Financial Statement

(₹ in Lacs)

Particulars	March 31, 2023	March 31, 2022
41. Earnings Per Equity Share		
A) Profit attributable to Equity holders of Company		
Profit attributable to equity holders	2,622.85	5,406.88
B) Weighted average number of ordinary shares		
Number of shares at the beginning of the year	10,41,12,800	10,41,12,800
Weighted average number of shares at the end of the year	10,41,12,800	10,41,12,800
C) Face value per share	1.00	1.00
D) Basic and Diluted earnings per share	2.52	5.19
The Company has sub-divided its 2,08,22,560 equity shares of face value of ₹ 5 each fully paid up into 10,41,12,800 equity shares of face value of ₹ 1 each fully paid up w.e.f. April 15, 2022 as recommended by board of directors and approved by the shareholders of the company in the Extra Ordinary General Meeting held on March 26, 2022. Earning per share have been calculated / restated, as applicable, for all the periods presented after considering the new number of equity shares post such split in line with the provisions of the applicable IND AS and to make the figures of EPS comparable with the previous periods.		
42. Contingent Liability and Commitment (to the extent not provided for)		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contingent liabilities:		
Bank Guarantees given*	26,200.00	15,500.00
Demand in respect of income tax matters for which appeal is pending	66.98	50.48
Capital commitments:		
There are no Capital commitment as at the year end.		
* Bank Guarantees details		
1.ICCL Bombay Stock Exchange Ltd (under mandatory rules for membership)	148.75	123.75
2.ICCL Bombay Stock Exchange Ltd (towards additional margin)	25,976.25	15,301.25
3.National Securities Clearing Corporation Ltd (under mandatory rules for membership)	75.00	75.00
43. Segment Reporting		
The Company publishes these standalone financial statements along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.		
44. Due to Micro, Small, & Medium Enterprises		
The Company has sent letters to vendors to confirm whether they are covered under Micro, Small and Medium Enterprise Development Act 2006 as well as they have filed required memorandum with prescribed authority. Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) the relevant particulars as at the year end are furnished below:		
The Principal amount remaining unpaid at the year end	29.12	41.12
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	29.12	41.12

Notes Forming Part Of Standalone Financial Statement

(₹ in Lacs)

45. Revenue from Contract with customers

The Company derives revenue primarily from the broking business. Its other major revenue sources is Interest earned from margin funding and delayed payments from clients.

A. Disaggregate revenue information

The table below presents disaggregate revenues from contracts with customers for the year ended March 31, 2023 and March 31, 2022. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Brokerage Income	7,148.87	8,527.48
Fees & Commission Income	345.05	194.85
Interest Income	4,802.80	4,090.29
Depository Income	240.84	287.53
Total	12,537.56	13,100.15

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 ₹33.09 Lacs (Previous Year ₹18.55 Lacs) for provident fund contributions in the Statement of Profit and Loss.

The Company recognised ₹ 4.93 Lacs (Previous Year: ₹ 4.67 Lacs) for Employees State Insurance Fund contribution in the Statement of Profit and Loss.

(ii) Defined Benefit Plan:
Gratuity

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

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

Notes Forming Part Of Standalone Financial Statement

(₹ in Lacs)

Particulars	Defined Benefit Obligation			
	As at March 31, 2023	As at March 31, 2022		
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:				
Opening balance	186.31	179.87		
Included in profit or loss -				
Current service cost	13.20	11.90		
Interest cost	9.59	7.54		
Total - A	209.10	199.32		
Included in OCI -				
Actuarial loss (gain) arising from:				
Demographic assumptions	-	0.00		
Financial assumptions	(7.29)	(3.60)		
Experience adjustment	4.70	1.64		
Total - B	(2.59)	(1.96)		
Other				
Benefits paid	(13.07)	(11.05)		
Liability transferred in for Employees joined	-	-		
Total - C	(13.07)	(11.05)		
Closing balance (A+B+C)	193.44	186.31		
C. Defined Benefit Obligations				
(i) Actuarial assumptions: The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).				
Particulars	As at March 31, 2023	As at March 31, 2022		
Mortality Table	IALM (2012-14) Urban	IALM (2012-14) Urban		
Retirement age	60,65 & 70 years	60,65 & 70 years		
Attrition Rate	29.00% p.a.	29.00% p.a.		
Discount rate	7.20% p.a.	5.15% p.a.		
Salary escalation rate	5.00% p.a.	5.00% p.a.		
(ii) Sensitivity analysis: Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.				
Particulars	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(3.24)	3.44	(3.79)	4.02
Future salary growth (1% movement)	3.48	(3.34)	3.56	(3.41)
Employee Turnover (1% movement)	(0.01)	-	(0.23)	0.23
The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.				
The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.				

Notes Forming Part Of Standalone Financial Statement

(₹ in Lacs)

D. Expected Future Cash Flows

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

Maturity profile	As at March 31, 2023	As at March 31, 2022
Expected benefits for Year 1	83.30	52.07
Expected benefits for Year 2	34.37	40.71
Expected benefits for Year 3	27.25	44.73
Expected benefits for Year 4	21.55	19.05
Expected benefits for Year 5	15.11	14.79
Sum of Years 6 to 10	33.64	30.84
Sum of Years 11 and above	8.68	7.79

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 Insurance Broking Services Limited
- Arihant Institute of Financial Education Private Limited
- Ahinsa Lifespace Infraheight Limited (till 30/09/2022)
- Arihant Capital (IFSC) Limited
- Electrum Portfolio Managers Limited (till 22/11/2021)

b) Associate

- Electrum Capital Private Limited
- Electrum Portfolio Managers Limited (Subsidiary of associate)

c) Key Management Personnel

Mr. Ashok Kumar Jain	Managing Director
Mr. Arpit Jain	Joint Managing Director
Mrs. Anita S Gandhi	Whole Time Director
Mr. Sunil Kumar Jain	Director
Mr. Akhilesh Rathi	Independent Director
Mr. Parag R. Shah	Independent Director
Mr. Ashish Maheshwari	Independent Director
Mr. Jitendra Jain	Independent Director
Ms. Swanubhuti A Jain	Independent Director (joined office from 25/04/2022)
Mr. Tarun Goyal	Chief Financial Officer
Mr. Mahesh Pancholi	Company Secretary

d) Relatives of Key Management Personnel

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

e) Enterprises over which Key Management Personnel are able to exercise significant influence

Shyam Developers
 Get Prosper Capital Private Limited
 Savitt Universal Limited

Notes Forming Part Of Standalone Financial Statement

(₹ in Lacs)

Transactions with related parties			
Particulars	Relationship	March 31, 2023	March 31, 2022
Income			
Interest			
Arihant Financial Services Limited	Subsidiary	-	1.63
Arihant Futures & Commodities Limited	Subsidiary	-	2.35
Rent			
Electrum Portfolio Managers Limited	Subsidiary	-	1.40
Electrum Portfolio Managers Limited	Subsidiary of Associate	1.20	1.00
Electrum Capital Private Limited	Assoicate	8.18	0.70
Commission			
Electrum Capital Private Limited	Assoicate	2.27	2.90
Electrum Portfolio Managers Limited	Subsidiary of Associate	22.83	-
Expenses			
Salary & Incentive			
Ashok Kumar Jain	KMP	61.00	162.04
Anita Gandhi	KMP	35.40	38.60
Arpit Jain	KMP	168.00	18.57
Kiran Jain	Relatives of KMP	2.40	-
Tarun Goyal	KMP	20.24	14.83
Mahesh Pancholi	KMP	13.12	12.19
Shruti Jain	Relatives of KMP	29.50	24.00
Rent			
Ashok Kumar Jain	KMP	15.00	15.00
Kiran Jain	Relatives of KMP	35.25	35.25
Ashok Kumar Jain HUF	Relatives of KMP	4.13	4.13
Arpit Jain	Relatives of KMP	4.13	4.13
Shyam Developers	Enterprises over which KMP are able to exercise significant influence	15.00	15.00
Sitting Fees			
Sunil Kumar Jain	KMP	1.80	2.40
Paragbhai Shah	KMP	1.80	2.00
Ashish Maheshwari	KMP	1.80	2.40
Akhilesh Rathi	KMP	1.30	2.40
Jitendra Jain	KMP	1.80	2.40
Swanubhuti Jain	KMP	1.80	-
Legal & Professional Fees			
Swati Jain	Relatives of KMP	14.40	14.40
Electrum Capital Private Limited	Assoicate	0.15	-
Interest			
Arihant Financial Services Limited	Subsidiary	34.36	3.46
Savitt Universal Limited	Enterprises over which KMP are able to exercise significant influence	-	12.42
Akhilesh Rathi	KMP	58.50	19.23
Commission			
Arihant Futures & Commodities Ltd	Subsidiary	-	38.77
Electrum Capital Private Limited	Assoicate	1.40	28.33

Notes Forming Part Of Standalone Financial Statement

(₹ in Lacs)

Particulars	Relationship	March 31, 2023	March 31, 2022			
Assets						
Rent Deposits						
Ashok Kumar Jain	KMP	3.50	3.50			
Kiran Jain	Relatives of KMP	20.38	20.38			
Ashok Kumar Jain HUF	Relatives of KMP	3.44	3.44			
Arpit Jain	Relatives of KMP	3.44	3.44			
Shyam Developers	Enterprises over which KMP are able to exercise significant influence	3.75	3.75			
Advance for Expenses						
Ahinsa Lifespace Infraheight Limited	Subsidiary	-	1.23			
Commission Recievable						
Electrum Portfolio Managers Limited	Subsidiary of Associate	11.51	-			
Liabilities						
Rent Deposits Taken						
Electrum Capital Private Limited	Assoicate	5.00	0.30			
Loans Taken						
Akhilesh Rathi	KMP	650.00	650.00			
Payable for Asset Purchased						
Get Prosper Capital Private Limited	Enterprises over which KMP are able to exercise significant influence	28.32	-			
Commission Payable						
Electrum Capital Private Limited	Assoicate	0.10	-			
48. Foreign Currency Transactions						
(i) Expenditure in foreign currency						
Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022			
Software Expenses		-	13.81			
Business Development Expenses		4.24	-			
Total		4.24	13.81			
(ii) Income in foreign currency						
Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022			
Income from Royalty		66.97	6.27			
Total		66.97	6.27			
49. Ageing Schedule for Trade Receivables						
For the year ended March 31, 2023						
Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	17,067.93	98.37	67.59	15.57	19.99	17,269.45
(ii) Undisputed Trade Receivables- Considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

Notes Forming Part Of Standalone Financial Statement

For the year ended March 31, 2022

(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables-considered good	19,588.40	12.01	1.50	7.57	5.53	19,615.01
(ii) Undisputed Trade Receivables-Considered Doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
50. Ageing Schedule for Trade Payables						
For the year ended March 31, 2023						(₹ in Lacs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	29.12	-	-	-	29.12
(ii) Others	18,173.08	53.62	10.66	7.21	18,244.57
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-

For the year ended March 31, 2022						(₹ in Lacs)
Particulars	Outstanding for following periods from due date of payment				Total	
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	41.12	-	-	-	41.12	
(ii) Others	23,526.15	11.13	8.40	13.29	23,558.97	
(iii) Disputed dues- MSME	-	-	-	-	-	
(iv) Disputed dues- Others	-	-	-	-	-	

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

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

52. Registration of charges or satisfaction with Registrar of Companies

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

53. Additional Regulatory Information as per Companies Act, 2013

1. The company has not granted any Loans or Advances to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.
2. The title deeds, comprising all the immovable properties are held in the name of company and no immovable property is jointly held with others.
3. There is no Intangible assets under development.

