



26TH ANNUAL REPORT 2020-21

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OVERVIEW

Arihant Classic Finance Limited (ACFL) was set up in 1995. It is a Non-Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI) as ND-SI (Non-Deposit taking systemically important) and is listed on Ahmedabad Stock Exchange (ASE). The company is managed and carried by Mr. Jain. The company has earned huge profit by trading in securities and derivatives.

Today the company boasts of efficient systems, skillfull employees and appropriate infrastructure by which trading of securities is held on big level. The company is not only trading in securities even have investment in many companies. Our Constant endeavor is to maximize business through optimization of the value chain, and meet the expectations of our Investors and shareholders.

Indian markets, though in the nascent stage offer one of the most exciting and rewarding investment opportunities among the emerging market economies. Hence, as financial awareness deepens and more sophisticated instruments enter the Indian markets, investors need to tread the path cautiously. At Arihant Classic Finance, we empower our clients through analysis at the RIGHT TIME so that they can buy RIGHT STOCKS at RIGHT PRICE.

Trading in Equities & Derivatives with Arihant truly empowers you to REWARD YOUR INVESTMENTS. We ensure you have a superlative trading experience through our -

- ❖ Highly process driven and diligent approach
- ❖ Powerful research and analytics
- ❖ One of the 'best-in-class' dealing rooms

CORPORATE INFORMATION

THE BOARD:

- ❖ **Tina Has Mukh Mutha,** Managing Director (From 31/10/2020)
- ❖ **Mayur Jain,** Non-Executive Director (From 10/10/2000)
- ❖ **Madhu Doshi,** Non-Executive Director (From 10/10/2000)
- ❖ **Jatin Kakkar,** Non-Executive Independent Director (From 30/08/2018)
- ❖ **Vikram Kishore Mutha,** Non-Executive Independent Director (From 03/01/2019)
- ❖ **Mohit Chaturvedi,** Non-Executive Independent Director (From 01/01/2019)

COMPANY SECRETARY

Yati Mittal (From 03/05/2021)

CHIEF FINANCIAL OFFICER

Mukesh Kumar (From 31/03/2018)

AUDITOR (S)

M/s. NJG & Co.
708, New Delhi House
27, Barakhamba Road, New Delhi – 110001

REGISTERED OFFICE:

414, Nalanda Enclave, Opp. Sudama Resorts
Pritam Nagar, Ellisbridge Ahmedabad -
380006

CIN, WEBSITE ADDRESS AND EMAIL

L65910GJ1995PLC025312
<http://arihantclassic.in/>
compliance4arihant@gmail.com

CORPORATE OFFICE

G-72, First Floor, Kirti Nagar Delhi-110015

SHARE REGISTRAR AGENT

M/s. Alankit Assignments Limited
Alankit House , 4E/2 Jhandewalan Extension
New Delhi - 110055

Contact Person: Mr. Virender Sharma

e-mail id: virenders@alankit.com

NOTICE

Notice is hereby given that the 26th Annual General Meeting of the Members of **Arihant Classic Finance Limited** is scheduled to be held on Wednesday, the 29th day of September 2021 at 03:00 P.M. through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') facility to transact the following:

ORDINARY BUSINESS:

1. To consider and if thought fit, to pass with or without modifications, the following Resolution **as Ordinary Resolution:**
 - a) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2021 the Profit and Loss Account and the Cash Flow Statement of the company for the year ended 31st March, 2021, notes to financial statements, Board's Report and auditor's report thereon.
 - b) To receive, consider and adopt the Audited Consolidated Balance Sheet as at 31st March, 2021 the Profit and Loss Account and the Cash Flow Statement of the company for the year ended 31st March, 2021, notes to financial statements, Board's Report and auditor's report thereon.
2. To appoint a Director in place of **Mrs. Madhu Doshi (DIN: 00626336)**, who is liable to retire by rotation and being eligible, offers herself for re-appointment.

BY ORDER OF THE BOARD
For Arihant Classic Finance Limited

Place: Delhi

Date: 03/09/2021

Sd/-

Mayur Jain

Director

NOTES:

- i. In view of the ongoing COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020 and Circular no. 02/2021 dated January 13, 2021 (collectively “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (collectively “SEBI Circulars”), have permitted companies to conduct AGM through VC or other audio visual means, subject to compliance of various conditions mentioned therein. In compliance with the aforesaid MCA Circulars and SEBI Circulars and the applicable provisions of Companies Act, 2013 and rules made thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 75th AGM of the Company is being convened and conducted through VC’.
- ii. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- iii. Corporate shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (pdf/jpg format) of its board or governing body's resolution/authorisation, etc., authorizing their representative to attend the e-AGM on its behalf and to vote through remote e-voting. The said resolution/authorisation shall be sent to the scrutinizer by email through its registered email address to cs@arihantclassic.com with a copy marked to ca@drinternational.com.
- iv. The deemed venue for 26th e-AGM shall be the Registered Office of the Company.
- v. The facility of joining the e-AGM through VC/OAVM will be opened 15 minutes before and will be open upto 15 minutes after the scheduled start time of the e-AGM, i.e., from 03.00 P.M to 03.30 P.M. and will be available for all members.

- vi. As per the provisions under the MCA Circulars, Members attending the 26th AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- vii. The Company has appointed M/s. Saurabh Agrawal & Co. Company Secretaries, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.
- viii. The Register of Members and Share Transfer books will remain closed from Wednesday the 22/09/2021 to Wednesday the 29/09/2021.
- ix. In line with the MCA Circulars, the notice of the 26th AGM along with the Annual Report 2020-21 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may please note that this Notice and Annual Report 2020-21 will also be available on the Company's website at <http://arihantclassic.in/investors/annual-reports/>.
- x. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, **Alankit Assignments Limited**, Alankit House, 4E/2 Jhandewalan Extension, New Delhi – 110055.
- xi. In accordance with the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions.
- xii. In case of any queries regarding the Annual Report, the Members may write to compliance4arihant@gmail.com to receive an email response.
- xiii. As the 26th AGM is being held through electronic means, the route map is not annexed to this Notice.
- xiv. Voting through electronic means:** 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 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing remote e-voting facility to enable the Members to cast their votes electronically on all the resolutions set forth in the Notice convening the 26th

AGM. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facilities.

BY ORDER OF THE BOARD
For Arihant Classic Finance Limited

Sd/-

Director

Mayur Jain

Place: Delhi

Date: 03.09.2021

DIRECTORS' REPORT

Dear Members,
Arihant Classic Finance Limited

Your Directors are pleased to present before you the Annual Report of the Company along with the Audited Financial Statements of the Company for the financial year ending March 31, 2021.

1. FINANCIAL RESULTS:

The Company's financial performance for the year under review along with previous year's figures is given hereunder:

PARTICULARS	Year ended 31st March, 2021 (Rs in lacs)	Year ended 31st March, 2020 (Rs in lacs)
Sales & Other Income	175.36	93.37
Total Expenses	108.01	82.20
Profit/(Loss) for the year	67.35	11.17
Less: Provision for Taxation :	-	-
Less: Income Tax	12.80	3.53
Less: Deferred Tax	-	-
Profit/(Loss) after Tax	54.55	7.63
Balance Carried Forward to Balance Sheet	54.55	7.63

2. DIVIDEND:

The interest of shareholders remains uppermost in the mind of the Board of Directors. However, there is an equally important need to augment the Company's internal sources thereby increasing the Company's financial strength and capability to increase the financial business. During the financial year 2020-21, the company has not declared any dividend.

3. TRANSFER TO RESERVES:

Your Directors have not recommended transferring any amount of reserves during the financial year ended 31st March, 2021.

4. SHARE CAPITAL:

At present, the Company has only one class of shares – equity shares of par value Rs. 10/- each. The authorized share capital of the Company is Rs. 11,50,00,000/- divided into 1,15,00,000 equity shares of Rs. 10 each. The paid up share capital of the Company is Rs. 10,14,80,900/- divided into 1,01,48,090 equity shares of Rs. 10/- each.

During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

5. SUMMARY OF OPERATIONS:

During the year, the total revenue of our Company increased Rs. 1,75,36,000 as compare to Rs. 93,37,000. The Company is focusing more on reducing its cost of operations and optimum utilization of its resources. The Company will continue to strive to reach new heights and will toil towards attaining profits.

6. FUTURE OUTLOOK:

The global economy in FY 2020-21 witnessed divergent trends among major economies. The Indian economy and business environment remained largely subdued during 2020-21. The global economic recovery is gaining momentum coupled with some divergence.

India's economy is poised to return to its high-growth path, thanks to lower fiscal and current account deficits, falling inflation, low crude oil price, moderate commodity prices, and structural reforms to boost investments. Monetary policy is also likely to be supportive with the Reserve Bank of India (RBI) having moved to flexible inflation targeting. The manufacturing sector is likely to benefit from lower interest rates. However, productivity and capital efficiency improvement are likely to drive near-term growth. Demand from export as well as domestic markets has not increased substantially. Volatility of rupee may hamper growth of economy.

7. CHANGES IN NATURE OF BUSINESS, IF ANY:

The Nature or Activity of Business has not changed of the Company during the year.

8. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY (from the end of financial year to the date of Directors Report):

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year to which balance sheet relates and the date of Directors report.

9. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS:

No such Orders have been passed by the Regulators/Court or Tribunals which can impact the going concern status and Company's operation in future.

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

The Company has no manufacturing activities during the year under review. The provisions of Section 134(m) of the Companies Act, 2013 do not apply to our Company. Still some of the measures taken up by the Company are mentioned below:

(A) Conservation of Energy

Energy Conservation measure taken: The Company has taken several steps to conserve energy. Energy conservation continues to be on high priority for existing as well as new projects. Various steps taken to bring about savings are:-

- Energy Conservation by replacing all the conventional lights by LED lights in the factory as well as in the offices.
- Energy Saving by using various sensors to auto switch off of the lights and air conditioners when not in use after certain time., staff members has been instructed to switch off all the lighting, electric/electronics equipment if idle.

(B) Research & Development, Technology absorption, Adaption and Innovation

The Company is not engaged in any manufacturing activity. Hence, no Research & Development, Technology absorption, Adaption and Innovation took place during the year under review.

(C) Foreign Exchange Earnings and Outgo

There was no foreign exchange inflow or Outflow during the year under review.

11. RISK MANAGEMENT:

Your Company has always recognized risk management as an essential and internal part of doing day-to-day business operations. The Company has a sound system of internal control which ensures compliance to internal processes, as well as with applicable laws and Regulations. The Company also has a well-established independent in-house Internal Audit function that is responsible for providing assurance on compliance with operating system.

The Company has implemented an integrated risk management approach through which it reviews and assesses significant risks on a regular basis to help ensure that there is a robust

system of risk controls and mitigation in place. Senior management periodically reviews this risk management framework to keep updated and address emerging challenges. Major risks identified for the Company by the management are Currency fluctuation, Compliance, Regulatory changes, Litigation, Information Technology and new capital investments return. The management is however, of the view that none of the above risks may threaten the existence of the Company as robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company in case any of these risks materialize.