Notes Forming Part Of Standalone Financial Statement

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

54. Disclosure relating to various ratios

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

Notes Forming Part Of Standalone Financial Statement

55. Fair value measurement

i. Accounting classification and fair values

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

(₹ in Lacs)

Particulars	Carrying amount			Fair value				
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
March 31, 2023								
Financial assets								
Cash and cash equivalents	-	-	1,390.60	1,390.60	-	-	-	-
Bank balance other than cash and cash equivalents	-	-	18,465.93	18,465.93	-	-	-	-
Derivative financial instruments	15.76	-	-	15.76	15.76	-	-	15.76
Securities for trade	471.90	-	-	471.90	471.90	-	-	471.90
Trade receivables	-	-	17,269.46	17,269.46	-	-	-	-
Loans	-	-	6,658.65	6,658.65	-	-	-	-
Investments	1,589.22	-	663.10	2,252.32	1,584.12	-	5.10	1,589.22
Other financial assets	-	-	371.87	371.87	-	-	-	-
Total financial assets	2,076.88	-	44,819.61	46,896.49	2,071.78	-	5.10	2,076.88
Financial liabilities								
Derivative financial instruments	-	-	-	-	-	-	-	-
Trade Payables	-	-	-	-	-	-	-	-
Total outstanding dues of micro & small enterprises	-	-	29.12	29.12	-	-	-	-
Total outstanding dues of creditors other than micro & small enterprises	-	-	18,244.57	18,244.57	-	-	-	-
Borrowings	-	-	5,058.65	5,058.65	-	-	-	-
Other financial Liabilities	-	-	1,754.43	1,754.43	-	-	-	-
Total financial liabilities	-	-	25,086.77	25,086.77	-	-	-	-

(₹ in Laacs)

Notes Forming Part Of Standalone Financial Statement

Particulars	Carrying amount			Fair value			
	FVTPL	FVOCI	Amortised cost	Level 1	Level 2	Level 3	Total
March 31,2022							
Financial assets							
Cash and cash equivalents	-	-	3,407.22	-	-	-	3,407.22
Bank balance other than cash and cash equivalents	-	-	20,439.74	-	-	-	20,439.74
Securities for trade	1,672.79	-	-	1,672.79	-	-	1,672.79
Trade receivables	-	-	19,615.02	-	-	-	19,615.02
Loans	-	-	4,255.95	-	-	-	4,255.95
Investments	2,288.35	-	654.10	2,274.25	-	14.10	2,288.35
Other financial assets	-	-	1,323.25	-	-	-	1,323.25
Total financial assets	3,961.14	-	49,695.28	3,947.04	-	14.10	3,961.14
Financial liabilities							
Derivative financial instruments	37.51	-	-	37.51	-	-	37.51
Trade Payables	-	-	-	-	-	-	-
Total outstanding dues of micro & small enterprises	-	-	41.12	-	-	-	41.12
Total outstanding dues of creditors other than micro & small enterprises	-	-	23,558.97	-	-	-	23,558.97
Borrowings	-	-	7,787.80	-	-	-	7,787.80
Other financial Liabilities	-	-	2,129.50	-	-	-	2,129.50
Total financial liabilities	-	-	33,517.39	37.51	-	-	37.51

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

56. Financial risk management

The company has a risk management framework, appropriate to the size of the Company and environment under which it operates. The objective of its risk management framework is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks and ensure a systematic response in the case of crystallization 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

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.

Notes Forming Part Of Standalone Financial Statement

The table below provide details regarding the contractual maturities of significant financial liabilities as of March 31,2023 (₹ in Lacs)

Particulars	Carrying Amount	Less than 1 year	1-3 year	3-5 year	More than 5 year
Derivative financial instruments	-	-	-	-	-
Trade Payables	18,273.69	18,273.69	-	-	-
Borrowings	5,058.65	5,058.65	-	-	-
Other financial Liabilities	1,754.43	1,754.43	-	-	-

The table below provide details regarding the contractual maturities of significant financial liabilities as of March 31,2022 (₹ in Lacs)

Particulars	Carrying Amount	Less than 1 year	1-3 year	3-5 year	More than 5 year
Derivative financial instruments	37.51	37.51	-	-	-
Trade Payables	23,600.09	23,600.09	-	-	-
Borrowings	7,787.80	7,787.80	-	-	-
Other financial Liabilities	2,129.50	2,129.50	-	-	-

C. Market risk

Market Risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the return.

(i) Currency risk

Currency Risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The company's all transactions are denominated in Indian rupees only. Hence, the Company is not significantly exposed to currency rate risk.

(ii) Interest rate risk

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

(iii) Market price risks

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

57. Capital Management

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

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

Notes Forming Part Of Standalone Financial Statement

(₹ in Lacs)

Particulars	March 31,2023			March 31,2022		
Borrowings	5,058.65			7,787.80		
Less: Cash & bank balances	19,856.53			23,846.96		
Net Debt (A)	(14,797.88)			(16,059.16)		
Total Equity(B)	23,227.98			20,759.35		
Gearing Ratio (A/B)	(0.64)			(0.77)		
58. Maturity Analysis of Assets and Liabilities						
The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled						
(₹ in Lacs)						
Particulars	March 31,2023			March 31,2022		
	Within 12 month	After 12 month	Total	Within 12 month	After 12 month	Total
Assets						
Financial assets						
Cash and cash equivalents	1,390.60	-	1,390.60	3,407.22	-	3,407.22
Bank balance other than cash and cash equivalents	18,465.93	-	18,465.93	20,439.74	-	20,439.74
Derivative financial instruments	15.76	-	15.76	-	-	-
Securities for trade	471.90	-	471.90	1,672.79	-	1,672.79
Trade receivables	17,269.46	-	17,269.46	19,615.02	-	19,615.02
Loans	6,658.65	-	6,658.65	4,255.95	-	4,255.95
Investments	-	2,252.32	2,252.32	-	2,942.45	2,942.45
Other financial assets	146.92	224.95	371.87	1,098.40	224.85	1,323.25
	44,419.22	2,477.27	46,896.49	50,489.12	3,167.30	53,656.42
Non-Financial assets						
Property, plant and equipment	-	1,147.19	1,147.19	-	893.91	893.91
Other intangible assets	-	238.37	238.37	-	69.37	69.37
Other non financial assets	389.23	151.75	540.98	338.09	114.87	452.96
	389.23	1,537.31	1,926.54	338.09	1,078.15	1,416.24
Assets held for sale						
	-	-	-	191.23	-	191.23
	-	-	-	191.23	-	191.23
Total Assets	44,808.45	4,014.58	48,823.03	51,018.44	4,245.45	55,263.89
Liabilities						
Financial Liabilities						
Derivative financial instruments	-	-	-	37.51	-	37.51
Trade payables	18,273.69	-	18,273.69	23,600.09	-	23,600.09
Borrowings	5,058.65	-	5,058.65	7,787.80	-	7,787.80
Other financial Liabilities	1,754.43	-	1,754.43	2,129.50	-	2,129.50
	25,086.77	-	25,086.77	33,554.90	-	33,554.90
Non-Financial Liabilities						
Current Tax Liabilities (net)	39.89	-	39.89	233.62	-	233.62
Provisions	-	193.44	193.44	-	186.31	186.31
Deferred Tax Liabilities (net)	-	114.65	114.65	-	150.12	150.12
Other non financial liabilities	160.30	-	160.30	379.59	-	379.59
	200.19	308.09	508.28	613.21	336.43	949.64
Total Liabilities	25,286.96	308.09	25,595.05	34,168.11	336.43	34,504.54

Notes Forming Part Of Standalone Financial Statement

59. Corporate social responsibility

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from 1 April 2014. As per the provisions of the said section, the Company has undertaken the following CSR initiatives during the financial year 2022-23. 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 ₹ 82.85 Lacs (Previous year ₹ 60.62 Lacs)

B) Amount spent during the year ended March 31, 2023 on:

(₹ in Lacs)

Particulars	Year ended March 31,2023			Year ended March 31,2022		
	Amount Paid	Yet to be paid	Total	Amount Paid	Yet to be paid	Total
Construction/acquisition of any asset	-	-	-	-	-	-
On purposes other than (a) above	82.85	-	82.85	60.63	-	60.63
Total	82.85	-	82.85	60.63	-	60.63

In case of S. 135(5) unspent amount

(₹ in Lacs)

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
(0.01)	Nil	82.85	82.85	-

60. Events after Reporting Date

There were no significant events after the end of the reporting period which require any adjustment or disclosure in the financial statements other than as stated below:

The Board of Directors have recommended a final dividend of ` 0.40 per equity share for the financial year ended March 31, 2023. Payment of the final dividend is subject to its approval by the shareholders, in the ensuing Annual General Meeting of the Company.

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

62. Approval of Financial Statements

The financial statements are approved for issue by the Board of Directors in their meeting held on May 20, 2023.

For Dinesh Ajmera & Associates

Chartered Accountants
Firm Reg No:011970C

CA. Dinesh Ajmera

Partner
Membership No. : 402629
UDIN : 23402629BGXFBU5739
Indore, May 20, 2023

Ashok Kumar Jain

Managing Director
DIN-00184729

Arpit Jain

Joint Managing
Director
DIN-06544441

Mahesh Pancholi

Company Secretary
M.No. F7143

Tarun Goyal

Chief Financial
Officer
M.No. 407449

For and on behalf of the Board

INDEPENDENT AUDITORS' REPORT

To the Members of
ARIHANT CAPITAL MARKETS LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **ARIHANT CAPITAL MARKETS LIMITED** ("the Holding Company"), and its subsidiaries (the Company and its Subsidiaries together referred to as the "Group") which includes the Group's share of profit in its associate, which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) and the Consolidated Cash Flow Statement for the year then ended, the Consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information. (Hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on separate financial statements of its associate referred to in the Other Matter paragraph below, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act"), in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the act read with the companies (Indian Accounting Standards) rules, 2015 as amended, ("Ind AS") and other principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2023, and their consolidated profit (including other comprehensive income) and consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the associate audited by the other auditors, to the extent it related to this entity and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Other information so far as it relates to the associate is traced from their financial statements audited by the other auditor.

Based on the work we have performed, we conclude that there is no material misstatement of this other information.

Management's Responsibility for the Consolidated Ind AS Financial Statements.

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (and other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Management and Boards of Directors of the companies included in the Group and its associate are also responsible for overseeing the financial reporting process of the Group and its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other

auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

The consolidated financial statements also include the Group's share of profit after tax of Rs. 30.72 lakhs for the year ended March 31, 2023 and total comprehensive income of Rs. 30.72 lakhs for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in paragraph 3 (xxi) and 4 of the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, to be included in the auditor's report, According to the information and explanations given to us and the CARO reports issued by us for the company and its subsidiaries included in the consolidated financial statement of the company and CARO reports issued by associate's auditor for the associate company to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.
2. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

3. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditor on the separate financial statement of the associate referred to in the Other Matters paragraph above we report, to the extent applicable that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the group so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors of the holding company as on 31st March 2023

taken on record by the Board of Directors of the holding company, the report of the subsidiary companies and the reports of the statutory auditor of its associates' company, none of the directors of Group Companies and its associate is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013

- (f) With respect to the adequacy of the internal financial control over financial reporting and the operating effectiveness of such control, refer to our separate report in Annexure "A" which is based on the auditor's report of the Group and its associates. Our report expresses an unmodified opinion on adequacy and operating effectiveness of the internal financial control over financial reporting of those companies.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group and its associate, as detailed in note 47 to the consolidated financial statements, has disclosed the impact of pending litigations on its consolidated financial position of the Group as at 31 March 2023
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, subsidiary companies and its associate company.
 - iv.
 - (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
 - v.
 - (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the act, as Applicable.
 - (b) No interim dividend declared and paid by the company during the year.
 - (c) The Board of directors of the company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the act, as Applicable.

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

CA Dinesh Ajmera
Partner
Membership No. :402629
UDIN :23402629BGXFBV4463
Indore, May 20, 2023

Annexure “A” to the independent auditor’s report

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **ARIHANT CAPITAL MARKETS LIMITED of even date**)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Group and its associate as of and for the year ended 31 March 2023, we have audited the internal financial controls over financial reporting of **Arihant Capital Market Limited** (“the Holding Company”) its subsidiary companies and its associates, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of its associate, in terms of their reports referred to in the in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Group’s and its associate’s internal financial controls system over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company;
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Group and its associate, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2023, based on criteria established by the Group and its associate considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to its one associate company, is based solely on the corresponding reports of the auditors of such company.

Our opinion is not modified in respect of the above matters.

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

CA Dinesh Ajmera
Partner
Membership No. :402629
UDIN : 23402629BGXFBV4463
Indore, May 20, 2023

Consolidated Balance sheet as at March 31, 2023

(₹ in Lacs)

Particulars	Note No.	March 31, 2023	March 31, 2022
ASSETS			
1 Financial assets			
a. Cash and cash equivalents	4	2,020.84	3,753.14
b. Bank balance other than Cash and cash equivalent	5	18,614.06	20,579.55
c. Derivative financial instruments	6	15.76	-
d. Securities for trade	7	717.50	2,682.77
e. Trade receivables	8	17,289.72	19,621.42
f. Loans	9	9,220.95	5,613.49
g. Investments	10	1,907.92	2,576.33
h. Other financial assets	11	437.72	1,388.10
		50,224.47	56,214.80
2 Non financial assets			
a. Current tax assets (net)	12	0.05	5.09
b. Deferred tax assets (net)	13	6.18	21.48
c. Investment Property	14	-	185.27
d. Property, plant and equipment	15	1,178.14	924.50
e. Other intangible assets	16	244.27	71.93
f. Intangible assets under development	17	-	2.00
g. Other non financial assets	18	550.57	455.48
		1,979.21	1,665.75
Total Assets		52,203.68	57,880.55
LIABILITIES & EQUITY			
Liabilities			
1 Financial Liabilities			
a. Derivative financial instruments	19	-	37.51
b. Trade Payables	20		
i) Total outstanding dues of micro & small enterprises		29.12	41.12
ii) Total outstanding dues of creditors other than micro & small enterprises		18,244.57	23,558.97
c. Borrowings	21	5,967.53	8,237.80
d. Other financial Liabilities	22	1,763.37	2,145.73
		26,004.59	34,021.13
2 Non Financial Liabilities			
a. Current Tax Liabilities (net)	23	59.63	237.59
b. Provisions	24	195.68	188.36
c. Deferred Tax Liabilities (net)	25	117.04	150.13
d. Other non financial liabilities	26	169.86	394.71
		542.21	970.79
3 Equity			
a. Equity share capital	27	1,041.13	1,041.13
b. Other equity	28	24,615.75	21,847.50
		25,656.88	22,888.63
Total Liabilities & Equity		52,203.68	57,880.55

Significant Accounting Policies and Notes on Financial Statements 1 to 71

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 : 23402629BGXFBV4463
 Indore, May 20, 2023

Ashok Kumar Jain
 Managing Director
 DIN-00184729

Arpit Jain
 Joint Managing
 Director
 DIN-06544441

Mahesh Pancholi
 Company Secretary
 M.No. F7143

Tarun Goyal
 Chief Financial
 Officer
 M.No. 407449

For and on behalf of the Board

Consolidated Statement of Profit and Loss for the year ended March 31, 2023

(₹ in Lacs)

Particulars	Note No.	March 31, 2023	March 31, 2022
Income			
I Revenue from Operations			
Interest Income	29	5,097.76	4,132.31
Dividend Income	30	55.58	20.55
Fees & Commission Income	31	7,908.95	9,261.30
Net Gain on fair value changes	32	692.48	3,132.34
Sale of products	33	-	428.59
II Other Income	34	21.26	25.90
III Total Income		13,776.03	17,000.99
IV Expenses			
Finance costs	35	904.21	601.34
Fees and commission expense	36	4,663.02	5,386.83
Impairment on financial instruments	37	4.25	709.79
Cost of Sale	38	-	197.75
Employee Benefits Expenses	39	2,143.28	1,839.20
Depreciation and Amortization Expenses	40	189.76	118.72
Other Expenses	41	1,998.83	1,656.96
Total		9,903.35	10,510.59
V Profit Before Share of Profit / (Loss) of Associates, Exceptional Items and Tax		3,872.68	6,490.40
VI Share of Profit / (Loss) of Associates (Net of Tax)		30.72	85.98
VII Profit Before Exceptional Items and Tax		3,903.40	6,576.38
VIII Exceptional items	43	35.31	(50.01)
IX Profit Before Tax		3,938.71	6,526.37
X Tax Expenses	44		
Current Tax		1,046.83	1,279.74
Deferred Tax		(19.88)	210.53
Total Tax Expenses		1,026.95	1,490.27
XI Profit/(loss) for the year		2,911.76	5,036.10
XII Other Comprehensive Income			
(A) Items that will not be reclassified to profit & loss			
Remeasurements of the defined benefit plans		2.58	1.96
Tax effect relating to above item		(0.65)	(0.49)
Total (A)		1.93	1.47
(B) Items that will be reclassified to profit & loss			
Foreign Currency Translation Reserve		10.72	3.97
Tax effect relating to above item			
Total (B)		10.72	3.97
Total Other Comprehensive Income (A+B)		12.65	5.44
XIII Total Comprehensive Income for the period		2,924.41	5,041.54
XIV Earnings per Share	45		
Equity Shares of ₹ 1 each			
Basic (Amount in ₹)		2.80	4.84
Diluted (Amount in ₹)		2.80	4.84

Significant Accounting Policies and Notes on Financial Statements 1 to 71

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 : 23402629BGXFBV4463

Indore, May 20, 2023

Ashok Kumar Jain
 Managing Director
 DIN-00184729

Arpit Jain
 Joint Managing
 Director
 DIN-06544441

Mahesh Pancholi
 Company Secretary
 M.No. F7143

Tarun Goyal
 Chief Financial
 Officer
 M.No. 407449

For and on behalf of the Board

Consolidated Cash Flow Statement for the year ended March 31, 2023

(₹ in Lacs)

Particulars	Note No.	March 31, 2023	March 31, 2022
A Cash flow (used in) / generated from operating activities			
Profit before tax		3,938.71	6,526.37
Add / (less) : Adjustments			
Unrealised (gain)/loss on Fair value changes of Securities for trade		15.94	11.62
(Profit) / Loss on sale of fixed assets		-	1.56
(Profit) / Loss on sale of Investments		316.47	(1,544.13)
Depreciation / amortisation		189.76	118.72
Interest paid on borrowings		754.07	471.48
Dividend income		(55.58)	(20.55)
Foreign Currency Translation Reserve		10.72	3.97
Operating profit before working capital changes		5,170.09	5,569.04
Adjustments for changes in working capital:			
-(Increase)/Decrease in Other bank balance		1,965.49	(1,556.38)
-(Increase)/Decrease in Derivative financial instruments		(15.76)	-
-(Increase)/Decrease in Securities for Trade		1,949.33	(1,707.28)
-(Increase)/Decrease in Trade and other receivables		2,331.70	(8,671.62)
-(Increase)/Decrease in Inventories		-	2,649.84
-(Increase)/Decrease in Loans		(3,607.46)	(393.46)
-(Increase)/Decrease in Other financial assets		950.38	(860.14)
-(Increase)/Decrease in Other non financial assets		(95.09)	116.90
-Increase/(Decrease) in Derivative financial instruments		(37.51)	29.08
-Increase/(Decrease) in Trade payables		(5,326.40)	7,892.89
-Increase/(Decrease) in Other financial liabilities		(382.36)	(2,806.74)
-Increase/(Decrease) in Other non financial liabilities		(224.85)	(939.54)
-Increase/(Decrease) in Provisions		9.90	30.52
Cash generated from operations		2,687.46	(646.89)
Income tax paid (net)		(1,218.30)	(1,158.62)
Net cash (used in) / generated from operating activities (A)		1,469.16	(1,805.51)
B Cash flow (used in) / generated from Investing activities			
- (Purchase) / Proceeds from sale of property, plant and equipment		(428.47)	697.53
- (Purchase) / Proceeds from sale of investments		351.94	586.45
- Dividend income received		55.58	20.55
Net cash (used in)/ generated from investing activities (B)		(20.95)	1,304.53
C Cash flow (used in) / generated from Financing activities			
- Dividend paid		(156.17)	(364.39)
- Interest paid		(754.07)	(471.48)
- Increase/ (Decrease) in borrowings		(2,270.27)	2,612.01
Net cash (used in) / generated from financing activities (C)		(3,180.51)	1,776.14
Net increase in cash and cash equivalents (A+B+C)		(1,732.30)	1,275.16
Cash and cash equivalents at the beginning of the period		3,753.14	2,477.98
Cash and cash equivalents at the end of the period		2,020.84	3,753.14
Cash and cash equivalents comprise of			
Cash and cheques in hand		17.96	13.31
Balances with scheduled banks		2,002.88	3,739.83
Total		2,020.84	3,753.14
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 71

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 : 23402629BGXFBV4463

Indore, May 20, 2023

Ashok Kumar Jain

Managing Director

DIN-00184729

Arpit Jain

Joint Managing

Director

DIN-06544441

Mahesh Pancholi

Company Secretary

M.No. F7143

For and on behalf of the Board

Tarun Goyal

Chief Financial

Officer

M.No. 407449

Statement of Changes in Equity for the year ended March 31, 2023
A. Equity Share Capital

(₹ in Lacs)

Particular	Amount
Balance as at April 1, 2021	1,041.13
Changes in equity share capital during the year	-
Balance as at March 31, 2022	1,041.13
Changes in equity share capital during the year	-
Balance as at March 31, 2023	1,041.13

B. Other Equity

(₹ in Lacs)

Particulars	Reserve & Surplus					Total Equity
	Retained Earnings	Consolidated Reserve	Statutory Reserve	Foreign Currency Translation Reserve	General Reserve	
Balance as at April 1, 2021	2,657.33	35.15	138.23	12.03	14,327.62	17,170.35
Profit for the period	5,036.10	-	-	-	-	5,036.10
Other comprehensive income	1.47	-	-	3.97	-	5.44
Total comprehensive income	7,694.90	35.15	138.23	16.00	14,327.62	22,211.90
Final Dividend	(208.23)	-	-	-	-	(208.23)
Interim Dividend	(156.17)	-	-	-	-	(156.17)
Transfer to Statutory Reserve	(12.48)	-	12.48	-	-	-
Transfer to General Reserve	(6,050.00)	-	-	-	6,050.00	-
Balance as at March 31, 2022	1,268.02	35.15	150.71	16.00	20,377.62	21,847.50
Profit for the period	2,911.74	-	-	-	-	2,911.74
Other comprehensive income	1.93	-	-	10.72	-	12.65
Total comprehensive income	4,181.69	35.15	150.71	26.72	20,377.62	24,771.89
Final Dividend	(156.17)	-	-	-	-	(156.17)
Transfer to Statutory Reserve	(18.12)	-	18.12	-	-	-
Transfer to General Reserve	(2,571.60)	-	-	-	2,571.60	-
Balance as at March 31, 2023	1,435.80	35.15	168.83	26.72	22,949.22	24,615.72

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

CA. Dinesh Ajmera
 Partner
 Membership No. : 402629
UDIN : 23402629BGXFBV4463
 Indore, May 20, 2023

Ashok Kumar Jain
 Managing Director
 DIN-00184729

Arpit Jain
 Joint Managing
 Director
 DIN-06544441

Mahesh Pancholi
 Company Secretary
 M.No. F7143

For and on behalf of the Board

Tarun Goyal
 Chief Financial
 Officer
 M.No. 407449

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1: CORPORATE INFORMATION

Arihant Capital Markets Limited (“ACML” or ‘the Holding Company’) is a public limited company and incorporated on 25th June, 1992 under the provisions of Companies Act. The Company is domiciled in India having its registered office at 6, Lad Colony, YN Road Indore, Madhya Pradesh.

The Holding Company is registered with Securities and Exchange Board of India (‘SEBI’) under the Stock brokers and sub-brokers Regulations, 1992 and is a member of Bombay Stock Exchange Limited, National Stock Exchange of India Limited, Multi Commodity Exchange of India Ltd. and National Commodity and Derivatives Exchange Limited.

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

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Preparation

The financial statement for the year ended 31 March 2023 has been prepared in accordance with Indian Accounting Standard (‘Ind AS’). The Company is covered under the definition of NBFC. These Financial Statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). These Financial Statements of the Company are presented in Indian Rupees (‘INR’), which is also the Company’s functional currency and all values are rounded to nearest lacs. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures. Previous year figures have been regrouped/ rearranged, wherever necessary.

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 58.

2.1. Principles of Consolidation with Subsidiaries

The consolidated financial statements have comprised financial statements of the Company and its subsidiaries, subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions within the Group are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.2. Revenue Recognition

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

expected to occur.

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

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

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

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

(i) Brokerage income

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

(ii) Fee & Commission income

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

(iii) Depository income

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

(iv) Interest income

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

(v) Dividend income

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

(vi) Revenue from Sale of Land and other rights

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

(vii) Portfolio Management and Advisory Services

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

(viii) Insurance Commission

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

(ix) Advisory Fees

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

2.3. Income Tax

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

Current Tax

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

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

Deferred Tax

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

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

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

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

2.4. Assets held for sale

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

2.5. Cash and cash equivalents

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

2.6. Financial Instruments**Initial recognition and measurement:**

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

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

Fair value of financial instruments:

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

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 61.

(A) Financial assets

(i) Classification and subsequent measurement

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

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

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

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

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL.

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

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

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

(ii) Impairment

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

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

Stage 1: Financials assets that are not credit impaired

Stage 2: Financials assets with significant increase in credit risk but that are not credit impaired.

Stage 3: Financials assets that are credit impaired.

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

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

(iii) Derecognition

A financial asset is derecognised only when:

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

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

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

(B) Financial liabilities

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

(iii) Derecognition

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

2.7. Property, plant and equipment

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

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

Depreciation methods, estimated useful lives and residual value:

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

Assets	Useful Life
Building	60 years
Furniture and Fixtures	10 years
Office Equipment's	5 years
Computers	3 years
Electrical Installations	10 years
Vehicles	8 years
Leasehold Premises	30 years

Derecognition:

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

2.8. Intangible assets

Measurement at recognition:

Intangible assets are recognized where it is probable that the future economic benefit attributable to the assets will flow to the Group and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment, if any.