12. VIGIL MECHANISM:

In accordance with Section 177 of the Companies Act, 2013 and Clause 22 of the SEBI (Listing Obligation and Disclosure Requirement), 2015, the Company has constituted a Whistle Blower Policy/ Vigil Mechanism to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed and to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The details of the Whistle Blower Policy are explained in the Corporate Governance Report

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

Details of Loan given, Investment Made, Guarantee Given, Security provided u/s 186 of the companies Act, 2013 are as follows:

S. No.	Name of Party to which loan/guarantee/security given or investment made	Amt. of Loan (Rs.)	Amt. of Investment (Rs.)	Amt. of Guarantee (Rs.)	Amt. of Security (Rs.)
1.	Dev Kripa Developers Private Limited	4,93,41,034	1,000	-	-
2.	Dipika Polymers Pvt. Ltd.	-	1,51,00,000	-	-
3.	M/s. Innovo Infratech LLP	55,00,000	-	-	-
4.	Gitanjali Finvest Pvt. Ltd.	98,36,065	-	-	-
5.	Moti Lal Banarsi Dass	62,58,581	-	-	-
6.	Din Dayal Real Estates	12990000	-	-	-
7.	Divine Polymers	20,99,998	-	-	-

8.	Kamal Ideal Infratech Pvt. Ltd.	3,20,00,000	-	-	-
9.	Pritesh Chander Kant Kothari	24,05,384	-	-	-
10.	Real Polymers	5000000	-	-	-

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

There are some related party transactions noted in company during the year. Hence, Form AOC-2 is applicable to the company and enclosed in **ANNEXURE -A**.

The Policy on Related Party transactions may be accessed on the Company's website at the link <http://arihantclassic.in/investors/related-party-transaction-policy.pdf>

15. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS:

There were no qualifications, reservations or adverse remarks made by the Auditors in their report. The auditors remarks in their report are self-explanatory and do not call for any further comments.

16. EXTRACTS OF ANNUAL RETURN:

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, extract of the Annual Return as on March 31, 2021 in form MGT-9 is enclosed as **Annexure – B** to this report. Additionally, the Company has also placed a copy of annual return of the financial year 2020-21 on its website at <http://arihantclassic.in/investors/>.

17. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

During the year, eight Board meetings were held, with gap between Meetings not exceeding the period prescribed under the Act. Details of Board and committee meetings held during the year are given in the Corporate Governance Report.

Board meeting dates are finalized in consultation with all directors and agenda papers backed up by comprehensive notes and detailed background information are circulated well in advance before the date of the meeting thereby enabling the Board to take informed decisions.

The intervening gap between the Board Meetings was within the period prescribed under the Companies Act, 2013 and Secretarial Standard (SS)-1.

18. DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:—

- i. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- iii. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The directors had prepared the annual accounts on a going concern basis;
- v. The directors, in the case of listed companies had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any Subsidiary, Joint venture. The Company has one Associate Company. The performance of Associate Company has given in Form AOC-1 Annexure-C. The Details of Associates Company which Given Below:-

S. No.	Company's Name	CIN	Share holding (%)
1.	Dipika Polymer Private Limited	U25202DL2005PTC140370	30.39

20. DEPOSITS:

The Company has neither accepted nor renewed any deposits during the year under review.

21. DIRECTORS:

BOARD OF DIRECTORS

Your Board comprises of the following Directors during the year under review:-

- Mrs. Tina Hasmukh Mutha – Managing Director
- Mrs. Madhu Jain – Director
- Mr. Mayur Jain – Director
- Mr. Jatin Kakkar – Independent Director

- Mr. Mohit Chaturvedi – Independent Director
- Mr. Vikram Kishore Mutha – Independent Director

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Madhu Doshi retires by rotation at the ensuing Annual General Meeting and being eligible in terms of Section 164 of the Act offers himself for re-appointment.

22. COMMITTEES OF BOARD OF DIRECTORS:

There are currently 3 Committee of the Board, as follows:

- ✚ **Audit Committee**
- ✚ **Nomination and Remuneration Committee**
- ✚ **Stakeholders' Relationship Committee**

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the “Report on Corporate Governance”, a part of this Annual report.

23. EVALUATION OF BOARD, COMMITTEES AND DIRECTORS:

Pursuant to the provisions of the Act and regulation 17(10) of SEBI (LODR) 2015, the Board had carried out performance evaluation of its own and the Board Committees. Independent Directors at a separate meeting evaluated performance of the Non-Independent Directors, Board as a whole and of the Chairman of the Board. The manner in which the evaluation has been carried out has been detailed in the Corporate Governance Report.

24. INDEPENDENT DIRECTORS DECLARATION:

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Companies Act, 2013, that he meets the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and declaration of independence under SEBI (LODR) Regulations, 2015

25. FAMILIARIZATION PROGRAMMES FOR BOARD MEMBERS:

Your Company has formulated Familiarization Programme for all the Board Members in accordance with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Schedule IV of the Companies act, 2013 which provides that the Company shall familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company etc. through various programs.

The Familiarization Programme for Board members may be accessed on the Company's website at the link <http://arihantclassic.in/investors/>.

26. POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS:

The Board has on the recommendation of the Nomination & Remuneration Committee, formulated criteria for determining Qualifications, Positive Attributes and Independence of a Director has also a Policy for remuneration of Directors, Key managerial Personnel and senior management. The details of criteria laid down and the Remuneration Policy are given in the Corporate Governance Report.

27. COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

The Company has been following well laid down policy on appointment and remuneration of Directors, KMP and Senior Managerial Personnel. The appointment of Directors is made pursuant to the recommendation of Nomination and Remuneration Committee (NRC).

The remuneration of Executive Directors comprises of Basic Salary and Perquisites & follows applicable requirements of the Companies Act, 2013. Approval of shareholders and the Central Government, if any, for payment of remuneration to Executive Directors is sought from time to time. At present, due to adverse financial position of the company, Executive Directors are working without remuneration.

The remuneration of Non-Executive directors comprises of sitting fees in accordance with the provisions of Companies Act, 2013 and reimbursement of expenses incurred in connection with attending the Board meetings, Committee meetings, General Meetings and in relation to the business of the Company. A brief of the Remuneration Policy on appointment and remuneration of Directors, KMP and Senior Management is provided in the Report on Corporate Governance.

28. MANAGERIAL REMUNERATION:

Details of remuneration paid / payable to the Directors for Financial Year 2020-21:

Name	Salary and Perquisites (Rs.)	Commission	Shares issued under ESOP	Details of service contracts: notice period and severance fees
--	NIL	--	--	--

Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. – There is no Remuneration paid to Director.

29. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed Management Discussion and Analysis Report as required under Regulation 34(2)(e) of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as Annexure-F to this report.

30. LISTING OF SECURITIES

The Equity Shares of your Company are listed at Metropolitan Stock Exchange of India Limited (MSE). The Company has duly paid the listing fee to the aforesaid Stock Exchange for the financial Year 2020-21.

31. DISCLOSURE REQUIREMENTS

- 1) Policy for Preservation of Documents of the company is available on the website of the Company at web link: <http://arihantclassic.in/investors/Policy> on Preservation of Documents under SEBI Regulations, 2015.pdf
- 2) Policy for Material Events and Information's of the Company is available on the website of the Company at web link: <http://arihantclassic.in/investors/Policy> on Disclosure of Material Events and Information's under SEBI Regulations, 2015.pdf
- 3) Policy of Nomination and Remuneration policy is available on the website of the Company at web link: <http://arihantclassic.in/investors/Nomination and Remuneration policy.pdf>
- 4) Policy on Terms and conditions for appointment of Independent Directors is available on the website of the Company at web link: <http://arihantclassic.in/investors/Terms and conditions for appointment of Independent Directors.pdf>
- 5) Policy for Evaluation of the Performance is available on the website of the Company at web link: <http://arihantclassic.in/investors/Policy for Evaluation of the Performance.pdf>
- 6) Code of Fair Disclosure and Code of Conduct for insiders is available on the website of the Company at web link: <http://arihantclassic.in/investors/Code of Fair Disclosure and Code of Conduct for insiders.pdf>
- 7) Code for Board and Senior Members is available on the website of the Company at web link: <http://arihantclassic.in/investors/Code for Board and Senior Members.pdf>

32. STATUTORY AUDITORS:

In the AGM held on 28th day of September 2017, M/s. NJG & Co. Chartered Accountants (Firm Registration No. 0107702N) have been appointed as statutory Auditor of the Company for a period of 5 years till the conclusion of 27th AGM to be held in 2022. Ratification of appointment of Statutory Auditor is being sought from the members of the company at the ensuing AGM. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

During the audit of the books and accounts of the Company Statutory Auditor and The company has identified the manipulations done by its Group CFO Mr. Mukesh Kumar, employee and its impact has been taken in the books of accounts to show the actual positions of the financials.

33. SECRETARIAL AUDITOR:

As per provisions of Section 204(1) of the Companies Act 2013 read with rule 9 of the Companies (Appointment and Remuneration personnel) Rules 2014 and other applicable provisions if any of the Companies Act 2013, Consent of the Board be and is hereby given for appointment of M/s Saurabh Agrawal & Co., Company Secretaries firm as Secretarial Auditors of the Company for the financial year 2020-2021.

The Secretarial Auditor Report for the financial year ended March 31, 2021 is annexed herewith marked as Annexure-D to this Report. The board gives the following explanations on the Observations of the Secretarial Audit Report of the Auditor:

It was also decided to appoint M/s Saurabh Agrawal & Co., Company Secretaries as Secretarial Auditor for the Financial Year 2021-22.

34. INTERNAL AUDITOR:

Pursuant to the provisions of Section 138 of the Act and the Rule 13(1) of Companies (Accounts) Rules, 2014, the Board of Directors has appointed Mr. Mudit Datta, Chartered Accountant for conducting Internal Audit of the Company for the financial year 2020-21.

The Chartered Accountant gives his consent for appointment as an internal auditor of the Company. The consent of Auditor placed before the Board of Director for approval.

35. CHANGE OF REGISTRAR AND TRANSFER AGENT:

During the financial year, there is no change in the Registrar and Transfer Agent, hence Alankit Assignment Limited is continuing as Registrar and Transfer Agent of the Company.

36. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY:

During the year under review, in accordance with the provisions of the Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, it is found that CSR policy is not applicable on our Company.

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

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition & Redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 & the Rules there under for prevention and Redressal of Complaints of sexual harassment at workplace. Further Company is committed to providing equal opportunities without regard to their race, caste, sex, religion, color, nationality, disability etc. (permanent, temporary, contractual and trainees) as well as any women visiting the Company's premises or women service providers are covered under this policy. All employees are treated with dignity with a view to maintain a work environment free from Sexual harassment whether physical, verbal or psychological. During Fiscal 2020-21 there were no complaints received or pending for disposal.

38. INTERNAL CONTROL SYSTEMS AND COMPLIANCE FRAMEWORK:

The Company has an Internal Control System, commensurate with size, scale and complexity of its operations. The internal financial controls are adequate and are operating effectively so as to ensure orderly and efficient conduct of business operations. The Company has appointed Internal Auditors of the Company. The Audit Committee in consultation with the internal auditors formulates the scope, functioning, periodicity and methodology for conducting the internal audit. The internal auditors carry out audit, covering inter alia, monitoring and evaluating the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations and submit their periodical internal audit reports to the Audit Committee.

Based on the internal audit report and review by the Audit committee, process owners undertake necessary actions in their respective areas. The internal auditors have expressed that the internal

control system in the Company is effective. The Board has also put in place requisite legal compliance framework to ensure compliance of all the applicable laws and that such systems are adequate and operating effectively

39. PARTICULARS OF EMPLOYEES:

As there are no employees who employed throughout the financial year and in receipt of remuneration of Rs. 60 Lakhs or more, or employed for the part of the year and in receipt of Rs. 5 Lakhs or more a month, therefore the statement giving the particulars of employees pursuant to Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required.

40. CORPORATE GOVERNANCE REPORT:

The Company is committed to good corporate governance in line with the Listing Agreement Norms. The Company is in compliance with the provisions on corporate governance specified in the Listing Agreement with Metropolitan Stock Exchange of India Limited (MSE).

The Compliance certificate from Mr. Saurabh Aggarwal, a Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing agreement is appended to the report on Corporate Governance. **(Annexure F).**

41. HUMAN RESOURCE:

Your Company firmly believes that employees are the most valuable assets and key players of business success and sustained growth. Various employee benefits, recreational and team building efforts are made to enhance employee skills, motivation as also to foster team spirit. Industrial relations were cordial throughout the year.

42. GREEN INITIATIVE

Notice of 26th Annual General Meeting of the Company and Annual Report of the Company for the financial year 2020-21 is to be sent to all members whose e-mail addresses are registered with the Company/ Depository Participant(s). The Company requested its shareholders to join in its endeavor to conserve resources by updating relevant information for receiving online communication and dividend payout. Shareholders holding shares in dematerialized mode have been requested to register their email address, dividend bank account details and mobile number with their depository participants. Those holding shares in physical mode have been requested to furnish their email address, bank account details and mobile number with the Company's RTA, at **virenders@alankit.com**. Updating all the relevant information will enable shareholders to receive communications and dividends on time.

43. ACKNOWLEDGEMENTS:

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

**For and on behalf of the Board
For ARIHANT CLASSIC FINANCE LIMITED**

Date: 03/09/2021

Place: Delhi

Sd/-

Mayur Jain

Director

DIN: 00626354

Sd/-

Madhu Doshi

Director

DIN: 00626336

FORM NO. AOC.2

For the financial year 2020-21

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and
Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso is given below:

1. Details of contracts or arrangements or transactions not at arm's length basis

S. No.	Particulars	Details
(a)	Name(s) of the related party and nature of relationship	NIL
(b)	Nature of contracts/arrangements/transactions	NIL
(c)	Duration of the contracts/arrangements/transactions	NIL
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	NIL
(e)	Justification for entering into such contracts or arrangements or transactions	NIL
(f)	date(s) of approval by the Board	NIL
(g)	Amount paid as advances, if any:	NIL
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NIL

**By The Order Of Board of Directors
For Arihant Classic Finance Limited**

Date: 03.09.2021
Place: Delhi

Sd/-
(Director)
Mayur Jain
DIN: 00626354

Sd/-
(Director)
Madhu Doshi
DIN: 0062633

2. Details of contracts or arrangement or transactions at arm's length basis

Name of the Related Parties	Relationship	Nature of Transaction	Amount (In Lacs)	Date of Approval by the Board	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
Mrs. Madhu Doshi	Director	Rental Expenses	.35	-	-
M/s. DMAX Polymer Pvt. Ltd.	Director's wife is Director	Interest Paid	1.15	-	-
M/s. Dev Kripa Developers Pvt. Ltd.	Common Director	Interest Income	18.01	-	-
M/s. Innovo Infratech LLP	Director is Partner	Interest Income	2.48	-	-
M/s. Gitanjali Finvest Pvt. Ltd.	Common Director	Interest Income	5.51	-	-
M/s. Motilal Banarsi Das	Partners is relative of Director	Interest Income	3.28	-	-

By The Order Of Board of Directors
For Arihant Classic Finance Limited

Date: 03.09.2021
Place: Delhi

Sd/-
(Director)
Mayur Jain
DIN: 00626354

Sd/-
(Director)
Madhu Doshi
DIN: 0062633

FORM NO. MGT.9**EXTRACT OF ANNUAL RETURN**as on the financial year ended on 31st March, 2021*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]***I. REGISTRATION AND OTHER DETAILS :**

i	CIN	:	L65910GJ1995PLC025312
ii	Registration Date	:	03/04/1995
iii	Name of the Company	:	Arihant Classic Finance Limited
iv	Category / Sub-category of the Company	:	Company Limited by Shares / Indian Non-Government Company
v	Address of the registered office and contact details	:	414, Nalanda Enclave, Opp. Sudama Resorts, Pritam Nagar, Ellisbridge, Ahmedabad-380006, Telephone: +91-11-45061900, Tele fax: +91-11-45061922, Email id:- compliance4arihant@gmail.com
vi	Whether Listed Company Yes / No	:	Yes Metropolitan Stock Exchange of India Limited (MSE)
viii	Name, Address and contact details of the Registrar and Transfer agent, if any	:	Alankit Assignments Limited Address:- Alankit Heights 3E/7 Jhandewalan Extension New Delhi - 110055, Phone: + 91-11-4254 1234

I. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

S. No.	Name and description of the main products & services	NIC code of the product/ service	% to total turnover of the company
--------	--	----------------------------------	------------------------------------

1.	Non Banking Financial Services	Group- 649, Class- 6499, Sub Class-64990 (Other financial service activities, except insurance and pension funding activities)	100
----	--------------------------------	---	-----

II. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	DIPIKA POLYMERS PVT. LTD.	U25202DL2005PTC140370	ASSOCIATES	30.09	2(6)

III. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

(i) Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of Year				No. of Shares held at the end of the Year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	28,00,000	-	28,00,000	27.59	28,00,000	-	28,00,000	27.59	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	7,00,100	-	7,00,100	6.90	7,00,100	-	7,00,100	6.90	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	35,00,100	-	35,00,100	34.49	35,00,100	-	35,00,100	34.49	-
(2) Foreign									

a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate									
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any other	-							-	-
SUB TOTAL:(A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter(A) = (A)(1) + (A)(2)	35,00,100	-	35,00,100	34.49	35,00,100	-	35,00,100	34.49	-
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-

SUB TOTAL:(B) (1)	-	-	-	-	-	-	-	-	-
(2) Non Institutions									
a) Bodies Corporate									
Indian	-	500	500	0.01	-	500	500	0.01	-
Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	159300	64290	223590	2.20	159300	64290	223590	2.20	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	6423900	0	6423900	63.30	6423900	0	6423900	63.30	-
c) Any other (specify)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1) + (B)(2)	6583200	64790	6647990	65.51	6583200	64790	6647990	65.51	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	10083300	64790	10148090	100	10083300	64790	10148090	100	-

(i) Shareholding of Promoters

S. No.	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% change in shareholding during the year
	No. of Shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged encumbered to total shares	
Mr. Mayur Jain	5,00,000	4.92	-	5,00,000	4.92	-	-
Mr. Rohit Jain	5,00,000	4.92	-	5,00,000	4.92	-	-
Mrs. Madhu Doshi	10,00,000	9.84	-	10,00,000	9.84	-	-
Ms. Tina Jain	4,00,000	3.94	-	4,00,000	3.94	-	-
M/s. Dev Kripa Developers Pvt. Ltd.	3,00,100	3.96	-	3,00,100	3.96	-	-
M/s. D R International Pvt. Ltd.	4,00,000	3.94	-	4,00,000	3.94	-	-
Bhanwar Lal Doshi	4,00,000	3.94	-	4,00,000	3.94	-	-
Total	35,00,100	34.49	-	35,00,100	34.49	-	-

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

Particulars	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1. At the beginning of the year	-		-	

Date wise increase/ decrease in Promoter's shareholding during the year specifying the reasons for increase/ decrease (e.g. Allotment/ transfer/ bonus/ sweat equity etc.)	<u>NO CHANGE</u>			
At the end of the year	-	-	-	-

(iv) Shareholding Pattern of top Five Shareholders: (Other than Directors, Promoters & Holders of GDRs & ADRs):

S. No.	For each of the Top Ten Shareholders	Shareholding During the Year		Cumulative Shareholding During the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Premjibhai Purshottam bhai Patel				
	At the beginning of the year	937300	9.24	937300	9.24
	Date wise increase/ decrease in Promoter's shareholding during the year specifying the reasons for increase/ decrease (e.g. Allotment/ transfer/ bonus/ sweat equity etc.)	-	-	-	-
	At the end of year	937300	9.24	937300	9.24
2.	Mrs. Hemaben Premjibhai Patel				
	At the beginning of the year	937300	9.24	937300	9.24
	Date wise increase/ decrease in Promoter's shareholding during the year specifying the reasons for increase/ decrease (e.g. Allotment/ transfer/ bonus/ sweat equity etc.)	-	-	-	-
	At the end of year	937300	9.24	937300	9.24
3.	Mr. Munid Shah				
	At the beginning of the year	8,58,800	8.46	8,58,800	8.46

	Date wise increase/ decrease in Promoter's shareholding during the year specifying the reasons for increase/ decrease (e.g. Allotment/ transfer/ bonus/ sweat equity etc.)	-	-	-	-
	Date wise increase/ decrease in Promoter's shareholding during the year specifying the reasons for increase/ decrease (e.g. Allotment/ transfer/ bonus/ sweat equity etc.)	-	-	-	-
	At the end of year	8,58,800	8.46	8,58,800	8.46
4.	Mr. Dhiren Shah				
	At the beginning of the year	5,37,700	5.30	5,37,700	5.30
	Date wise increase/ decrease in Promoter's shareholding during the year specifying the reasons for increase/ decrease (e.g. Allotment/ transfer/ bonus/ sweat equity etc.)	-	-	-	-
	At the end of year	5,37,700	5.30	5,37,700	5.30
5.	Ms. Madhu Doshi				
	At the beginning of the year	10,00,000	9.85	10,00,000	9.85
	Date wise increase/ decrease in Promoter's shareholding during the year specifying the reasons for increase/ decrease (e.g. Allotment/ transfer/ bonus/ sweat equity etc.)	-	-	-	-
	At the end of year	10,00,000	9.85	10,00,000	9.85

(v) Shareholding of Directors and Key Managerial Personnel :

S. No.		Shareholding during the Year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Mayur Jain				

	At the beginning of the year	5,00,000	4.92	5,00,000	4.92
	Date wise increase/ decrease in Promoter's shareholding during the year specifying the reasons for increase/ decrease (e.g. Allotment/ transfer/ bonus/ sweat equity etc.)	-	-	-	-
	At the end of year	5,00,000	4.92	5,00,000	4.92
2.	Mrs. Madhu Doshi				
	At the beginning of the year	10,00,000	9.84	10,00,000	9.84
	Date wise increase/ decrease in Promoter's shareholding during the year specifying the reasons for increase/ decrease (e.g. Allotment/ transfer/ bonus/ sweat equity etc.)	-	-	-	-
	At the end of year	10,00,000	9.84	10,00,000	9.84
3.	Ms. Tina Jain				
	At the beginning of the year	4,00,000	3.94	4,00,000	3.94
	Date wise increase/ decrease in Promoter's shareholding during the year specifying the reasons for increase/ decrease (e.g. Allotment/ transfer/ bonus/ sweat equity etc.)	-	-	-	-
	At the end of year	4,00,000	3.94	4,00,000	3.94

IV. INDEBTEDNESS: (fill the details as there is long term and short term borrowings)

Indebtedness of the Company including interest outstanding/accrued but not due for payment: (Amount in Rupees)

Particulars	Secured Loans excluding deposits	Unsecured Loans (in lacs)	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
Principal Amount	-	343	-	343
Interest due but not paid	-	-	-	-

Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	343	-	343
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	(23)	-	(23)
Net Change	-	(23)		(23)
Indebtedness at the end of the financial year				
Principal Amount	-	320	-	320
Interest due but not paid	-	-	-	-
Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	320		320

V. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A) **Remuneration to managing Director, Whole-time Directors and/or Manager:(Amount in Rupees)**

S. No.	Particulars of Remuneration	Name of MD/ WTD/Manager		Total Amount
		Mrs. Tina Hasmukh Mutha		
1.	Gross Salary			
	Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	-	-	-
	Value of perquisites u/s 17 (2) of the Income-tax Act, 1961	-	-	-
	Profits in lieu of salary under section 17 (3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-

4.	Commission As 5 % (Net profit – Rs. 8 Crores) others, specify	-	-	-
5.	Others, please specify (Vehicle, Medical & Professional Reading Reimbursement)	-	-	-
	Total (A)	-	-	-

(B) Remuneration to others Directors: (Amount in Rupees)

S. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mrs. Madhu Doshi	Mrs. Tina Hasmu kh Mutha	Mr. Mayur Jain	Mr. Jatin Kakkar	Mr. Mohit Chatur vedi	Mr. Vikram Kishore Mutha	
1.	Independent Directors Fee for attending Board, Committee meetings Commission Others, please specify	N.A.	N.A.	N.A.				N.A.
	Total (1)	N.A.	N.A.	N.A.				N.A.
2.	Others Non-Executive Directors Fee for attending Board, Committee meetings	N.A.	N.A.	N.A.				N.A.