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

Amortization

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

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

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

Derecognition:

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

2.9. Investment Property

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

2.10. Leases

The Group's lease asset primarily consists of office premises which are of short-term lease with lease term of twelve

months or less and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an expense in the Statement of Profit and Loss on a straight-line basis over the term of lease.

2.11. Offsetting financial instruments

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

2.12. Impairment of non-financial assets

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

2.13. Provisions and contingencies

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

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

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

2.14. Employee benefits

(i) Short-term obligations

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

(ii) Post-employment obligations

Defined contribution plan:

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

Defined benefits plan:

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The liability recognised in the

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

2.15. Foreign currency transactions and translation

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

2.16. Dividends

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

2.17. Earnings per share

a) Basic earnings per share

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

b) Diluted earnings per share

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

2.18. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements.

2.19. Events after reporting date

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

2.20. Derivative financial instruments

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

2.21. Investment in subsidiaries

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

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

2.22. Investment in associates

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

NOTE 3: KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

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

- (a) **Provision and contingent liability:** On an ongoing basis, Group reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in Consolidated financial statements. For Contingencies losses that are considered possible are not provided for but disclosed as Contingent liabilities in the Consolidated financial statements. Contingencies the likelihood of which is remote are not disclosed in the Consolidated financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.
- (b) **Allowance for impairment of financial asset:** Judgments are required in assessing the recoverability of overdue and determining whether a provision against those is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.
- (c) **Recognition of deferred tax assets:** Deferred tax assets are recognised for unused tax-loss carry forwards, deductible temporary differences and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.
- (d) **Defined benefit plans:** The cost of defined benefit plans and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long – term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.
- (e) **Property, plant and equipment and Intangible Assets:** Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation and amortization to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Group's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.
- (f) **Inventories:** Inventories comprising of construction-work-in progress are valued at lower of cost and net realisable value. Net Realisable value is based upon the estimates of the management. The effect of changes, if any, to the estimates is recognised in the Consolidated financial statements for the period in which such changes are determined.
- (g) **Satisfaction of performance obligation:** Determination of revenue under the satisfaction of performance obligation at a point in time method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the timing of satisfaction of performance obligation, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The Group recognises revenue when the Group satisfies its performance obligation.

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

Particulars	March 31, 2023	March 31, 2022
4. Cash and Cash Equivalents		
Cash on hand	17.96	13.31
Balances with banks		
In current accounts	2,002.88	3,739.83
Total	2,020.84	3,753.14
5. Bank Balances other than Cash and Cash Equivalent		
Earmarked balances with bank towards Unclaimed dividend	24.37	25.67
Fixed deposit with maturity for less than 12 months *	10,971.05	7,872.36
Fixed deposit with maturity for more than 12 months *	7,539.35	12,615.25
Interest accrued on fixed deposits	79.29	66.27
Total	18,614.06	20,579.55
Note:		
* Fixed Deposit with bank includes Deposits under the lien of :		
BSE Limited (ICCL)	3,719.00	10,376.00
National Commodity Exchange Limited & NCCL	290.00	488.00
Multi Commodity Exchange of India Limited & MCX-CCL	1,235.00	1,733.00
Over Draft facility	20.00	-
Pension Fund Regulatory and Development Authority	20.00	20.00
Sales Tax Department	2.00	2.00
Insurance Regulatory and Development Authority of India (IRDA)	10.00	10.00
Bank for guarantees issued	13,100.00	7,750.00
Total	18,396.00	20,379.00
*Fixed deposits are pledged with exchange and banks for meeting margin requirements and for obtaining bank guarantee respectively.		
6. Derivative Financial Instruments		
(i) Equity linked derivatives	15.76	-
Total	15.76	-
Notional amounts	1,639.30	-
Note : - The derivatives are used for the purpose of trading.		
7. Securities for trade		
Quoted Equity Shares		
Adani Power Limited (35,001 (50,000) shares, face value of ₹ 10 each)	67.06	92.55
Adani Wilmar Limited (30,000 (48,800) shares, face value of ₹ 1 each)	121.76	252.25
Bajaj Hindusthan Sugar Limited (1,00,000 (Nil) shares, face value of ₹ 1 each)	12.90	-
BCL Industries Limited (40,900 (Nil) shares, face value of ₹ 10 each)	161.02	-
Brightcom Group Limited (Nil (25,000) shares, face value of ₹ 2 each)	-	24.65
Deepak Fertilisers & Petrochemicals Corporation Limited (Nil (5,000) shares, face value of ₹ 10 each)	-	28.07
Escorts Kubota Limited (Nil (25,000) shares, face value of ₹ 10 each)	-	422.71
Fertilizers & Chemicals Travancore Limited (692 (Nil) shares, face value of ₹ 10 each)	1.42	-
Fortis Healthcare Limited (Nil (10,000) shares, face value of ₹ 10 each)	-	29.04
Godawari Power (Nil (10,000) shares, face value of ₹ 5 each)	-	38.65
Gujarat State Fertilizers & Chemicals Limited (50,000 (Nil) shares, face value of ₹ 2 each)	59.50	-

Particulars	March 31, 2023	March 31, 2022
Heritage Foods Limited (Nil (60,000) shares, face value of ₹ 5 each)	-	192.15
Hov Services Limited (19,771 (Nil) shares, face value of ₹ 10 each)	8.25	-
Icici Securities Limited (Nil (25,000) shares, face value of ₹ 5 each)	-	155.31
Inox Leisure Limited (Nil (25,000) shares, face value of ₹ 10 each)	-	132.45
IRB Infra Developers Limited (Nil (5,000) shares, face value of ₹ 1 each)	-	12.56
Madras Fertilizers Limited (Nil (25,000) shares, face value of ₹ 10 each)	-	12.36
Mirza International Limited (23,000 (Nil) shares, face value of ₹ 2 each)	8.02	-
Oberoi Realty Limited (14,000 (Nil) shares, face value of ₹ 10 each)	117.96	-
Oil and Natural Gas Corporation Limited (Nil (2,50,000) shares, face value of ₹ 5 each)	-	409.75
Poonawalla Fincorp Limited (25,000 (Nil) shares, face value of ₹ 2 each)	73.13	-
Rashtriya Chemicals & Fertilizers Limited (Nil (10,000) shares, face value of ₹ 10 each)	-	8.95
Rattanindia Enterprises Limited (Nil (25,000) shares, face value of ₹ 2 each)	-	11.54
Reliance Capital Limited (Nil (5,00,000) shares, face value of ₹ 10 each)	-	83.25
Reliance Infrastructure Limited (Nil (1,25,000) shares, face value of ₹ 10 each)	-	140.38
Reliance Power Limited (Nil (2,00,000) shares, face value of ₹ 10 each)	-	27.00
Royal Orchid Hotels Limited (23,200 (85,000) shares, face value of ₹ 10 each)	63.24	103.36
Sun Tv Network Limited (Nil (50,000) shares, face value of ₹ 5 each)	-	244.93
Sylph Technologies Limited (73,878 (Nil) shares, face value of ₹ 10 each)	23.24	-
Tanla Platforms Limited (Nil (7,976) shares, face value of ₹ 1 each)	-	121.71
Tata Teleservices (Maharashtra) Limited (Nil (9,810) shares, face value of ₹ 10 each)	-	16.34
The Phoenix Mills Limited (Nil (10,000) shares, face value of ₹ 2 each)	-	109.99
TVS Electronics (Nil (5,000) shares, face value of ₹ 10 each)	-	12.79
Ugar Sugar Works Limited (Nil (40) shares, face value of ₹ 1 each)	-	0.03
Total	717.50	2,682.77

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

Particulars	March 31, 2023	March 31, 2022
8. Trade Receivables		
Considered good- Secured	17,084.99	18,983.47
Considered good - Unsecured	204.73	637.95
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - Credit impaired	-	-
Total (Gross)	17,289.72	19,621.42
Less: Impairment loss allowance	-	-
Total (Net)	17,289.72	19,621.42
Out of which:		
Due from Directors	Nil	Nil
Due from a firm including LLP's and Private Limited Company in which a Director of the Company is a Partner or a Director respectively	Nil	Nil
*For Ageing of Trade Receivable Refer Note No. 53.		
9. Loans		
[A] Loans measured at Amortised Cost		
Margin trading facility	6,658.65	4,255.95
Loans to related parties	-	-
Loans repayable on demand	2,568.72	1,360.94
Total (Gross)	9,227.37	5,616.89
Less: Impairment loss allowance	(6.42)	(3.40)
Total (Net)	9,220.95	5,613.49
[B]		
i) Secured by tangible assets	8,848.18	5,439.07
ii) Unsecured	379.19	177.82
Total (Gross)	9,227.37	5,616.89
Less: Impairment loss allowance	(6.42)	(3.40)
Total (Net)	9,220.95	5,613.49
[C] Loans in India		
i) Public Sector		
ii) Others	9,227.37	5,616.89
Total (Gross)	9,227.37	5,616.89
Less: Impairment loss allowance	(6.42)	(3.40)
Total (Net)	9,220.95	5,613.49
Stage wise break up of loans -		
Low credit risk (Stage 1)	9,227.37	5,616.89
Significant increase in credit risk (Stage 2)	-	-
Credit impaired (Stage 3)	-	-
Total	9,227.37	5,616.89
10. Investments		
(A) Equity Instruments		
- At Fair Value through Profit or Loss		
1. Investment in Quoted shares		
Alicon Castalloy Limited (Nil (1,370) shares, face value of ₹ 5 each)	-	9.05
Apcotex Industries Limited (Nil (4,732) shares, face value of ₹ 2 each)	-	16.98
Artemis Medicare Services Limited (40,000 (Nil) shares, face value of ₹ 1 each)	27.16	-
Cg Power And Industrial Solutions Limited (Nil (5,100) shares, face value of ₹ 2 each)	-	9.66

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

Particulars	March 31, 2023	March 31, 2022
D. P. Abhushan Limited (1,91,353 (2,55,499) shares, face value of ₹ 10 each)	592.91	955.44
Dfm Foods Limited (Nil (1,885) shares, face value of ₹ 2 each)	-	5.57
Gufic Biosciences Limited (15,000 (6,599) shares, face value of ₹ 1 each)	27.96	16.43
H.G. Infra Engineering Limited (Nil (1,762) shares, face value of ₹ 10 each)	-	9.83
Hariom Pipe Industries Limited (15,000 (Nil) shares, face value of ₹ 10 each)	71.80	-
Indiabulls Real Estate Limited (Nil (7,221) shares, face value of ₹ 2 each)	-	7.32
Ion Exchange (India) Limited (530 (Nil) shares, face value of ₹ 10 each)	18.09	-
Jubilant Ingrevia Limited (Nil (2,656) shares, face value of ₹ 1 each)	-	11.95
Kolte - Patil Developers Limited (Nil (4,007) shares, face value of ₹ 10 each)	-	11.31
Mastek Limited (Nil (386) shares, face value of ₹ 5 each)	-	12.82
Nitiraj Engineers Limited (1,48,307 (2,48,307) shares, face value of ₹ 10 each)	105.08	181.02
One 97 Communications Limited (Paytm) (Nil (1,000) shares, face value of ₹ 1 each)	-	5.28
Poddar Pigments Limited (Nil (3,422) shares, face value of ₹ 2 each)	-	11.14
Poonawalla Fincorp Limited (31,000 (Nil) shares, face value of ₹ 2 each)	90.68	-
Rane Holdings Limited (5,500 (Nil) shares, face value of ₹ 10 each)	47.63	-
Revathi Equipment Limited (1,700 (Nil) shares, face value of ₹ 10 each)	21.81	-
Spectrum Electrical Industries Limited (Nil (7,60,000) shares, face value of ₹ 10 each)	-	710.60
Stove Kraft Limited (Nil (1,568) shares, face value of ₹ 10 each)	-	9.63
Ttk Healthcare Limited (3,902 (Nil) shares, face value of ₹ 10 each)	40.50	-
Sub-Total (1)	1,043.62	1,984.03
2. Investment in Unquoted shares		
Das Offshore Limited (2,054 (Nil) shares, face value of ₹ 10 each)	250.00	-
Hdb Financial Services Limited (5,320 (5,320) shares, face value of ₹ 10 each)	34.58	38.97
National Stock Exchange Limited (NSE) (8,000 (7,500) shares, face value of ₹ 1 each)	255.92	251.25