	Commission Others, please specify							
	Total (2)	N.A.	N.A.	N.A.				N.A.
	Total (B) = (1) + (2)	N.A.	N.A.	N.A.				N.A.
	Total Managerial Remuneration	N.A.	N.A.	N.A.				N.A.
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.				N.A.

(C) Remuneration to KMP other than MD/ Manager/ WTD

(Amount in Rupees)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary Shivani (Resigned on 18/01/2021)	Chief Finance Officer	
1.	Gross Salary				
	Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	NA	181610	NA	NA
	Value of perquisites u/s 17 (2) of the Income-tax Act, 1961	NA	NA	NA	NA
	Profits in lieu of salary under section 17 (3) of the Income-tax Act, 1961	NA	NA	NA	NA
2.	Stock Option	NA	NA	NA	NA
3.	Sweat Equity	NA	NA	NA	NA

4.	Commission As % of profit others, specify	NA	NA	NA	NA
5.	Others, please specify(Vehicle, Medical & Professional Reading Reimbursement)	NA	NA	NA	NA
	Total	NA	181610	NA	NA

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

By The Order Of Board of Directors
For Arihant Classic Finance Limited

Date: 03.09.2021
Place: Delhi

Sd/-
(Director)
Mayur Jain
DIN: 00626354

Sd/-
(Director)
Madhu Doshi
DIN: 0062633

Form AOC-1

(Financial year ended on 31.03.2021)

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**Part "A": Subsidiaries**

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

Sl. No.	Particulars	Details
	Name of the subsidiary	NIL
	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	
	Share capital	
	Reserves & surplus	
	Total assets	
	Total Liabilities	
	Investments	
	Turnover	
	Profit before taxation	
	Provision for taxation	
	Profit after taxation	
	Proposed Dividend	
	% of shareholding	

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

**By The Order Of Board of Directors
For Arihant Classic Finance Limited**

**Date: 03.09.2021
Place: Delhi**

**Sd/-
(Director)
Mayur Jain
DIN: 00626354**

**Sd/-
(Director)
Madhu Doshi
DIN: 0062633**

Part "B": Associates and Joint Ventures

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

Name of associates/Joint Ventures	Dipika Polymers Private Limited
Latest audited Balance Sheet Date	31.03.2021
Shares of Associate/Joint Ventures held by the company on the year end	302000
No. of Shares	302000
Amount of Investment in Associates/Joint Venture	Rs. 15100000
Extend of Holding%	30.39
Description of how there is significant influence	More than 20 % Shareholding
Reason why the associate/joint venture is not consolidated	N.A
Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. 37566301.53
Profit/Loss for the year	Rs 4735969.74
Considered in Consolidation	Rs. 1439261.00
Not Considered in Consolidation	Rs. 3296708

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

**By The Order Of Board of Directors
For Arihant Classic Finance Limited**

**Date: 03.09.2021
Place: Delhi**

**Sd/-
(Director)
Mayur Jain
DIN: 00626354**

**Sd/-
(Director)
Madhu Doshi
DIN:00626336**

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31.03.2021

***[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014***

To,
The Members,
Arihant Classic Finance Limited
CIN: L65910GJ1995PLC025312
414, Nalanda Enclave, Pritam Nagar,
Near Sudama Resorts, Ellis Bridge,
Ahmedabad-380006

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ARIHANT CLASSIC FINANCE LIMITED (*herein after called "Company"*). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 complied with 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 hereafter:

We are hereby declaring that due to COVID-19 pandemic we did not visited the office of the Company and the entire secretarial audit report is based on the information received through electronic means.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) Depositories Act, 1996
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of the 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 - **Not applicable as there was no reportable event during the financial year under review;**
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009-**Not applicable as there was no reportable event during the financial year under review;**
 - d. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014; - **Not applicable as there was no reportable event during the financial year under review;**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable as there was no reportable event during the financial year under review;**
 - 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 - **Not applicable as there was no reportable event during the financial year under review;**
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 -**Not applicable as there was no reportable event during the financial year under review;**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable as there was no reportable event during the financial year under review; and**
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) The company has complied with other Laws as applicable to the Company as per the undertaking given by the company:
 1. Reserve Bank of India Act, 1934 and its circulars, Master Circulars and notifications as prescribed for Non-Banking Finance Companies;

2. Prevention of Money Laundering Act, 2002;
 3. Secretarial Standards issued by the Institute of Company Secretaries of India
 4. SEBI (Listing obligations & Disclosure Requirements) Regulations, 2015
 5. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2003
- We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
 - (ii) Listing Agreements entered into by the Company with Metropolitan Stock Exchange of India.

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

- 1. *The Composition of the Board was duly constituted with the requirement of 50% Board should comprise of Independent Directors at the end of the financial year. However, Ms. Shivani Saxena was appointed as company secretary of the Company on 3rd February, 2020 and she has resigned on 18th January, 2021 from the post of company secretary.***

In respect of other laws specifically applicable to the company, we have relied on information/data provided by the Company during the course of audit and reporting is limited to that extent.

We further report that

The Board of Directors of the Company is duly constituted and the Company only has Non-Executive Directors and Independent Directors including one-woman director in compliance with the provisions of the Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act. Although, the company secretary cum compliance officer of the company Ms. Shivani Saxena has resigned from the post as on 18.01.2021

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

Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and

obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

In our opinion there is scope to improve the systems and processes in the Company and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has no specific events/actions having a major bearing on the company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc.

Place: New Delhi
Date: 03/09/2021

UDIN: F005430C000889269

Saurabh Agrawal & Co.
(Company Secretaries)

Sd/-

Saurabh Agrawal
(Partner)

FCS: 5430

CP No.: 4868

ANNEXURE A'

To,

The Members,

ARIHANT CLASSIC FINANCE LIMITED

414, Nalanda Enclave, Pritam Nagar,

Near Sudama Resorts, Ellis Bridge,

Ahmedabad-380006

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. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
3. 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.
4. 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.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
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.

Place: New Delhi

Date: 03/09/2021

Saurabh Agrawal & Co.

(Company Secretaries)

Sd/-

Saurabh Agrawal

(Partner)

FCS: 5430

CP No.: 4868

REPORT ON CORPORATE GOVERNANCE

The Company has complied with the requirements of Corporate Governance as stipulated in Chapter IV of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations).

CORPORATE GOVERNANCE PHILOSOPHY

The Company's philosophy on Corporate Governance is aimed at assisting the management in the efficient conduct of the business and in meeting its obligations to stakeholders. A Strong emphasis on transparency accountability and integrity guide its philosophy. The Company acts responsibly as an integral part of the society by adhering to high compliance standards. The Company has consistently shown a high level of commitment towards effective Corporate Governance. The Company's philosophy on Corporate Governance envisages attainment of higher levels of transparency, accountability and ethical conduct in all facets of its operations and interactions with it stakeholders including shareholders, employees, customers, suppliers, government, lenders and the community at large, It aims to increase and sustain its corporate value through growth and innovation. The Company believes that its operations and actions must serve the underlying goal of enhancing the interests of its stakeholders over a sustained period of time, in a socially responsible way.

BOARD OF DIRECTORS

The Company is fully compliant with the Corporate Governance norms in respect of constitution of the Board of Directors. The Company's Board represents an optimum mix of knowledge, gender and experience.

A. Composition and category of the Board of Directors are as follows:

(i) Executive Directors*

Name	Date of Appointment	Designation	No. of meetings held during the Last Financial Year	No. of Meetings Attended	No. of Membership in Boards of other Companies**	No. of Membership/ Chairmanships in Committees of other Companies
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Mrs. Tina Hasmukh Mutha	31/10/2020	Executive Director	4	4	NIL	NIL
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- Executive Directors do not hold any Independent Directorship in Listed Companies;
- Excludes Directorships/Memberships in Private Limited Companies, Foreign Companies, Section 8 Companies, Bodies Corporate, and Memberships of Managing Committees of various Chambers/Bodies.

(ii) **INDEPENDENT NON-EXECUTIVE DIRECTORS**

Name	Date of Appointment	Designation	No. of meetings held during the Last Financial Year	No. of Meetings Attended	No. of Membership in Boards of other Companies*	No. of Membership/ Chairmanships in Committees of other Companies**
Mr. Mayur Jain	10-10-2000	Director	8	8	NIL	NIL
Mr. Madhu Doshi	10-10-2000	Director	8	8	NIL	NIL
Mr. Jatin Kakkar	30-08-2018	Director	8	8	NIL	NIL
Mr. Mohit Chaturvedi	01-01-2019	Director	8	8	NIL	NIL
Mr. Vikram Mutha	03-01-2019	Director	8	8	NIL	NIL

As per the declarations/disclosures received from Mr. Jatin Kakkar, Mr. Mohit Chaturvedi and Mr. Vikram Mutha, they do not serve as Independent Directors on the Board of more than 7 listed Companies. They are also not acting as Whole-time Directors on the Board of any listed Company.

The terms and conditions of appointment of Independent Directors are available on the Company's website viz.; <http://arihantclassic.in/> at: <http://arihantclassic.in/Terms> and conditions for appointment of Independent Directors.

The Company also has a familiarization programme for its Independent Directors, which is available at <http://arihantclassic.in/notices/familiarization> program.

PROCEDURE TO CONDUCT MEETING OF THE BOARD OF DIRECTORS:

The Board meetings are generally held at the admin office of the Company and are convened by giving appropriate advance notice to all the Directors of the Company. The Meeting of the Board is governed by structured agenda papers which are circulated to Directors generally one week before the meeting. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting. In case of exigencies or urgency, resolutions are passed by circulation. The Board of Director at its succeeding meeting takes note of the resolution(s) which have been passed by way of Circulation.

INFORMATION SUPPLIED TO THE BOARD

The Board has complete access to all information of the Company. The following information is provided to the board and the agenda papers for the meetings are circulated in advance of each meeting:

- Annual operating plans, capital and revenue budgets and updates.
- Minutes of meetings of Audit Committee and Other Committees of the Board.
- Details of Subsidiaries of the Company and its updates.
- Information on recruitment and remuneration of senior officers just below the Board level including appointment or removal of Chief Financial Officer and Company Secretary.
- Materially important Litigation, Show Cause, Demand, Prosecution and Penalty Notices.
- Status of Litigations by or against the Company.
- Any material relevant default in financial obligation to and by the Company.
- Details of any Joint Venture or Collaboration Agreement.

- Formation/reconstitution of Board Committees and terms of references.
- Appointment, remuneration and resignation of Directors.
- Disclosure of Director's interest and their shareholding.
- Compliance Certificate from Director and Company Secretary, certifying compliance of all laws applicable to the Company.
- All other information which is relevant for decision-making by the Board.

NUMBER OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2020-21:

During the year under review, your Directors have met 8 (Eight) times, at the various dates, as mentioned herein below:

No. of Board Meetings Held	Dates of Board Meetings
01	30.06.2020
02	30.07.2020
03	31.07.2020
04	31.10.2020
05	11.11.2019
06	23.12.2020
07	13.02.2021
08	18.03.2021

B. Pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company

Mr. Jatin Kakkar, Mr. Mohit Chaturvedi and Mr. Vikram Mutha, Independent Non-Executive Director of the Company do not have any material pecuniary relationship with the Company other than the sitting fees paid to them.

C. Relationships between Directors Inter se

Except Mr. Mayur Jain, Mrs. Madhu Doshi and Mrs. Tina Hasmukh Mutha none of the Director of the Company is related to any other Directors of the Company.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board has constituted Committee(s) with specific terms of reference and scope, namely: Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee. The committees operate as empowered agents of the Board as per their charter/terms of reference. The practice to present the minutes of the meetings of Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee and Corporate Social Responsibility Committee, before the Board of Director for their perusal, is being maintained continuously. The details as to the composition, terms of reference, number of meetings and attendance etc. of these Committees are provided hereunder:

AUDIT COMMITTEE

Audit Committee of the Board comprises of three Non-Executive and Non-Executive Independent Director, namely Mr. Mohit Chaturvedi, Mr. Mayur Jain and Mr. Jatin Kakkar. The Chairman of the Audit Committee is Mr. Kakkar an independent director having sound financial knowledge. The majority of the audit committee members, including the Chairman, have accounting and financial management expertise. The Company Secretary acts as Secretary of the Committee. A representative of the Statutory Auditors is invited as and when required.

Powers of the Audit Committee:

- ❖ To investigate any activity within terms of reference
- ❖ To seek information from any employee
- ❖ To obtain outside legal or professional advice

Role of Audit Committee, inter alia, includes the following:

- ❖ Overview 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.
- ❖ Recommending the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor's and the fixation of audit fees.
- ❖ Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- ❖ Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to the:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.

- Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions and Qualifications, if any, in the draft audit report.
 - Qualifications in the draft audit report.
 - Management Discussion and analysis of Financial Condition
- ❖ Reviewing, with the management, the quarterly, half yearly, nine monthly and annually financial statements standalone as well as consolidated before submission to the Board for approval.
 - ❖ Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
 - ❖ 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.
 - ❖ Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - ❖ Scrutiny of inter-corporate loans and investments
 - ❖ To review the function of the vigil mechanism
 - ❖ Approval of appointment of the CFO (i.e the Whole Time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background etc of the candidate
 - ❖ Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The dates on which the meetings were held and attendance of the members of the Committee during the financial year ended 31st March, 2021 are as follows:

No. of Meetings Held	<u>Date of meetings</u>
01	30/06/2020
02	30/07/2021
03	31/07/2021
04	31/10/2021
05	13/02/2020

S. No.	<u>Name of the Members</u>	Meetings held	Meeting attended
1	Mr. Mohit Chaturvedi	5	5
2	Mr. Mayur Jain	5	5
3	Mr. Jatin Kakkar	5	5

NOMINATION AND REMUNERATION COMMITTEE

Constitution and Terms of Reference

The Nomination and Remuneration Committee comprises of Mr. Mohit Chaturvedi, Mr. Mayur Jain and Mr. Jatin Kakkar as members of Nomination and Remuneration Committee. The broad terms of reference of the Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal carry out evaluation of every director's performance. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable. To perform such other functions as may be necessary or appropriate for the performance of its duties.

The details of the Nomination & Remuneration committee Meetings are as follows:

No. of Meetings Held	<u>Date of meeting</u>
01	30/06/2020
02	30/07/2021
03	31/07/2021
04	31/10/2021
05	13/02/2020

Sl. No.	<u>Name of the Members</u>	Meetings attended
1	Mr. Mohit Chaturvedi	05
2	Mr. Mayur Jain	05
3	Mr. Jatin Kakkar	05

Remuneration Policy and Payment

There are no such arrangements to pay the remuneration to Non- Executive Directors and Independent Director during the financial year ended 31st March, 2021.

The key terms of reference of the Nomination & Remuneration Committee (stipulated by the Board) under Regulation 19 and schedule II Part D of the SEBI Listing Regulations are as under:

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board, a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees;
- To formulate criteria for evaluation of the performance of Independent Directors and the Board;
- To devise a policy on Board diversity
- To identify 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 their appointment and removal.
- To extend or continue the term of appointment of the Independent Directors on the basis of the report of performance evaluation of the Independent Directors.

- **Performance Evaluation Criteria for Independent Directors (ID)**

The Nomination & Remuneration Committee has formulated the criteria for evaluation of Independent Directors. Based on the said criteria, the performance of the Independent Directors was evaluated during the year.

- **Performance Evaluation of the Board/Committees**

The Board carries out the evaluation of the performance of Directors and Committees of the Board.

The purpose of the evaluation is to assess the performance of the Directors in discharging their responsibilities and to evaluate how effectively the Board, the Directors and the Committees were fulfilling their roles and duties.

An annual Board evaluation is conducted to assess the performance of the Board as a whole and that of individual Board members. Performance is assessed based on clearly defined objective criteria, which are in line with the Company's policy. Performance is measured against commitments and best-in-class benchmarks. Plans for orderly succession of the Senior Management are also in place.

As required under Regulation 25 of the SEBI Listing Regulations, a separate meeting of the Independent Directors of the Company was also held on 13/02/2021, to evaluate the performance of the Chairman, Non-Independent Directors and the Board as a whole and also to assess the quality, quantity and timelines of flow of information between the management of the Company and the Board.

- **Policy on Remuneration to the Managing Director, Whole Time Director, Key Managerial Personnel (KMP) and senior Management Personnel**

Remuneration to the Managing Director and Whole Time Directors shall be in accordance with the provisions of the Companies act, 2013. Increments to the existing remuneration/ compensation structure shall be recommended by the Nomination & Remuneration Committee to the Board, which shall be within the overall maximum limits of managerial remuneration approved by the shareholders for the Managing Director and Whole-Time directors of the Company. The overall managerial remuneration in respect of any financial year shall be in accordance with the provisions laid down under section 197 and schedule V of the Companies Act, 2013.

If in any financial year, the Company has no profits or its profits are inadequate, the Company shall make payment of remuneration within the maximum limits as minimum remuneration to the Managing Director and Whole-time Directors of the Company based on the approval of the Nomination & Remuneration Committee, Board and subject to the approval of the Shareholders and such other approvals, as may be required, in accordance with the provisions of section 197 and schedule V of the Companies Act, 2013.

During the financial year 2020-21, the payment of remuneration to the Managerial Personnel was in accordance with the relevant provisions laid down under the Companies act, 2013, if any.

The Company does not have Employee Stock Options Scheme for its Directors and Employees.

STAKEHOLDER RELATIONSHIP COMMITTEE

Constitution and Objective

The Board of Directors of the Company has constituted the Stakeholder Relationship Committee which is chaired by Mr. Mayur Jain Non-Executive to specially consider and resolve the grievances of security holders of the Company and other members of the committee are Mrs. Tina Hasmukh Mutha and Mr. Mohit Chaturvedi. The terms of reference of the Stakeholders' Relationship Committee covers the matters specified in Part D of the Schedule II of the SEBI Listing Regulations. The Committee looks into the Redressal of shareholders' and investors' complaints/ grievances. The Committee also looks into complaints concerning transfer of shares, non-receipt of annual report, non-receipt of dividends etc. The Committee also oversees the performance of Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor service.

All matters related to shares vis a vis transfers, deletions, transmissions, dematerialization and rematerialization of shares etc. have been duly attended to by the Company within the prescribed time lines during the financial year 2020-21.

The composition of Stakeholder Relationship Committee and terms of references meet with the requirements of Regulation 20 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 and provisions of the Companies Act, 2013.

Ms. Shivani Saxena had been appointed as Company Secretary and Compliance officer of the Company w.e.f 03.02.2020 as per SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 and performs as a secretary to the Committee her **e-mail id is:** compliance4arihant@gmail.com, however she has resigned from the post with effect from 18th January, 2021.

No application and Complaints received from shareholder/ investor are pending during the year under review. The details of the Stakeholder Relationship committee are as follows:

No. of Meetings Held	<u>Date of meeting</u>
1	23.12.2020

Sl. No.	<u>Name of the Members</u>	Meetings attended
1	Mr. Mayur Jain	01
2	Mr. Mohit Chaturvedi	01
3	Mrs. Tina Hasmukh Mutha	01

CEO/CFO CERTIFICATE

A certificate from the Chief Executive Officer(Managing Director) and the Chief Financial Officer on the financial statements and other matters of the Company as provided in Regulation 17(8) and schedule II Part B of the SEBI Listing Regulations for the financial year ended 31st March, 2021 was placed before the Board at its meeting held on 12/08/2021 and the same is annexed to this report.

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on the Management Discussion and Analysis is given separately and is a part of Annual Report.

MANAGEMENT DISCLOSURE

During the year under review, there were no transactions of material nature with the promoters, the directors or the management or relatives, etc. that had potential conflict with the interest of the Company. All disclosures related to financial and commercial transactions where directors may have a potential interest are provided to the board and the interested directors do not participate in the discussion nor do they vote on such matters.

RELATED PARTY TRANSACTIONS

All Related Party Transaction that were entered during the financial year were on an Arm's Length basis and were in the ordinary course of business. The particulars of contract/arrangement entered into by the Company with Related Parties are attached herewith marked as Annexure-2 of the Director's Report.

CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT

The Company has established the Code of Business Conduct ethics for all directors, officers and employees of the Company ("the Code"). This Code is a comprehensive Code applicable to all Directors, Officers and

employees working at various level of the Company. The Code while laying down, in detail, the standard of business conduct, ethics and governance, centers around the following theme-

“All Directors, Officers and employees of the Company are committed to conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. This code is intended to provide guidance and help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability. Each Director, officer and employees are expected to comply with this code in letter and spirit.

The Company has also formulated code on Prevention of Insider Trading.

Declaration required under Regulation 17(5) of SEBI(Listing obligations and Disclosure Requirements) Regulations, 2015

All the members covered under the “Code of Business Conduct and Ethics for Board Members and Senior Management” have affirmed compliance of the said code for the Financial year 2020-21.

MEANS OF COMMUNICATIONS:

a) Communication to Shareholders

The Company is maintaining a functional website i.e., www.arihantclassic.in in compliance with the provisions of the Companies Act, 2013 and Listing Agreement. The website contains the following information:-

- ❖ Basic information of the Company, e.g. details of its business, financial information etc.
- ❖ Shareholding pattern, compliance with Corporate Governance and contact information of designated official of the Company who are responsible for assisting and handling investor grievances.
- ❖ Quarterly/Half yearly/Nine- monthly and Annual Results.
- ❖ Annual Report.
- ❖ Various Corporate Policies.
- ❖ All important information pertaining to the Company is also mentioned in the Annual Report of the Company which is circulated to the members and others entitled thereto for each financial year.

Quarterly/Half yearly/Nine-monthly and Annual Financial Results of the Company are published in Leading English and Hindi Dailies like '**Financial Express**'.

Your Company provides necessary information to the Stock Exchange in terms of the SEBI(LODR) Regulations, 2015 and other rules and regulations issued by Securities and Exchange Board of India. Required Forms and Returns are filed with the Registrar of Companies.

DISCLOSURES

1. Investor Grievance:- As mentioned herein before, the Company has constituted Stakeholder Relationship Committee to redress Shareholders' and Investors' Complaints.
2. Share Transfer Agent:- M/s. Alankit Assignments Limited is Share Transfer Agent of the Company.
3. Details of Non- Compliance:- The Details of other Non- Compliances is mentioned in the Secretarial Audit Report forming part of this Annual Report and observation for the same is given in the Board's Report.
4. The Board of Directors of the Company has adopted (i) the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and (ii) the Code of Conduct as required under SEBI(Prohibition of Insider Trading) Regulations, 2015.
5. During the year no case was filed pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
6. The Company has no material subsidiary.
7. There was no materially significant related party transaction that may have any potential conflict with interest of the Company at large. Transaction with related parties are disclosed in the Financial Statements. The policy on dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link <http://arihantclassic.in/investors/>.

Place: Delhi

Date : 03.09.2021

Sd/-

Director

Mayur Jain

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Arihant Classic Finance Limited

1. We have examined the compliance of conditions of Corporate Governance by Arihant Classic Finance Limited ("the Company") for the year ended March 31, 2021 as stipulated in Regulations 17-27, clause (b) to (i) of Regulations 46(2) and paragraph C, D, and E of schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Listing Regulations) pursuant to the listing Agreement of the Company with the Stock Exchange.
2. Compliance of the regulations of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the regulations of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and explanations given to us, we certify that the Company has fully complied with the conditions of Corporate Governance as stipulated in listing regulations.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi

Date: 03/09/2021

For: Saurabh Agrawal & Co.