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

Particulars	March 31, 2023	March 31, 2022
Quest Global Technologies Limited (Nil (90,000) shares, face value of ₹ 10 each)	-	9.00
Saurashtra Kutch Stock Exchange Limited (1 (1) shares, face value of ₹ 5,000 each)	5.05	5.05
The Saraswat Co-Operative Bank Limited (500 (500) shares, face value of ₹ 10 each)	0.05	0.05
Sub-Total (2)	545.60	304.32
- As per equity method		
3. Investment in Associate		
Electrum Capital Private Limited (13,75,000 (13,75,000) shares, face value of ₹ 10 each)	318.70	287.98
Sub-Total (3)	318.70	287.98
Total	1,907.92	2,576.33
i) Investments in India	1,907.92	2,576.33
ii) Investments outside India	-	-
Total	1,907.92	2,576.33
11. Other Financial Assets		
Deposits with Exchanges / Depositories	332.59	1,263.94
Deposit with Related parties (Refer Note No. 50)	38.88	38.88
Other Deposits	29.83	29.77
Other Advances	36.42	55.51
Total	437.72	1,388.10
12. Current tax Assets (net)		
Advance Income Tax Receivable (Net of Provision for Tax)	0.05	5.09
Total	0.05	5.09
13. Deferred Tax Assets		
Deferred Tax Assets (Refer Note No. 44)	6.18	21.48
Total	6.18	21.48
14. Investment Property		
Freehold Land	-	185.27
Total	-	185.27

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

15. Property, Plant & Equipment										
Particulars	Building	Land	Leasehold Premises	Furniture & Fixtures	Office Equipments	Computers	Electrical Installations	Motor Vehicles	Total	
Gross carrying Amount										
As at April 1, 2021	577.89	881.27	29.58	85.70	65.62	209.63	11.79	165.61	2,027.10	
Additions	-	186.25	-	1.48	9.14	76.51	8.36	68.85	350.60	
Disposals	-	1,067.52	-	-	0.02	7.70	-	12.49	1,087.73	
Currency Fluctuation	-	-	0.93	0.08	-	0.04	-	-	1.05	
Balance as at March 31, 2022	577.89	-	30.51	87.26	74.74	278.48	20.15	221.97	1,291.03	
Additions	-	-	-	124.71	50.84	180.16	11.42	39.01	406.14	
Disposals	-	-	-	-	-	-	-	-	-	
Currency Fluctuation	-	-	2.58	0.23	-	0.11	-	-	2.92	
Balance as at March 31, 2023	577.89	-	33.09	212.20	125.58	458.75	31.57	260.98	1,700.09	
Accumulated Depreciation										
As at April 1, 2021	30.98	-	2.29	29.06	28.43	133.12	4.39	51.81	280.07	
Additions	10.33	-	1.00	9.76	11.54	41.92	1.45	20.56	96.55	
Disposals	-	-	-	-	-	6.53	-	3.70	10.23	
Currency Fluctuation	-	-	0.09	0.02	-	0.03	-	-	0.14	
Balance as at March 31, 2022	41.31	-	3.38	38.84	39.97	168.54	5.84	68.67	366.53	
Additions	10.33	-	1.08	14.99	16.28	78.36	2.67	31.23	154.93	
Disposals	-	-	-	-	-	-	-	-	-	
Currency Fluctuation	-	-	0.31	0.07	-	0.11	-	-	0.49	
Balance as at March 31, 2023	51.64	-	4.77	53.90	56.25	247.01	8.51	99.90	521.95	
Net Carrying Amount										
Balance as at March 31, 2022	536.58	-	27.13	48.42	34.77	109.94	14.31	153.30	924.50	
Balance as at March 31, 2023	526.25	-	28.32	158.30	69.33	211.74	23.06	161.08	1,178.14	

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

16. Other Intangible Assets									
Particulars	Software	License	MCX Membership	NCDEX Membership	NSEL Membership	Operating Right	Total		
Gross carrying Amount									
As at April 1, 2021	103.95	0.50	-	-	-	10.00	114.45		
Additions	31.50	-	-	-	-	-	31.50		
Disposals	3.80	-	-	-	-	10.00	13.80		
Balance as at March 31, 2022	131.65	0.50	-	-	-	-	132.15		
Additions	207.17	-	-	-	-	-	207.17		
Disposals	-	-	-	-	-	-	-		
Balance as at March 31, 2023	338.82	0.50	-	-	-	-	339.32		
Accumulated Depreciation									
As at April 1, 2021	40.45	0.23	-	-	-	6.57	47.25		
Additions	19.85	0.17	-	-	-	2.16	22.17		
Disposals	0.48	-	-	-	-	8.72	9.20		
Balance as at March 31, 2022	59.82	0.40	-	-	-	-	60.22		
Additions	34.73	0.10	-	-	-	-	34.83		
Disposals	-	-	-	-	-	-	-		
Balance as at March 31, 2023	94.55	0.50	-	-	-	-	95.05		
Net Carrying Amount									
Balance as at March 31, 2022	71.83	0.10	-	-	-	-	71.93		
Balance as at March 31, 2023	244.27	-	-	-	-	-	244.27		

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

17. Intangible assets under development		
Particulars	Software	Total
Gross carrying Amount		
As at April 1, 2021	2.00	2.00
Additions	-	-
Disposals	-	-
Balance as at March 31, 2022	2.00	2.00
Additions	-	-
Disposals	2.00	2.00
Balance as at March 31, 2023	-	-
Net Carrying Amount		
Balance as at March 31, 2022	2.00	2.00
Balance as at March 31, 2023	-	-
Particulars	March 31, 2023	March 31, 2022
18. Other Non Financial Assets		
Employee Advance	3.14	4.43
Prepaid Expenses	283.38	206.68
Tax Receivables (IT Department)	159.76	116.51
GST Receivables	31.41	37.47
Other Advances	72.88	90.39
Total	550.57	455.48
19. Derivative Financial Instruments		
(i) Equity linked derivatives	-	37.51
Total	-	37.51
Notional amounts	-	5,861.93
Note : - The derivatives are used for the purpose of trading.		
20. Trade Payables		
Micro, Small and Medium Enterprises (Refer Note No. 47)	29.12	41.12
Other than Micro, Small and Medium Enterprises	18,244.57	23,558.97
Total	18,273.69	23,600.09
*For Ageing of Trade Payable Refer Note No. 54.		
21. Borrowings		
[A] Loans repayable on demand		
- Amortised Cost		
i) from Banks and Financial Institutions	4,908.03	7,137.80
ii) from Related Parties (Refer Note No. 50)	1,059.50	850.00
iii) from others	-	250.00
Total	5,967.53	8,237.80
[B]		
i) Borrowings in India	5,967.53	8,237.80
ii) Borrowings outside India	-	-
Total	5,967.53	8,237.80
[C]		
i) Secured *	4,408.65	7,137.80
ii) Unsecured	1,558.88	1,100.00
Total	5,967.53	8,237.80
*Secured against pledge of securities, trade receivables and immovable property.		

Consolidated Notes Forming Part Of Financial Statement
***Details of Assets pledged as security**

- The Company availed overdraft facility from ICICI Bank amounting to ₹ 2,000 Lacs. Outstanding book balance of overdraft is ₹ 1,651.71 Lacs (March 31, 2022: ₹ 1,993.71 lacs).
The aforesaid overdraft is secured by way of first charge on trade receivables of the company.
- The Company availed overdraft facility from Axis Bank amounting to ₹ 6,000 Lacs. Outstanding book balance of overdraft is ₹ 2,261.61 Lacs (March 31, 2022: ₹ 4,646.60 Lacs).
The aforesaid overdraft is secured by way of first charge on trade receivables of the company.
- The Company availed loan against property from ICICI Bank amounting to ₹ 500 Lacs. Outstanding book balance of loan is ₹ 495.33 Lacs (March 31, 2022: ₹ 497.49 Lacs).
The aforesaid loan is secured by way of first charge by way of equitable mortgage of building situated at 1011, Solitaire Corporate Park, Building No.10, 1st Floor, Andheri Ghatkopar Link Road Chakala Andheri (East) Mumbai in the name of the company.
- The Company availed loan against shares from Tata Capital Financial Services Limited amounting to ₹ 1,000 Lacs. Outstanding book balance of overdraft is ₹ Nil (March 31, 2022: Nil).
The aforesaid loan is secured against equity securities of the company. (₹ in Lacs)

Particulars	March 31, 2023	March 31, 2022
22. Other Financial Liabilities		
Employee Benefits Payable	247.53	155.86
Franchise Deposit	637.27	613.95
Other Deposit	209.49	499.32
Expenses Payable	99.85	107.12
Other Payable (includes payable to vendors)	544.86	743.81
Unclaimed Dividend*	24.37	25.67
Total	1,763.37	2,145.73
*Out of the above amount, the company is required to credit a sum of ₹ 3,88,578.75 lying in the unclaimed dividend account, on or before June 15, 2023 to the Investor Education & Protection Fund pursuant to Sub-section (1) of Section 125 of The Companies Act, 2013.		
23. Current Tax Liabilities (net)		
Income tax payable (Net of Advance Tax & TDS)	59.63	237.59
Total	59.63	237.59
24. Provisions		
Provision for Gratuity (Refer Note No. 49)	195.68	188.36
Total	195.68	188.36
25. Deferred Tax Liabilities (net)		
Deferred Tax Liabilities (net) (Refer Note No. 44)	117.04	150.13
Total	117.04	150.13
26. Other Non Financial Liabilities		
Statutory Dues Payable	169.86	197.71
Other Advances	-	197.00
Total	169.86	394.71
27. Share Capital		
Authorised		
12,50,00,000 equity share of ₹ 1/- each (2,50,00,000 of ₹ 5/- each)	1,250.00	1,250.00
Issued, Subscribed & Paid up		
10,41,12,800 equity share of ₹ 1/- each (2,08,22,560 of ₹ 5/- each)	1,041.13	1,041.13
Total	1,041.13	1,041.13

Consolidated Notes Forming Part Of Financial Statement

The Company has sub-divided its 2,08,22,560 equity shares of face value of ₹ 5 each fully paid up into 10,41,12,800 equity shares of face value of ₹ 1 each fully paid up w.e.f. April 15, 2022 as recommended by board of directors and approved by the shareholders of the company in the Extra Ordinary General Meeting held on March 26, 2022.

Particulars	March 31, 2023	March 31, 2022		
a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period				
<u>Equity Shares of face value ₹ 1/- (face value ₹ 5/- March 22)</u>				
Share outstanding at the beginning of the period	2,08,22,560	2,08,22,560		
Share outstanding at the end of period	10,41,12,800	2,08,22,560		
b. Terms/rights attached to equity shares				
The company has one class of equity shares having a par value of ₹ 1 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	33,531,680 (32.21%)	67,06,336 (32.21%)		
Kiran Jain	23,641,600 (22.71%)	47,28,320 (22.71%)		
Sunil Kumar Jain	5,353,280 (5.14%)	10,70,656 (5.14%)		
Arpit Jain	5,739,200 (5.51%)	11,47,840 (5.51%)		
d. Shareholding of Promoter				
For the year ended March 31, 2023				
S. No.	Promoter's Name	No. of Shares	% of total shares	% Change during the Year
1	Ashok Kumar Jain	3,35,31,680	32.21	-
2	Kiran Jain	2,36,41,600	22.71	-
3	Sunil Kumar Jain	53,53,280	5.14	-
4	Arpit Jain	57,39,200	5.51	-
5	Swati Jain	41,07,580	3.95	(0.45)
6	Shruti Jain	31,10,400	2.99	-
7	Ratik Jain	9,60,000	0.92	-
8	Kamal Kumar Jain (HUF)	2,56,000	0.25	-
9	Anvita Jain	1,92,000	0.18	-
10	Meena Jain	1,52,000	0.15	-
11	Kamal Kumar Jain	1,28,000	0.12	-
Total		7,71,71,740	74.12	-
For the year ended March 31, 2022				
S. No.	Promoter's Name	No. of Shares	% of total shares	% Change during the Year
1	Ashok Kumar Jain	67,06,336	32.21	2.58
2	Kiran Jain	47,28,320	22.71	-
3	Sunil Kumar Jain	10,70,656	5.14	(2.58)
4	Arpit Jain	11,47,840	5.51	-
5	Swati Jain	9,15,516	4.40	-
6	Shruti Jain	6,22,080	2.99	-
7	Ratik Jain	1,92,000	0.92	-
8	Kamal Kumar Jain (HUF)	51,200	0.25	-
9	Anvita Jain	38,400	0.18	-
10	Meena Jain	30,400	0.15	-
11	Kamal Kumar Jain	25,600	0.12	-
Total		1,55,28,348	74.57	-

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

Particulars	March 31, 2023	March 31, 2022
28. Other Equity		
General Reserve		
Balance at the beginning of the year	20,377.62	14,327.62
Transfer from Retained Earnings	2,571.60	6,050.00
Balance as at end of the year	22,949.22	20,377.62
Retained Earnings		
Balance at the beginning of the year	1,268.03	2,657.33
Transfer from Statement of Profit and Loss	2,911.76	5,036.10
Remeasurement of Defined Benefit Plan (Net of Taxes)	1.93	1.47
Final Dividend	(156.17)	(208.23)
Interim Dividend	-	(156.17)
Transfer to Statutory Reserve	(18.12)	(12.48)
Transfer to General Reserve	(2,571.60)	(6,050.00)
Balance as at end of the year	1,435.83	1,268.03
Consolidated Reserve		
Balance at the beginning of the year	35.15	35.15
Balance as at end of the year	35.15	35.15
Statutory Reserve		
Balance at the beginning of the year	150.71	138.23
Transfer from Retained Earnings	18.12	12.48
Balance as at end of the year	168.83	150.71
Foreign Currency Translation Reserve		
Balance at the beginning of the year	16.00	12.03
Transfer from Statement of Profit and Loss	10.72	3.97
Balance as at end of the year	26.72	16.00
Total	24,615.75	21,847.50
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.		

Consolidated Notes Forming Part Of Financial Statement
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.

(₹ in Lacs)

Particulars	March 31, 2023	March 31, 2022
29. Interest Income		
On financial assets measured at amortised cost-		
Interest on loans	290.07	105.77
Interest on deposits with banks	967.08	1,070.83
Interest on Margin deposit with exchange	27.25	0.05
Interest on Margin funding and delayed payment	3,813.36	2,955.66
Total	5,097.76	4,132.31
30. Dividend Income		
From Securities	55.58	20.55
From subsidiary companies	-	-
Total	55.58	20.55
31. Fees and commission income		
Commission Received (Net)	345.05	156.39
Brokerage	7,148.87	8,566.25
Depository Receipts	240.84	287.53
Management Fees	-	56.32
Income from Education Fees	12.28	6.42
Insurance Commission	53.73	19.74
Fees From Merchant Banking	108.18	168.65
Total	7,908.95	9,261.30
32. 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)	246.73	391.83
(ii) Profit/(loss) on securities held for trade	793.22	1,196.23
(iii) Profit/(loss) on mutual funds	-	0.15
(B) Others		
- Profit/(loss) on sale of investments (net) at fair value through profit or loss	(347.47)	1,544.13
Total	692.48	3,132.34
Fair value changes		
Realised gain	811.69	2,009.48
Unrealised gain	(119.21)	1,122.87
Total	692.48	3,132.35
33. Sale of products		
Sale of Plot	-	428.59
Total	-	428.59

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

Particulars	March 31, 2023	March 31, 2022
34. Other Income		
Bad debts recovered	3.28	-
Income from Rent	9.38	3.10
Interest on Income tax refund	0.37	0.29
Miscellaneous income	8.23	22.51
Total	21.26	25.90
35. Finance Costs		
On financial liabilities measured at amortised cost-		
Interest on Borrowings	754.07	471.48
Interest paid on Deposit	149.08	128.44
Other Interest expenses	1.06	1.42
Total	904.21	601.34
36. Fees and Commission Expense		
Sub Brokerage/Referral Fees	3,865.03	4,492.40
Depository charges	83.58	112.58
Exchange Transaction Charges	702.38	752.74
Clearing Charges	-	19.48
Merchant Banking Expenses	12.03	9.63
Total	4,663.02	5,386.83
37. Impairment on financial instruments		
On Financial Assets measured at amortised cost-		
Trade Receivables	-	700.39
Loans	3.02	0.61
Bad Debts written off	1.23	8.79
Total	4.25	709.79
38. Cost of Sale		
Opening Stock	-	2,649.84
Add: Land development cost		
Operating & Project Expenses Incurred During the Year:-		
Preliminaries & Site Expenses	-	15.39
Civil, Electrical, Contracting etc.	-	1.19
Total	-	2,666.42
Less : Closing Stock	-	2,468.67
Total	-	197.75
39. Employee Benefits Expenses (Includes Managerial Remuneration)		
Salaries, wages and bonus	2,045.81	1,773.84
Contribution to provident and other fund (Refer Note No. 49)	38.02	23.22
Gratuity expense (Refer Note No. 49)	22.98	19.45
Staff welfare expenses	36.47	22.69
Total	2,143.28	1,839.20

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

Particulars	March 31, 2023	March 31, 2022
40. Depreciation and amortisation expense		
Depreciation on Property, plant & equipment	154.93	96.55
Amortisation on other intangible assets	34.83	22.17
Total	189.76	118.72
41. Other Expenses		
Advertisement	25.32	33.22
Auditors' Remuneration (Refer Note No. 42)	10.74	11.52
Bank Charges	178.38	128.37
Business Development	84.95	73.87
Corporate Social Responsibility (Refer Note No. 67)	82.85	60.63
Communication Costs	162.33	114.16
Electricity	59.47	50.59
Foreign Exchange Loss (Net)	0.05	0.03
Insurance	10.44	15.67
Legal and Professional	305.83	284.17
Loss on sale of Fixed Assets	-	1.56
Membership Fee & Subscription	26.70	26.96
Miscellaneous Expenses	131.72	83.71
Office Expenses	40.58	26.31
Rent	140.40	130.61
Repairs & Maintenance	55.92	73.66
Software Maintenance	548.33	439.68
Stationery & Printing	19.41	14.90
Travel & Conveyance	115.41	87.34
Total	1,998.83	1,656.96
42. Remuneration To Auditors (Exclusive of Taxes)		
Statutory audit	8.62	8.84
Tax audit	1.00	1.00
Limited review	0.90	0.90
Other services	0.22	0.78
Total	10.74	11.52
43. Exceptional Item		
Share of Profit / (Loss) of Associates (Net of Tax)	-	18.71
Gain on Disposal of Investments (Net) (Refer Note No. 51)		
- In Subsidiaries Carried at Cost	35.31	(68.72)
Total	35.31	(50.01)
44. Tax Expense		
A. The major components of income tax expense for the year are as under		
(A) Current tax expense		
Current tax for the year	1,055.70	1,296.85
Tax adjustment in respect of earlier years	(8.87)	(17.11)
Total current tax expense (A)	1,046.83	1,279.74
(B) Deferred tax expense		
Change in deferred tax	(19.88)	210.53
Net deferred tax expense (B)	(19.88)	210.53
Total (A+B)	1,026.95	1,490.27

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

Particulars	March 31, 2023	March 31, 2022			
B. Reconciliation of tax expenses and the accounting profit for the year is as under					
Profit / (loss) before income tax expense	3,872.66	6,490.40			
Tax at the rate of 25.17%	974.67	1,633.50			
Difference due to :					
Tax effect of expense allowed on payment basis	0.71	6.04			
Tax on expense not tax deductible	21.61	15.54			
Tax adjustment relating to fair valuation of equity instrument	100.14	(378.77)			
Tax impact of Expense Deductible for tax purpose	-	0.01			
Tax effect of Impairment Loss	-	(104.62)			
Tax impact of Carried forward losses	(22.93)	11.94			
Tax effect of different depreciation	(20.19)	(4.04)			
Tax effect on chapter VI	(13.98)	(2.87)			
Tax effect of Ind AS adjustment	(0.68)	-			
Tax adjustment of previous years	(8.87)	(17.11)			
Tax on income exempt from tax	-	0.26			
Tax on income taxable at different rate	13.18	108.99			
Others	0.90	13.18			
Impairment on subsidiaries	2.27	(2.31)			
Current tax expense (A)	1,046.83	1,279.74			
Change in deferred tax liabilities	(33.74)	109.38			
Change in deferred tax assets	13.86	101.15			
Deferred tax expense (B)	(19.88)	210.53			
Total Tax Expense (A+B)	1,026.95	1,490.27			
Effective Tax Rate	26.52%	22.96%			
Movement in deferred tax assets and liabilities					
Particulars	As at April 1, 2022	Credit / (Charge) in Profit or Loss	Recognised in OCI	Disposal of Subsidiaries	As at March 31, 2023
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	83.64	(20.83)	-	-	104.47
Fair valuation of Securities for trade as per Ind AS	(2.92)	(2.92)	-	-	-
Processing Fee	-	(0.68)	-	-	0.68
Fair valuation of Mutual Funds held for investment as per Ind AS	-	-	-	-	-
Fair valuation of Equity Instruments as per Ind AS	122.14	56.04	-	-	66.10
Expenses allowable u/s. 43B on payment basis	-	-	-	-	-
-Gratuity	(47.41)	2.49	(0.65)	-	(49.25)
-Bonus	(3.93)	(1.78)	-	-	(2.15)
Loss carried forward	(14.59)	(4.16)	-	(1.44)	(8.99)
Impairment of Trade Receivable	(8.28)	(8.28)	-	-	-
Net deferred tax (asset) / liabilities	128.65	19.88	(0.65)	(1.44)	110.86

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

Particulars	As at April 1, 2022	Credit / (Charge) in Profit or Loss	Recognised in OCI	Disposal of Subsidiaries	As at March 31, 2023
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	73.08	(9.81)	-	(0.75)	83.64
Fair valuation of Securities for trade as per Ind AS	(3.86)	(0.94)	-	-	(2.92)
Fair valuation of Mutual Funds held for investment as per Ind AS	0.07	0.07	-	-	-
Fair valuation of Equity Instruments as per Ind AS	22.72	(105.76)	-	6.34	122.14
Expenses allowable u/s. 43B on payment basis	-	-	-	-	-
-Gratuity	(45.79)	2.11	(0.49)	-	(47.41)
-Bonus	(4.90)	(0.97)	-	-	(3.93)
Loss carried forward	(13.49)	1.10	-	-	(14.59)
Impairment of Trade Receivable	(104.62)	(96.34)	-	-	(8.28)
Net deferred tax (asset) / liabilities	(76.79)	(210.54)	(0.49)	5.59	128.65

(₹ in Lacs)

Particulars	March 31, 2023	March 31, 2022
Net deferred tax (assets) / liabilities		
Amounts presented in the consolidated balance sheet		
Deferred tax assets	(6.18)	(21.48)
Deferred tax liabilities	117.04	150.13
45. Earnings Per Equity Share		
A) Profit attributable to Equity holders of Company		
Profit attributable to equity holders	2,911.74	5,036.10
B) Weighted average number of ordinary shares		
Number of shares at the beginning of the year	10,41,12,800	10,41,12,800
Weighted average number of shares at the end of the year	10,41,12,800	10,41,12,800
C) Face value per share	1.00	1.00
D) Basic and Diluted earnings per share	2.80	4.84
The Company has sub-divided its 2,08,22,560 equity shares of face value of ₹ 5 each fully paid up into 10,41,12,800 equity shares of face value of ₹ 1 each fully paid up w.e.f. April 15, 2022 as recommended by board of directors and approved by the shareholders of the company in the Extra Ordinary General Meeting held on March 26, 2022. Earning per share have been calculated / restated, as applicable, for all the periods presented after considering the new number of equity shares post such split in line with the provisions of the applicable IND AS and to make the figures of EPS comparable with the previous periods.		

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
46. Contingent Liability and Commitment (to the extent not provided for)		
Contingent liabilities:		
Bank Guarantees given*	26,200.00	15,500.00
Demand in respect of income tax matters for which appeal is pending	104.98	50.48
Capital commitments:		
There are no Capital commitment as at the year end.		
* Bank Guarantees details		
1. ICCL Bombay Stock Exchange Ltd (under mandatory rules for membership)	148.75	123.75
2. ICCL Bombay Stock Exchange Ltd (towards additional margin)	25,976.25	15,301.25
3. National Securities Clearing Corporation Ltd (under mandatory rules f or membership)	75.00	75.00
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:		
(₹ in Lacs)		
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
The Principal amount remaining unpaid at the year end	29.12	41.12
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	29.12	41.12
48. Revenue from Contract with customers		
The Group derives revenue primarily from the broking and related 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 March 31, 2023 and March 31, 2022. 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.		

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(₹ in Lacs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Broking & Related Income	7,896.67	9,198.25
Interest Income	5,097.76	4,132.31
Sale of plots	-	428.59
Asset Management & Advisory fees	-	56.63
Total	12,994.43	13,815.78

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.

49. Employee benefits

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

(i) Defined Contribution Plans:

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

The Company recognised ₹ 33.09 Lacs (Previous Year ₹ 18.55 Lacs) for provident fund contributions in the Statement of Profit and Loss.