Company Secretaries

SD/-

Saurabh Agrawal

M. No. 5430

C.P. No. 4868

UDIN F005430C000889313

CFO CERTIFICATE

To,
The Board of Directors,
Arihant Classic Finance Limited
CIN: L65910GJ1995PLC025312
414, Nalanda Enclave, Pritam Nagar,
Near Sudama Resorts, Ellis Bridge,
Ahmedabad-380006

We hereby certified that:

- a) We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violation of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee that there have been no deficiencies in the function or operation of internal controls prevailing in the company.
- d) We have certify that:
 - 1) There have no significant changes in internal control over financial reporting during the year;
 - 2) There have no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 3) No instances of significant were observed in the company by the management or an employee have a significant role in the company's internal control system.

Sd/-

Place: New Delhi
Date: 12/08/2021

Mukesh Kumar
Chief Financial Officer

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 CLASSIC FINANCE LIMITED

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Arihant Classic Finance Limited, having CIN L65910GJ1995PLC025312 and having registered office at 414, Nalanda Enclave, Opp. Sudama Resorts Pritam Nagar, Ellisbridge Ahmedabad - 380006 (hereinafter referred to as 'the Company'), produced before us 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 and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our 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 us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs (MCA) or any such other Statutory Authority

DIN/DPIN/PAN	Full Name	Designation	Date of Appointment
00626336	MADHU DOSHI	Director	10/10/2000
00626354	MAYUR JAIN	Director	10/10/2000
02260980	TINA HASMUKH MUTHA	Managing Director	31/10/2020
08196611	JATIN KAKKAR	Director	30/08/2018

DIN/DPIN/PAN	Full Name	Designation	Date of Appointment
08288324	VIKRAM KISHORE MUTHA	Director	03/01/2019
08299460	MOHIT CHATURVEDI	Director	01/01/2019
BGHPK7187E	MUKESH KUMAR	CFO(KMP)	31/03/2018

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

Place: New Delhi

Date: 03/09/2021

For: Saurabh Agrawal & Co.

Company Secretaries

Saurabh Agrawal

M. No. 5430

C.P. No. 4868

UDIN: F005430C000889478

MANAGEMENT DISCUSSION AND ANALYSIS

A. INDUSTRY STRUCTURE AND DEVELOPMENT:

The Company was incorporated on 3rd April, 1995 under the Companies Act, 1956 under the name and style as Arihant Classic Finance Limited vide Certificate of Incorporation No. 04-25312 of 1994-95 issued by the Registrar of Companies, Gujarat.

The Company obtained the Certificate of Commencement of Business vide certificate dated 5th April, 1995 issued by the Registrar of Companies, Gujarat and doing the business related to NBFC company and exploring the market for opportunities.

B. OPPORTUNITIES AND THREATS:

The Company is involved in the following business:

- To invest in Securities and trading.
- To carry on and undertake the business of leasing and hire purchase of all kinds, finance, trading, distribution, agency, franchise, hire purchase in, , hiring or letting on hire, all kinds of plants.
- To carry on the business of general Finance and to finance industrial enterprises in their projects on turnkey basis or other wise and Asset Management Company or Trustee Company and to do the activity of portfolio management.
- To carry on the business as finance company and to finance or assist in financing all kinds of activities whether industrial, commercial including housing and including commercial building or part thereof with or without interest and/or security In whatever form and method including short term, long term loan by participation in equity or preferential capital, issuing guarantees, to carry on and undertake the business of financing the purchase
- To advance, or lend money with or without securities and properties to any company, person or association of persons, and to carry on the business of Bills discounting, Bills Purchasing, Loan Syndication Venture and seed Capital. However the company shall not carry on the business of banking, as defined in the Banking Regulation Act. 1949

C. SEGMENT WISE PERFORMANCE:

The Company is involved in non-banking finance business and has doing the business as a NBFC.

D. RISKS AND CONCERNS:

Risk of delayed receipt of instalments: In case of delayed receipts of instalment amounts of the hire purchase finance given, the funds of the Company get blocked resulting in high non-performing assets. To mitigate this risk, the Company is trying to put pressure on the delayed payers for payment of instalments and in inevitable cases legal action is also being initiated.

Risk of insolvency of the borrowers:

Where the borrower becomes insolvent, and is unable to clear the loan, the same becomes a bad debt and the total loan amount and the interest accrued thereon becomes a charge on the income generated by other good transactions.

To mitigate this risk, the company follows a very conservative policy of lending.

E. INTERNAL CONTROL SYSTEMS:

The Company has an adequate system of internal control and management with respect to disbursement of loans and follow-up action for collection of instalments.

F. HUMAN RESOURCES:

There are no significant developments in this front during the year under review.

GENERAL SHAREHOLDERS INFORMATION

Registered Office:414, Nalanda Enclave, Opp. Sudama Resorts Pritam Nagar, Ellisbridge Ahmedabad - 380006

Corporate Office: G-72, First Floor, Kirti Nagar Delhi-110015

Annual General Meeting:

No. of Meeting	Year	Date & Time
26 th	2020-21	29/09/2021 03.00. P.M

Financial Calendar: 1st April to 31st March

Results for the quarter ending June 30, 2021	In the mid of August 2021
Results for the quarter ending September 30, 2021	In the mid of November, 2021
Results for the quarter ending December 31, 2021	In the mid of February, 2022
Results for the quarter/year ending March 31, 2022	In the mid/end of May, 2022
Annual General Meeting for the year ending March 2021	Latest by September, 2021

Dividend: The Board of Directors has not recommended any Dividend on Equity Shares of the Company for the financial year 2020-21.

The securities of the Company are listed on the following Stock Exchange:

Metropolitan Stock Exchange of India Limited (MSE).

Listing fee, as applicable, has been duly paid to the aforesaid Stock Exchange.

Registrar and Transfer Agent (R&TA):

M/s Alankit Assignments Limited is Registrar and Share Transfer Agent of the Company. The shareholders are advised to approach M/s Alankit Assignments Limited at the following address for any share and demat related queries and/or problems:

M/s Alankit Assignments Limited

Alankit House , 4E/2 Jhandewalan Extension

New Delhi - 110055

Contact Person: Mr. Virender Sharma

e-mail id: virenders@alankit.com

The RTA will processes shares send for transfer, transmission etc every 10-15 days from the data of receipt thereof. Transfer/transmissions that are complete in all respects are processed and the certificates in respect thereof are returned to the lodger/shareholder within 15 days of lodgment.

LAND/FACTORY LOCATION

Since the Company is engaged in the business of Non-Banking Financial Company (**NBFC**) and has no manufacturing activities hence it has no plant/factory.

Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity

During the year under review the Company has not issued any GDRs/ADRs /Warrants or any Convertible Instruments.

Whistle Blower Policy

The Company has a Vigil mechanism under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

DECLARATION

I, Mayur Jain Director of the company declare that all Board Members and Senior Management Personnel have affirmed compliance with 'Code of Conduct for Board & Senior Management Personnel' for the year ended 31st March, 2021.

Place: Delhi

Date : 03.09.2021

Sd/-

Director

Mayur Jain



NJG & CO.
CHARTERED ACCOUNTANTS

708, NEW DELHI HOUSE,
27, BARAKHAMBHA ROAD,
NEW DELHI - 110001
Tel. No. 011-23325314
E-mail: njg_co@yahoo.co.in

INDEPENDENT AUDITOR'S REPORT

To the Members of **ARIHANT CLASSIC FINANCE LIMITED**

*414, Nalanda Enclave, Opp. Sudama Resorts
Pritam Nagar, Ellisbridge, Ahmedabad, Gujarat-380006*

Opinion

We have audited the standalone Ind AS financial statements of **ARIHANT CLASSIC FINANCE LIMITED (“the Company”)**, which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss, including statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred as the “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 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its Losses, 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) as 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 financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone Ind AS financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the *Board's Report including Annexure to the Board's Report*, but does not include the financial statements and our auditor's report thereon.



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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information: we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, (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 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 implementation and maintenance of 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 statement 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 is 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone Ind AS 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 an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 risks 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended 31 March, 2021 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



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure 1' a statement on the matters specified in paragraphs 3 and 4 of the order.
2. As required by section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss and Statement of Changes in Equity 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 Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in 'Annexure 2' to this report.
 - g. In our opinion, the managerial remuneration for the year ended 31 March 2021 has been paid/provided by the company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position in its standalone Ind AS financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For NJG & Co.
Chartered Accountants

SD/-
(CA SUYASH RAJ NAHATA)
Partner, Mem. No 529644
Firm Regn. No.019718N
UDIN: 21529644AAAACN9710
Place: New Delhi
Date: 12/08/2021



Annexure 1 to Independent Auditor's Report

Annexure 1 referred to in paragraph (1) under the heading 'Report on other legal and regulatory requirements' of our report even date

1.
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets of the Company were physically verified in full by the management during the year. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us, the records examined by us, we report that the Company does not hold any freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.
2. The company have inventories in the form of Shares in the electronic form so there is no requirement of physical verification. However, the company has been regularly verifying the e-statement as provided by the authority. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
3. According to information and explanation given to us, the company has granted unsecured loans to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013.
 - a. In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the company.
 - b. In respect of the aforesaid loans, the parties are repaying the principal amounts as stipulated and are also regular in payment of interest, where applicable.
 - c. In respect of the aforesaid loans, in the cases where the overdue amount is more than ninety days, in our opinion, reasonable steps have been taken by the company for the recovery of the principal amounts and interest, where applicable.
 - d. In respect of the aforesaid loans, in the cases where the overdue amount did not pay within the stipulated time, then in our opinion, the company has made sufficient and appropriate provision for the such loans.
4. In our opinion and according to information and explanation given to us, in respect of loans, investments, guarantees and security, the Company has complied with the provisions of sections 185 and section 186 of the Companies Act, 2013.
5. In our opinion and according to the information and explanations given to us, the company has complied with the directives of the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder, to the extent applicable, have been complied with. We are informed by management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.



6. To the best of our knowledge and as explained, the central government has not specified the maintenance of cost records under section 148(1) of the Act, for the services of the company.
7. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
According to the information and explanations given to us and the records of the company examined by us, there is one dispute pending regarding income tax relating to financial year 2008-09, against which the company already paid of Rs. 3,32,670, and the balance liability will be paid on the time of final disbursement of appeal by the authority.
8. In our opinion and according to the information and explanations given to us, the company has no outstanding dues to any financial institutions or banks or any government or any debenture holders during the year. Accordingly, paragraph 3 (viii) of the order is not applicable.
9. According to the information and explanations given by management, the company has not raised any money by way of initial public offer or further public offer.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. According to information and explanations as given by the management, there is no managerial remuneration has been paid/provided by the company during the financial year. Hence, there is no requirement to check the compliance of provisions of section 197 read with schedule V to the Act.
12. The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.



NJG & CO.
CHARTERED ACCOUNTANTS

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27, BARAKHAMBHA ROAD,
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15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.

16. According to the information and explanations given to us and based on our examination of the records of the company, the company has registered as required, under section 45-IA of the Reserve Bank of India Act 1934.