The Company recognised ₹ 4.93 Lacs (Previous Year: ₹ 4.67 Lacs) for Employees State Insurance Fund contribution in the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

Gratuity

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

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

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

B. Movement in Defined Benefit Liability

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

(₹ in Lacs)

Particulars	Defined Benefit Obligation	
	As at March 31, 2023	As at March 31, 2022
Opening balance	188.36	181.93
Included in profit or loss -		
Current service cost	13.20	11.90
Interest cost	9.78	7.54
Total (A)	211.34	201.37
Included in OCI -		
Actuarial loss (gain) arising from:		
Demographic assumptions	-	0.00
Financial assumptions	(7.29)	(3.60)
Experience adjustment	4.70	1.64
Total (B)	(2.59)	(1.96)
Other		
Benefits paid	(13.07)	(11.05)
Liability transferred in for Employees joined	-	-
Total C	(13.07)	(11.05)
Closing balance (A+B+C)	195.68	188.36

C. Defined Benefit Obligations

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

Particulars	As at March 31, 2023	As at March 31, 2022
Mortality Table	IALM (2012-14) Urban	IALM (2012-14) Urban
Retirement age	60,65 & 70 years	60,65 & 70 years
Attrition Rate	29.00% p.a.	29.00% p.a.
Discount rate	7.20% p.a.	5.15% p.a.
Salary escalation rate	5.00% p.a.	5.00% p.a.

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(3.24)	3.44	(3.79)	4.02
Future salary growth (1% movement)	3.48	(3.34)	3.56	(3.41)
Employee Turnover (1% movement)	(0.01)	-	(0.23)	0.23

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

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

Consolidated Notes Forming Part Of Financial Statement
D. Expected Future Cash Flows

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

(₹ in Lacs)

Maturity profile	As at March 31, 2023	As at March 31, 2022
Expected benefits for Year 1	83.30	52.07
Expected benefits for Year 2	34.37	40.71
Expected benefits for Year 3	27.25	44.73
Expected benefits for Year 4	21.55	19.05
Expected benefits for Year 5	15.11	14.79
Sum of Years 6 to 10	33.64	30.84
Sum of Years 11 and above	8.68	7.79

50. Related Party Disclosure

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

List of related parties and their relationship
a) Key Management Personnel

Mr. Ashok Kumar Jain	Managing Director
Mr. Arpit Jain	Joint Managing Director
Mrs. Anita S Gandhi	Whole Time Director
Mr. Sunil Kumar Jain	Director
Mr. Akhilesh Rathi	Independent Director
Mr. Parag R. Shah	Independent Director
Mr. Ashish Maheshwari	Independent Director
Mr. Jitendra Jain	Independent Director
Ms. Swanubhuti A Jain	Independent Director (joined office from 25/04/2022)
Mr. Tarun Goyal	Chief Financial Officer
Mr. Mahesh Pancholi	Company Secretary

b) Relatives of Key Management Personnel

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

c) Associate

- Electrum Capital Private Limited
- Electrum Portfolio Managers Limited (Subsidiary of associate)

d) Enterprises over which Key Management Personnel are able to exercise significant influence

- Shyam Developers
- Savitt Universal Limited
- Get Prosper Capital Private Limited
- Ahinsa Investment Advisers Private Limited

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

Transactions with related parties

Particulars	Relationship	March 31, 2023	March 31, 2022
<u>Income</u>			
Interest			
Ahinsa Investment Advisers Private Limited	Enterprises over which KMP are able to exercise significant influence	5.28	-
Rent			
Electrum Capital Private Limited	Associate	8.18	0.70
Electrum Portfolio Managers Limited	Subsidiary of Associate	1.20	1.00
Commission			
Electrum Capital Private Limited	Associate	2.27	2.90
Electrum Portfolio Managers Limited	Subsidiary of Associate	22.83	-
<u>Expenses</u>			
Salary & Incentive			
Ashok Kumar Jain	KMP	61.00	162.04
Arpit Jain	KMP	168.00	18.57
Anita Gandhi	KMP	35.40	38.60
Tarun Goyal	KMP	20.24	14.83
Mahesh Pancholi	KMP	13.12	12.19
Kiran Jain	Relative of KMP	2.40	-
Mohini Doshi	Relative of KMP	6.42	6.17
Shruti Jain	Relative of KMP	29.50	24.00
Rent			
Ashok Kumar Jain	KMP	15.00	15.00
Arpit Jain	KMP	5.59	5.87
Kiran Jain	Relative of KMP	38.23	38.84
Ashok Kumar Jain HUF	Relative of KMP	5.59	5.87
Shyam Developers	Enterprises over which KMP are able to exercise significant influence	15.00	15.00
Sitting Fees			
Sunil Kumar Jain	KMP	1.80	2.40
Paragbhai Shah	KMP	1.80	2.00
Ashish Maheshwari	KMP	1.80	2.60
Akhilesh Rathi	KMP	1.30	2.40
Jitendra Jain	KMP	1.80	2.40
Swanubhuti Jain	KMP	1.80	-

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

Particulars	Relationship	March 31, 2023	March 31, 2022
Legal & Professional Fees			
Swati Jain	Relative of KMP	14.40	14.40
Electrum Capital Private Limited	Associate	0.15	-
Interest			
Akhilesh Rathi	KMP	58.50	19.23
Electrum Capital Private Limited	Associate	7.48	-
Electrum Portfolio Managers Limited	Subsidiary of Associate	17.15	-
Get Prosper Capital Private Limited	Enterprises over which KMP are able to exercise significant influence	3.46	-
Savitt Universal Limited	Enterprises over which KMP are able to exercise significant influence	-	12.42
Ahinsa Investment Advisers Private Limited	Enterprises over which KMP are able to exercise significant influence	0.25	-
Commission			
Electrum Capital Private Limited	Associate	1.40	28.33
Assets			
Rent Deposit			
Ashok Kumar Jain	KMP	3.50	3.50
Arpit Jain	KMP	4.66	4.66
Kiran Jain	Relative of KMP	22.81	22.81
Ashok Kumar Jain HUF	Relative of KMP	4.66	4.66
Shyam Developers	Enterprises over which KMP are able to exercise significant influence	3.75	3.75
Commission Receivable			
Electrum Portfolio Managers Limited	Subsidiary of Associate	11.51	-
Liabilities			
Rent Deposit Taken			
Electrum Capital Private Limited	Associate	5.00	0.30
Loan Taken			
Akhilesh Rathi	KMP	650.00	650.00
Electrum Capital Private Limited	Associate	150.00	-
Electrum Portfolio Managers Limited	Subsidiary of Associate	200.00	-
Get Prosper Capital Private Limited	Enterprises over which KMP are able to exercise significant influence	59.50	-
Payable for Asset Purchased			
Get Prosper Capital Private Limited	Enterprises over which KMP are able to exercise significant influence	28.32	-
Commission Payable			
Electrum Capital Private Limited	Associate	0.10	-

Consolidated Notes Forming Part Of Financial Statement

51. Disposal of Subsidiary

The Company has sold entire shareholding of its wholly owned subsidiary Ahinsa Lifespace Infraheight Limited on September 30, 2022 for a total consideration of ₹ 221.00 Lacs.

51.1 Gain/(Loss) on disposal of wholly owned subsidiary Ahinsa Lifespace Infraheight Limited (₹ in Lacs)

Particulars	As at September 30, 2022
Sale Consideration	221.00
Less: Net Asset Disposed of	(185.69)
Total	35.31

The Company has sold entire Shareholding of its wholly owned subsidiary Electrum Portfolio Managers Limited on November 22, 2021 for a total consideration of ₹ 308.29 Lacs and Arihant Lifespace Infra Developers Limited on February 23, 2022 for a total consideration of ₹ 1201.5 Lacs.

51.1 Gain/(Loss) on disposal of wholly owned subsidiary Electrum Portfolio Managers Limited (₹ in Lacs)

Particulars	As at November 22, 2021
Sale Consideration	308.29
Less: Net Asset Disposed of	(377.00)
Total	(68.71)

51.1 Gain/(Loss) on disposal of wholly owned subsidiary Arihant Lifespace Infra Developers Limited (₹ in Lacs)

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

52. Foreign Currency Transactions

(i) Expenditure in foreign currency

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Software Expenses	-	13.81
Membership Fees	3.62	3.35
Business Development Expenses	4.24	-
Total	7.86	17.16

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Income from Royalty	66.97	6.27
Interest on Fixed Deposit	0.95	0.42
Total	67.92	6.69

Consolidated Notes Forming Part Of Financial Statement

53. Ageing Schedule for Trade Receivables						
For the year ended March 31, 2023						(₹ in Lacs)
Particulars	<u>Outstanding for following periods from due date of payment</u>					Total
	Less than 6 months-6 months	1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables- considered good	17,088.20	98.37	67.59	15.57	19.99	17,289.72
(ii) Undisputed Trade Receivables considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
For the year ended March 31, 2022						(₹ in Lacs)
Particulars	<u>Outstanding for following periods from due date of payment</u>					Total
	Less than 6 months-6 months	1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables considered good	19,594.67	12.15	1.51	7.57	5.53	19,621.43
(ii) Undisputed Trade Receivables considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
54. Ageing Schedule for Trade Payables						
For the year ended March 31, 2023						
Particulars	<u>Outstanding for following periods from due date of payment</u>					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	29.12	-	-	-		29.12
(ii) Others	18,173.08	53.62	10.66	7.21		18,244.57
(iii) Disputed dues- MSME	-	-	-	-		-
(iv) Disputed dues- Others	-	-	-	-		-
For the year ended March 31, 2022						
Particulars	<u>Outstanding for following periods from due date of payment</u>					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	41.12	-	-	-		41.12
(ii) Others	23,526.15	11.13	8.40	13.29		23,558.97
(iii) Disputed dues- MSME	-	-	-	-		-
(iv) Disputed dues- Others	-	-	-	-		-

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(₹ in Lacs)

55. Intangible assets under development					
Ageing schedule for the year ended March 31, 2023					
Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Ageing schedule for the year ended March 31, 2022					
Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	2.00	-	-	2.00
56. Details of borrowings from banks or financial institutions on the basis of security of current assets					
The quarterly returns or statements of current assets filed by the Company with banks or financial institutions for the working capital limit are in agreement with the books of accounts.					
57. Registration of charges or satisfaction with Registrar of Companies					
The company has filed all the registration of charges, modification or satisfaction with ROC within the statutory period as required by the Companies Act, 2013.					
58. Additional Regulatory Information as per Companies Act, 2013					
1. The Company has not granted loans or advances in nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.					
2. The title deeds, comprising all the immovable properties are held in the name of company and no immovable property is jointly held with others.					
3. There is no tangible assets (Capital-work-in progress) under development.					
4. The company has not revalued its Property, Plant and Equipment and Intangible Assets.					
5. No proceeding have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.					
6. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.					
7. The company is not declared willful defaulter by any bank or financial Institution or other lender.					
8. The company has not entered into transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.					
9. The company has not applied for any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013.					
10. Utilization of Borrowed funds and share premium					
(a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.					
(b) No funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.					
11. The Company has not used the borrowings from banks and financial institutions for the purpose other than for which it was taken.					
59. Disclosure relating to various ratios					
Additional regulatory information required under clause (xvi) of Division III of Schedule III amendment, disclosure of ratios, is not applicable to the Company as it is in broking business and not an NBFC registered under Section 45-IA of Reserve Bank of India Act, 1934.					

Consolidated Notes Forming Part Of Financial Statement
60. Fair value measurement
I. Accounting classification and fair values

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

Particulars	Carrying amount				Fair value			
	March 31, 2023	FVTPL	FVOCI	Amortised cost Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	2,020.84	2,020.84	-	-	-	-
Bank balance other than cash and cash equivalents	-	-	18,614.06	18,614.06	-	-	-	-
Derivative financial instruments	15.76	-	-	15.76	15.76	-	-	15.76
Securities for trade	717.50	-	-	717.50	717.50	-	-	717.50
Trade receivables	-	-	17,289.72	17,289.72	-	-	-	-
Loans	-	-	9,220.95	9,220.95	-	-	-	-
Investments	1,907.92	-	-	1,907.92	1,902.82	-	5.10	1,907.92
Other financial assets	-	-	437.72	437.72	-	-	-	-
Total financial assets	2,641.18	-	47,583.29	50,224.47	2,636.08	-	5.10	2,641.18
Financial liabilities								
Derivative financial instruments	-	-	-	-	-	-	-	-
Trade Payables								
Total outstanding dues of micro & small enterprises	-	-	29.12	29.12	-	-	-	-
Total outstanding dues of creditors other than micro & small enterprises	-	-	18,244.57	18,244.57	-	-	-	-
Borrowings	-	-	5,967.53	5,967.53	-	-	-	-
Other financial Liabilities	-	-	1,763.37	1,763.37	-	-	-	-
Total financial liabilities	-	-	26,004.59	26,004.59	-	-	-	-

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

Particulars March 31, 2022	Carrying amount				Fair value			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	3,753.14	3,753.14	-	-	-	-
Bank balance other than cash and cash equivalents	-	-	20,579.55	20,579.55	-	-	-	-
Securities for trade	2,682.77	-	-	2,682.77	2,682.77	-	-	2,682.77
Trade receivables	-	-	19,621.42	19,621.42	-	-	-	-
Loans	-	-	5,613.49	5,613.49	-	-	-	-
Investments	2,576.33	-	-	2,576.33	2,562.23	-	14.10	2,576.33
Other financial assets	-	-	1,388.10	1,388.10	-	-	-	-
Total financial assets	5,259.10	-	50,955.70	56,214.80	5,245.00	-	14.10	5,259.10
Financial liabilities								
Derivative financial instruments	37.51	-	-	37.51	37.51	-	-	37.51
Trade Payables								
Total outstanding dues of micro & small enterprises	-	-	41.12	41.12	-	-	-	-
Total outstanding dues of creditors other than micro & small enterprises	-	-	23,558.97	23,558.97	-	-	-	-
Borrowings	-	-	8,237.80	8,237.80	-	-	-	-
Other financial Liabilities	-	-	2,145.73	2,145.73	-	-	-	-
Total financial liabilities	37.51	-	33,983.62	34,021.13	37.51	-	-	37.51

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.