For NJG & Co.
Chartered Accountants

SD/-
(CA SUYASH RAJ NAHATA)
Partner, Mem. No 529644
Firm Regn. No.019718N
UDIN: 21529644AAAACN9710
Place: New Delhi
Date: 12/08/2021



Annexure 2 to the Independent Auditor's Report

Annexure 2 referred to in paragraph 2(f) under the heading 'Report on the other legal and regulatory requirements' of our report of even date

Report on the internal financial controls over financial reporting under clause (i) of sub – section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of ARIHANT CLASSIC FINANCE LIMITED (“the Company”) as at March 31, 2021, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The board of directors of the Company 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, 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 internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed



risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

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

Meaning of internal financial controls over financial reporting with reference to these Ind AS Financial Statements

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS Financial Statements

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

Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting with reference to these standalone Ind AS financial statements and such internal



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financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NJG & Co.
Chartered Accountants

SD/-
(CA SUYASH RAJ NAHATA)
Partner, Mem. No 529644
Firm Regn. No.019718N
UDIN: 21529644AAAACN9710
Place: New Delhi
Date: 12/08/2021

ARIHANT CLASSIC FINANCE LIMITED
414, NALANDA ENCLAVE, OPP. SUDAMA RESORTS, PRITAM NAGAR,
ELLISBRIDGE, AHMEDABAD, GUJARAT-380006
CIN L65910GJ1995PLC025312
EMAIL : COMPLIANCE4ARIHANT@GMAIL.COM, CONTACT : 011-45061900

Standalone Balance Sheet as at 31st March 2021

(Rs In Lacs)

	Note no.	31st March 2021 (Rs.)	31st March 2020 (Rs.)	1st April 2019 (Rs.)
A. ASSETS				
1 Financial Assets				
a. Cash and Cash Equivalents	3	13.86	16.30	17.44
d. Loans	4	1,095.56	1,075.92	841.53
e. Investments	5	151.01	155.15	155.15
f. Other Financial assets	6	80.23	41.14	94.07
Total Financial Assets		1,340.65	1,288.51	1,108.19
2 Non-Financial Assets				
a. Inventories	7	156.44	168.99	100.79
b. Current tax assets(Net)	8	-	-3.53	-
c. Deferred tax assets	9	12.66	14.87	1.81
d. Property, Plant and equipment	10	-	-	-
e. Other Non-Financial assets	11	19.62	19.83	44.98
Total non-financial Assets		188.72	200.16	147.58
Total Assets		1,529.37	1,488.67	1,255.77
B. LIABILITIES AND EQUITY				
I. LIABILITIES				
1 Financial Liabilities				
b. Borrowings	12	320.00	343.42	100.21
c. Other Financial liabilities	13	15.21	9.29	22.22
Total Financial liabilities		335.21	352.71	122.43
2 Non-Financial Liabilities				
b. Current Tax Liabilities	14	3.65	-	5.01
Total non-financial liabilities		3.65	-	5.01
Total Liabilities		338.86	352.71	127.44
II. EQUITY				
a. Equity Share Capital	15	1,014.81	1,014.81	1,014.81
b. Other Equity	16	175.70	121.15	113.52
Total Equity		1,190.51	1,135.96	1,128.33
Total Liabilities and Equity		1,529.37	1,488.67	1,255.77

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

As per our report of even date attached

For NJG & CO.

Chartered Accountants
Firm Reg. No. 019718N

For and on behalf of the Board of Directors

CA SUYASH RAJ NAHATA
(Partner)
Membership No. 529644
UDIN:

TINA HASMUKH MUTHA
DIRECTOR
DIN:002260980

MAYUR JAIN
DIRECTOR
DIN:00626354

Place : New Delhi
Dated : 12/08/2021

MUKESH KUMAR
CHIEF FINANCIAL OFFICER

YATI MITTAL
COMPANY SECRETARY

ARIHANT CLASSIC FINANCE LIMITED
414, NALANDA ENCLAVE, OPP. SUDAMA RESORTS, PRITAM NAGAR,
ELLISBRIDGE, AHMEDABAD, GUJARAT-380006
CIN L65910GJ1995PLC025312
EMAIL : COMPLIANCE4ARIHANT@GMAIL.COM, CONTACT : 011-45061900

Statement of profit & Loss for the year ended March 31, 2021

(Rs In lacs)

	Note No.	31st March 2021 (Rs.)	31st March 2020 (Rs.)
INCOME			
1.Revenue from Operations			
Interest Income		91.41	65.83
Gain and Loss of Sale of shares		6.26	25.90
Total revenue from operation		97.67	91.72
2. Other Income	17	77.69	1.65
Total Income(1+2)		175.36	93.37
EXPENSES			
Purchases of Stock-in-Trade	18	0.01	98.06
Changes in inventories of Finished Goods & Work in Progress	19	12.55	-68.21
Employee Benefits Expenses	20	20.95	11.05
Finance Costs	21	24.69	6.62
Depreciation & Amortisation		-	-
Other Expenses	22	49.23	9.68
Invetsment Allowance	23	0.58	25.00
Total Expenses		108.01	82.20
Profit Before Exceptional Items and Tax		67.35	11.17
Exceptional Items		-	-
Profit before tax		67.35	11.17
Tax expenses:			
(1) Current Tax		12.80	3.53
(2) Deferred Tax		(0.00)	-0.00
Profit for the year		54.55	7.63
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:-			
Re-measurement gains (losses) on defined benefit plans		-	-
Income tax benefit		-	-
Net other comprehensive income not to be reclassified to profit or loss		-	-
Total Comprehensive income for the year, net of tax		54.55	7.63
Earning per equity share(nominal value of Rs 10/- each)			
Basic	24	0.54	0.08
Diluted	24	0.54	0.08

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

As per our report of even date attached

For NJG & CO.

Chartered Accountants

Firm Reg. No. 019718N

For and on behalf of the Board of Directors

CA SUYASH RAJ NAHATA

(Partner)

Membership No. 529644

UDIN:

TINA HASMUKH MUTHA

DIRECTOR

DIN:002260980

MAYUR JAIN

DIRECTOR

DIN:00626354

Place : New Delhi

Dated : 12/08/2021

MUKESH KUMAR
CHIEF FINANCIAL OFFICER

YATI MITTAL
COMPANY SECRETARY

ARIHANT CLASSIC FINANCE LIMITED
414, NALANDA ENCLAVE, OPP. SUDAMA RESORTS, PRITAM NAGAR,
ELLISBRIDGE, AHMEDABAD, GUJARAT-380006
CIN L65910GJ1995PLC025312
EMAIL : COMPLIANCE4ARIHANT@GMAIL.COM, CONTACT : 011-45061900

Statement of Changes in equity for the year ended March 31, 2021

a. Equity Share Capital			Amount
Balance at April 1, 2019			1,014.81
Changes in equity share capital during the year			-
Balance at 31st March, 2020			1,014.81
Changes in equity share capital during the year			-
Balance at 31st March, 2021			1,014.81

b. Other Equity	Reserve & Surplus		
Particulars	General Reserve	Retained Earnings	Total
Balance at April 1, 2019	-	24.18	24.18
Profit for the year	-	7.63	7.63
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	31.81	31.81
Payment of Dividend		-	-
Tax on Dividend		-	-
Balance at March 31, 2020	-	32	32
Profit for the year	-	55	55
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	86	86
Payment of Dividend		-	-
Tax on Dividend		-	-
Balance at March 31, 2021	-	86	86

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

As per our report of even date attached

For NJG & CO.

Chartered Accountants
Firm Reg. No. 019718N

For and on behalf of the Board of Directors

CA SUYASH RAJ NAHATA
(Partner)
Membership No. 529644
UDIN:

TINA HASMUKH MUTHA
DIRECTOR
DIN:002260980

MAYUR JAIN
DIRECTOR
DIN:00626354

Place : New Delhi
Dated : 12/08/2021

MUKESH KUMAR
CHIEF FINANCIAL OFFICER

YATI MITTAL
COMPANY SECRETARY

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Cash flow Statement for the year ended March 31, 2021

Particulars	For the year ended march 31, 2021	For the year ended march 31, 2020
Cash Flow From Operating Activities		
Profit before tax	67.35	11.17
Extraordinary Items	-	-
Adjustments for :		
Depreciation and amortisation expenses	-	-
Finance Costs	24.69	6.62
Re-measurement (loss)/gain on defined benefit plans	-	-
Operating profit before working capital changes	92.04	17.79
Adjustments for:		
-(Increase)/decrease in loans (non-current)	-19.63	-234.40
-(Increase)/decrease in other financial assets (non-current)	-32.75	39.88
-(Increase)/decrease in other non-current assets	0.21	25.15
-(Increase)/decrease in inventories	12.55	-68.21
-(Increase)/decrease in trade receivables	-	-
-(Increase)/decrease in loans (current)	-	-
-(Increase)/decrease in other financial assets (current)	-	-
-(Increase)/decrease in other current assets	-3.53	3.53
- Increase/(decrease) in other financial liabilities (Non-current)	-	-
- Increase/(decrease) in non-current provisions	-	-
- Increase/(decrease) in trade payables	-	-
- Increase/(decrease) in other financial liabilities (current)	5.92	-12.93
- Increase/(decrease) in current provisions	-9.14	-8.55
- Increase/(decrease) in other current liabilities	-	-
Cash Generated From operations	-46.37	-255.51
Income tax paid (net)	-	-
Cash Generated From operations before extraordinary Items	-46.37	-255.51
Extraordinary Items	-	-
Net Cash From/(used in) Operating Activities (A)	45.67	-237.72
Cash Flow From Investing Activities		
Payments for purchase of property, plant and equipment and capital work in progress	-	-
Proceeds from sale of property, plant and equipment	-	-
Net Cash from/(used in) Investing Activities (B)	-	-
Cash Flow From Financing Activities		
Repayment/Taken of Short term borrowings	-23.42	243.21
Finance cost paid	-24.69	-6.62
Net Cash from/(used in) Financing Activities (C)	-48.11	236.59
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	-2.44	-1.13
Add: Cash and Cash Equivalents at the beginning of the year	16.30	17.44
Cash and Cash Equivalents at the end of the year	13.86	16.31
Components of cash and cash equivalents		
Cash on Hand	0.03	1.95
With banks -		
On Current Accounts & cheque in hand	13.83	14.35
Total cash and cash equivalents (Refer Note No.-3)	13.86	16.30

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

As per our report of even date attached

For NJG & CO.

Chartered Accountants

Firm Reg. No. 019718N

For and on behalf of the Board of Directors

CA SUYASH RAJ NAHATA

(Partner)

Membership No. 529644

UDIN:

TINA HASMUKH MUTHA

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(Rs In lacs)

Notes to the financial statements for the year ended March 31, 2021

10 Property Plant and Equipments

Carrying Amount of	As at March 31,2021	As at March 31, 2020	As at April 1, 2019
Computer	-	-	-
Office Equipment	-	-	-
Furniture	-	-	-
Mobile	-	-	-
	-	-	-

Cost or deemed cost

Particulars	Computer	Office Equipment	Furniture	Mobile	Total
Deemed cost at April 1, 2019	1.76	0.14	0.32	0.66	2.88
Addition for the year	-	-	-	-	-
Disposal / adjustments	-	-	-	-	-
Balance at March 31, 2020	1.76	0.14	0.32	0.66	2.88
Addition for the year	-	-	-	-	-
Disposal / adjustments	-	-	-	-	-
Balance at March 31, 2021	1.76	0.14	0.32	0.66	2.88

Accumulated Depreciation and

Accum. dep as at April 1, 2019	1.76	0.14	0.32	0.66	2.88
Depreciation expenses	-	-	-	-	-
Disposal / adjustments	-	-	-	-	-
Accm. Dep. at March 31, 2020	1.76	0.14	0.32	0.66	2.88
Depreciation expenses	-	-	-	-	-
Disposal / adjustments	-	-	-	-	-
Balance at March 31, 2021	1.76	0.14	0.32	0.66	2.88

Carrying amount of

Particulars	Computer	Office Equipment	Furniture	Mobile	Total
Deemed cost at April 1, 2019	-	-	-	-	-
Addition for the year	-	-	-	-	-
Disposal / adjustments	-	-	-	-	-
Depreciation charges	-	-	-	-	-
Balance at March 31, 2020	-	-	-	-	-
Addition for the year	-	-	-	-	-
Disposal / adjustments	-	-	-	-	-
Depreciation charges	-	-	-	-	-
Balance at March 31, 2021	-	-	-	-	-