61. 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.

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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 (₹ in Lacs)

Particulars	March 31, 2023			March 31, 2022		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross Trade Receivables	17,289.72	-	-	19,621.42	-	-
Impairment loss	-	-	-	-	-	-
Net Trade Receivables	17,289.72	-	-	19,621.42	-	-
Gross Loans	9,227.37	-	-	5,616.89	-	-
Impairment loss	(6.42)	-	-	(3.40)	-	-
Net Loans	9,220.95	-	-	5,613.49	-	-

Movements in the allowances for impairment in respect is as follows: (₹ in Lacs)

Particulars	Carrying Amount March 31, 2023				Carrying Amount March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening Balance	3.40	-	-	3.40	2.79	415.70	-	418.49
Impairment loss recognised during the year	3.02	-	-	3.02	0.61	700.39	-	701.00
Debtors Written Off	-	-	-	-	-	(1,116.08)	-	(1,116.08)
Closing Balance	6.42	-	-	6.42	3.40	-	-	3.40

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.

Consolidated Notes Forming Part Of Financial Statement

The table below provide details regarding the contractual maturities of significant financial liabilities as of March 31, 2023					
(₹ in Lacs)					
Particulars	Carrying Amount	Less than 1 year	1-3 year	3-5 year	More than 5 year
Derivative financial instruments	-	-	-	-	-
Trade Payables	18,273.69	18,273.69	-	-	-
Borrowings	5,967.53	5,967.53	-	-	-
Other financial Liabilities	1,763.37	1,763.37	-	-	-

The table below provide details regarding the contractual maturities of significant financial liabilities as of March 31, 2022					
(₹ in Lacs)					
Particulars	Carrying Amount	Less than 1 year	1-3 year	3-5 year	More than 5 year
Derivative financial instruments	37.51	37.51	-	-	-
Trade Payables	23,600.09	23,600.09	-	-	-
Borrowings	8,237.80	8,237.80	-	-	-
Other financial Liabilities	2,145.73	2,145.73	-	-	-

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.

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

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

(₹ in Lacs)		
Particulars	March 31, 2023	March 31, 2022
Borrowings	5,967.53	8,237.80
Less: Cash & bank balances	20,634.90	24,332.69
Net Debt (A)	(14,667.37)	(16,094.89)
Total Equity(B)	25,656.88	22,888.63
Gearing Ratio (A/B)	(0.57)	(0.70)

Consolidated Notes Forming Part Of Financial Statement

63. 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	March 31, 2023		March 31, 2022		Total	Total
	Within 12 month	After 12 month	Within 12 month	After 12 month		
Assets						
Financial assets						
Cash and cash equivalents	2,020.84	-	2,020.84	3,753.14	-	3,753.14
Bank balance other than cash and cash equivalents	18,614.06	-	18,614.06	20,579.55	-	20,579.55
Derivative financial instruments	15.76	-	15.76			
Securities for trade	717.50	-	717.50	2,682.77	-	2,682.77
Trade receivables	17,289.72	-	17,289.72	19,621.42	-	19,621.42
Loans	9,220.95	-	9,220.95	5,613.49	-	5,613.49
Investments	-	1,907.92	1,907.92		2,576.33	2,576.33
Other financial assets	382.08	55.64	437.72	1,089.21	298.89	1,388.10
	48,260.91	1,963.56	50,224.47	53,339.58	2,875.22	56,214.80
Non-Financial assets						
Current tax assets (net)	0.05	-	0.05	5.09	-	5.09
Deferred tax assets (net)	-	6.18	6.18	-	21.48	21.48
Investment Property	-	-	-	-	185.27	185.27
Property, plant and equipment	-	1,178.14	1,178.14	-	924.50	924.50
Other intangible assets	-	244.27	244.27	-	71.93	71.93
Intangible assets under development	-	-	-	-	2.00	2.00
Other non financial assets	390.81	159.76	550.57	338.97	116.51	455.48
	390.86	1,588.35	1,979.21	344.06	1,321.69	1,665.75
Total Assets	48,651.77	3,551.91	52,203.68	53,683.64	4,196.91	57,880.55
Liabilities						
Financial Liabilities						
Derivative financial instruments	-	-	-	37.51	-	37.51
Trade payables	18,273.69	-	18,273.69	23,600.09	-	23,600.09
Borrowings	5,634.20	333.33	5,967.53	8,237.80	-	8,237.80
Other financial Liabilities	1,763.37	-	1,763.37	2,145.73	-	2,145.73
	25,671.26	333.33	26,004.59	34,021.13	-	34,021.13
Non-Financial Liabilities						
Current Tax Liabilities (net)	59.63	-	59.63	237.59	-	237.59
Provisions	195.68	-	195.68	-	188.36	188.36
Deferred Tax Liabilities (net)	-	117.04	117.04	-	150.13	150.13
Other non financial liabilities	169.86	-	169.86	394.71	-	394.71
	425.17	117.04	542.21	632.30	338.49	970.79
Total Liabilities	26,096.43	450.37	26,546.80	34,653.43	338.49	34,991.92

Consolidated Notes Forming Part Of Financial Statement

(₹ in Lacs)

64. Investments in associate (accounted for using the equity method)								
The aggregate summarized financial information in respect of the Company's associates that are accounted for using the equity method is set forth below:								
Particulars		March 31, 2023		March 31, 2022				
Carrying amount of the Company's interest in associates accounted for using the equity method		318.70		287.98				
Particulars		For the year ended March 31, 2023		For the year ended March 31, 2022				
Company's share of net profit/(loss)(Includes Exceptional Gain) of associates accounted for using the equity method in consolidated statement of profit and loss		30.72		104.69				
The Company has 27.23% stake in Electrum Capital Private Limited, making it an associate enterprise of Arihant Capital Markets Limited.								
65. Additional Disclosure pertaining to Subsidiaries as per division III of Companies Act, 2013								
Name of the entity	Net Assets (i.e. Total Assets - Total Liabilities)		Share in Profit & (Loss)		Share in other comprehensive income		Share in Total comprehensive income	
	As % of Consolidated Net Assets	Amount ₹ in Lacs	As % of Consolidated Profit / (Loss)	Amount ₹ in Lacs	As % of Consolidated OCI	Amount ₹ in Lacs	As % of Total Consolidated Income	Amount ₹ in Lacs
Parent								
Arihant Capital Markets Limited	88.19%	23,090.46	89.93%	2,622.85	15.26%	1.93	89.61%	2,624.78
Subsidiaries								
Arihant Financial Services Limited	3.69%	966.37	3.11%	90.57	0.00%	-	3.09%	90.57
Arihant Futures & Commodities Limited	5.77%	1,511.49	4.97%	144.82	0.00%	-	4.94%	144.82
Arihant Insurance Broking Services Limited	0.38%	99.40	0.93%	27.22	0.00%	-	0.93%	27.22
Arihant Institute of Financial Education Private Limited	0.21%	56.21	0.17%	4.85	0.00%	-	0.17%	4.85
Ahinsa Lifespace Infraheight Limited*	0.00%	-	0.00%	(0.05)	0.00%	-	0.00%	(0.05)
Arihant Capital (IFSC) Limited	0.53%	139.84	-0.16%	(4.54)	84.74%	10.72	0.21%	6.18
Sub Total	98.78%	25,863.77	98.95%	2,885.72	100.00%	12.65	98.95%	2,898.37
Associate								
Electrum Capital Private Limited	1.22%	318.70	1.05%	30.72	0.00%	-	1.05%	30.72
Sub Total		318.70	1.05%	30.72	0.00%	-	1.05%	30.72
Total	100.00%	26,182.47	100.00%	2,916.44	100.00%	12.65	100.00%	2,929.09
Less-Intercompany Elimination and Consolidation Adjustments		(525.60)						
Total		25,656.87						
* The company has sold its entire shareholding in wholly owned subsidiary Ahinsa Lifespace Infraheight Limited during the year.								

Consolidated Notes Forming Part Of Financial Statement
66. 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 March 31, 2023 and March 31, 2022 is as under:

Name of the Entities	Country of incorporation	Proportion of ownership interest	
		As at March 31, 2023	As at March 31, 2022
Name of the Subsidiary Companies			
Arihant Financial Services Limited	India	100.00%	100.00%
Arihant Futures & Commodities Limited	India	100.00%	100.00%
Arihant Insurance Broking Services Limited	India	100.00%	100.00%
Arihant Institute of Financial Education Private Limited	India	100.00%	100.00%
Ahinsa Lifespace Infraheight Limited*	India	0.00%	100.00%
Arihant Capital (IFSC) Limited	India	100.00%	100.00%
Name of the Associate Company			
Electrum Capital Private Limited	India	27.23%	27.23%

* The company has sold its entire shareholding in wholly owned subsidiary Ahinsa Lifespace Infraheight Limited during the year.

67. 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 2022-23. 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 ₹ 82.85 Lacs (Previous year ₹ 60.62 Lacs)

B) Amount spent during the year ended March 31, 2023 on:

(₹ in Lacs)

Particulars	Year ended March 31, 2023			Year ended March 31, 2022		
	Amount Paid	Yet to be paid	Total	Amount Paid	Yet to be paid	Total
Construction/acquisition of any asset	-	-	-	-	-	-
On purposes other than (a) above	82.85	-	82.85	60.63	-	60.63
Total	82.85	-	82.85	60.63	-	60.63

In case of S. 135(5) unspent amount

(₹ in Lacs)

Opening Balance	Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
(0.01)	Nil	82.85	82.85	-

Consolidated Notes Forming Part Of Financial Statement

68. Asset held for sale		
Investments in Equity Instruments of subsidiaries (fully paid up equity shares of ₹ 10/- each)		
₹ in Lacs		
Particulars	March 31, 2023	March 31, 2022
I) Ahinsa Lifespace Infraheight Ltd.*	-	190.00
Total	-	190.00
<p>The Company has sold entire shareholding of its wholly owned subsidiary Ahinsa Lifespace Infraheight Limited on September 30, 2022 for a total consideration of ₹ 221.00 Lacs.</p>		
69. Events after Reporting Date		
<p>There were no significant events after the end of the reporting period which require any adjustment or disclosure in the financial statements other than as stated below:</p> <p>The Board of Directors have recommended a final dividend of ₹ 0.40 per equity share for the financial year ended March 31, 2023. Payment of the final dividend is subject to its approval by the shareholders, in the ensuing Annual General Meeting of the Company.</p>		
70. Previous year figures have been regrouped/reclassified wherever necessary.		
71. Approval of Financial Statements		
<p>The consolidated financial statements are approved for issue by the Board of Directors of parent Company in their meeting held on May 20, 2023.</p>		

For Dinesh Ajmera & Associates

Chartered Accountants
Firm Reg No:011970C

CA. Dinesh Ajmera

Partner

Membership No. : 402629

UDIN : 23402629BGXFBV4463

Indore, May 20, 2023

Ashok Kumar Jain

Managing Director
DIN-00184729

Arpit Jain

Joint Managing
Director
DIN-06544441

Mahesh Pancholi

Company Secretary
M.No. F7143

Tarun Goyal

Chief Financial
Officer
M.No. 407449

For and on behalf of the Board

Arihant Capital

Generating Wealth

Arihant Capital Markets Ltd.

Registered Office:

6 Lad Colony, Y.N. Road,

Indore - 452003, (M.P.)

www.arihantcapital.com