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Notes to the financial statements for the year ended March 31, 2021

	March 31, 2021 (Rs.)	March 31, 2020 (Rs.)	(Rs In Lacs) April 1, 2019 (Rs.)
3 Cash and Bank Balances			
Cash and cash equivalents:			
Cash in hand	0.03	1.95	4.30
Current Account with scheduled bank	13.83	14.35	13.14
Total	13.86	16.30	17.44
4 Loans (Carried at Amortised Cost)			
Unsecured, Considered good			
Loans to Related Parties	704.79	688.72	764.85
Loans to Others	395.16	391.53	80.05
	1,099.95	1,080.25	844.91
Doubtful/NPA			
Loans to Related Parties	-	-	-
Loans to Others	153.95	153.95	129.90
	153.95	153.95	129.90
Less: Impairment Allowance	158.35	158.27	133.28
	1,095.56	1,075.92	841.53
<i>Terms and Conditions of Loan given</i>			
a All Loans are receivable on demand			
b Interest is receivable annually and interest rate mentioned in note no. 25			
5 Investments			
A. Investments in equity shares (fully paid)			
Unquoted - In associate (equity investments at cost)			
302,000 equity shares (2020 : 302,000) of Rs. 10 each of Dipika Polymer Pvt Ltd	151.00	151.00	151.00
B. Investments in equity shares (fully paid)			
Unquoted - In other entities (equity investments at cost)			
36,380 equity shares (2020 : 36,380) of Rs. 10 each of D.R. International Pvt Ltd	-	3.64	3.64
1000 equity shares (2020 : 100) of Rs. 1 each of Dev Kirpa International Pvt Ltd	0.01	0.01	0.01
Equity shares of Rs. 10 each of Pal Peugeot Ltd.	0.50	0.50	0.50
Less: Equity share Impaired	(0.50)	-	-
Total investments in equity instruments	151.01	155.15	155.15
Aggregate carrying value of unquoted investments	151.01	155.15	155.15
6 Other Financial Assets			
Madhu Doshi	80.10	-	-
Other recoverable in cash and kind	0.13	41.14	94.07
	80.23	41.14	94.07
7 Inventories			
Stock-in Trade	156.44	168.99	100.79
	156.44	168.99	100.79
8 Current Tax Assets(net)			
Advance Tax (taxes paid)	-	2.11	-
Provision for Income Tax	-	5.64	-
	-	-3.53	-

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Notes to the financial statements for the year ended March 31, 2021

	March 31, 2021 (Rs.)	March 31, 2020 (Rs.)	(Rs In Lacs) April 1, 2019 (Rs.)	
9 Deferred Tax Assets				
Deferred Tax Assets				
Property, Plant and Equipment and Intangible Assets	1.80	1.81	1.81	
MAT Credit Entitlement	10.86	13.06	-	
Deferred tax assets	12.66	14.87	1.81	
Significant components of net deferred tax assets and liabilities are as follows:				
	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Closing Balance
<i>For the year ended March 31, 2021</i>				
Property, plant and equipment and Intangible assets	1.81	-0.00	-	1.80
MAT Credit Entitlement	13.06	-2.20	-	10.86
Net deferred tax Assets	14.87	-2.21	-	12.66
	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Closing Balance
<i>For the year ended March 31, 2020</i>				
Property, plant and equipment and Intangible assets	1.81	-0.00	-	1.81
MAT Credit Entitlement	-	13.06	-	13.06
Net deferred tax Assets	1.81	13.05	-	1.81
Note: <i>Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.</i>				
Note: <i>In view of the Company's past financial performance and future profit projections, the Company expects that it shall generate sufficient future taxable income to fully recover the deferred tax assets.</i>				
11 Other non-financial Assets				
<i>Balance with Government Authorities</i>				
-Income Tax refundable	19.62	19.82	28.68	
Other	-	0.01	16.30	
	19.62	19.83	44.98	
12 Borrowings				
Loan from related parties (Unsecured)	-	22.92	100.21	
Loans from others	320.00	320.50	-	
	320	343	100	
<i>Terms and conditions:</i>				
<i>The loan is repayable on demand and interest is payable @ 9% p.a</i>				
13 Other Financial Liabilities				
Statutory Remittances :				
- Audit Fees Payable	-	-	-	
- TDS payable	2.04	0.96	1.53	
- Expenses Payable	13.17	8.33	4.80	
Interest accrued but not booked (NPA)	-	-	15.89	
	15.21	9.29	22.22	
14 Current Tax Liabilities(net)				
Provision for Income Tax	10.60	-	10.95	
Advance Tax (taxes paid)	6.94	-	5.94	
	3.65	-	5.01	
15 Equity Share Capital				
Authorised share capital:				
11500000 Equity shares of Rs 10/- Each (as at 31.03.2020 : 11500000 Equity shares of Rs 10/- Each & as at 01.04.2019 : 11500000 Equity shares of Rs 10/- Each)	1,150.00	1,150.00	1,150.00	
	1,150.00	1,150.00	1,150.00	
Issued, subscribed and fully paid up share capital:				
10148090 Equity shares of Rs 10/- Each (as at 31.03.2020 : 10148090 Equity shares of Rs 10/- Each & as at 01.04.2019 : 10148090 Equity shares of Rs 10/- Each)	1,014.81	1,014.81	1,014.81	
	1,014.81	1,014.81	1,014.81	

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Notes to the financial statements for the year ended March 31, 2021

	March 31, 2021 (Rs.)	March 31, 2020 (Rs.)	(Rs In Lacs) April 1, 2019 (Rs.)
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a) Rights, Preference and restriction attached to equity shares

The Company has only one class of equity shares, having par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share and has a right to receive dividend as recommended by the Board of Directors subject to the necessary approval from the shareholders.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

<u>Equity Shares</u>	-	-	-	-	-
	Nos.	Amount (Rs.)	Nos.	Amount (Rs.)	Nos.
Balance as at the beginning of the year	10,148,090	1,014.81	10,148,090	1,014.81	10,148,090
Issued during the year	-	-	-	-	-
Balance as at the end of the year	10,148,090	1,014.81	10,148,090	1,014.81	10,148,090

c) Details of shares held by each shareholder holding more than 5% shares

	-	-	-	-	April 1, 2019
	Nos.	% holding in the class	Nos.	% holding in the class	Nos.
Equity Shares of Rs 10 each, fully paid up					
Mr. Premjibhai Purshotambhai Patel	937,300	9.24%	937,300	9.24%	937,300
Mrs. Hemaben Premjibhai Patel	937,300	9.24%	937,300	9.24%	937,300
Mr. Munind Shah	858,800	8.46%	858,800	8.46%	858,800
Mr. Dhiren Shah	537,700	5.30%	537,700	5.30%	537,700
Mr. Madhu Doshi	1,000,000	9.85%	1,000,000	9.85%	1,000,000

16 Other Equity

Retained earnings (Note-1)	73.93	30.29	24.18
Special Reserve (Note-2)	69.14	58.23	56.70
Share Forfeiture Account(Note -3)	32.64	32.64	32.64
	175.70	121.15	113.52
Retained earnings		-	-
		(Rs.)	(Rs.)
Balance at beginning of the year		30.29	24.18
Add : Profit for the year		54.55	7.63
Less: Transfer to special reserve		10.91	1.53
Balance at end of year		73.93	30.29
		-	-
Special Reserve		(Rs.)	(Rs.)
Opening balance		58.23	56.70
Addition During Year		10.91	1.53
Closing Balance		69.14	58.23

Note 1- Retained Earning

It represents accumulated profits of the company and can be utilised as per Companies Act 2013

Note 2: Special Reserve

It is Statutory Reserve maintained as per RBI Norms

Note 3: Share Forfeiture account

This represents the amount of shares forfeited by the company

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(Rs in Laacs)

Notes to the financial statements for the year ended March 31, 2021

	March 31, 2021 (Rs.)	March 31, 2020 (Rs.)
17 Other Income		
Dividend Income	1.16	1.65
Other Income	0.07	-
Gain on sale of investment	76.46	-
	<u>77.69</u>	<u>1.65</u>
18 Purchase of Stock in Trade		
Purchase	0.01	98.06
Total	<u>0.01</u>	<u>98.06</u>
19 Change in Inventory of Stock in Trade		
Opening: Stock In Trade (Shares & Security)	168.99	100.79
	<u>168.99</u>	<u>100.79</u>
Closing: Stock In Trade (Shares & Security)	156.44	168.99
	<u>156.44</u>	<u>168.99</u>
Total	<u>12.55</u>	<u>-68.21</u>
20 Employee Benefit expenses		
Salaries and Incentives	19.91	10.07
Staff Welfare Expenses	1.04	0.98
TOTAL (Rs.)	<u>20.95</u>	<u>11.05</u>
21 Finance Costs		
Interest Expense	24.69	6.62
TOTAL (Rs.)	<u>24.69</u>	<u>6.62</u>
22 Other Expenses		
Auditors Remuneration	0.71	0.71
Advertisement Expenses	1.01	-
Conveyance Expenses	0.63	0.61
Interest on TDS	0.02	0.06
Legal & Professional Charges	1.67	3.36
Membership Fees	0.18	1.62
Misc. & General Exp.	0.50	0.61
CDSL/NSDL fees	1.83	-
Connectivity/Maintenance charges	0.49	-
Office Expenses	1.49	0.38
Listing Fees	0.65	-
Postage & Telegram	0.19	0.20
Printing & Stationary	0.40	0.31
Rent paid	0.71	0.71
ROC Filling Charges	0.08	0.04
Repair & Maintenance	0.03	-
Security Transaction Tax	-	0.12
Telephone Expenses	0.19	0.18
Travelling , Loadging & Fooding	0.48	0.47
Website Expenses	0.24	-
Interest on Inocme Tax	-	0.29
Bad Debts	37.75	-
TOTAL (Rs.)	<u>49.23</u>	<u>9.68</u>
23 Impairment loss		
	March 31, 2021 (Rs.)	March 31, 2020 (Rs.)
Contingent Provisions Against Standard Assets	0.08	- 0.94
Impairment allowance on non performing assets	-	- 24.05
Impairment allowance on Equity Shares	0.50	-
	<u>0.58</u>	<u>25.00</u>

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Notes to the financial statements for the year ended March 31, 2021

(Rs in Lacs)

24 Earning per share (EPS)

Earning Per Share (EPS) computed in accordance with Indian Accounting Standard (Ind AS) 33 issued by The Institute of Chartered Accountants of India:-

	March 31, 2021	March 31, 2020
	(Rs.)	(Rs.)
Net Profit/(Loss) as per Statement of Profit & Loss (Rs. in Lakhs)	54.55	7.63
Weighted Average Number of Equity Shares outstanding during the year (Nos.)	10,148,090.00	10,148,090
Number of shares - Diluted (Nos.)	10,148,090	10,148,090
Basic Earning Per share (Rs.)	0.54	0.08
Diluted Earning Per share (Rs.)	0.54	0.08

25 Related party disclosures

Names of related parties and related party relationship

Associates	Dipika Polymer Pvt Ltd
Key Managerial Personnel	Mr. Rohit Jain Mr. Mayur Jain Mr. Madhu Doshi
Other Related Parties (Entity in which KMP of Holding Company and their relatives exercise significant influences)	M/S I.K.Polymer North Pvt. Ltd. M/S Dipika Polymers Pvt. Ltd. M/S Dev Kripa Developers Pvt. Ltd. M/S Dmax Polymer Pvt. Ltd. M/S Gitanjali Finvest Pvt. Ltd. M/S Innovo Infratech Llp M/S Moti Lal Banarsi Das

Related party transactions

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

	March 31, 2021	March 31, 2020	
	(Rs.)	(Rs.)	
Rent Paid			
Madhu Joshi	0.35	0.71	
Interest Paid			
M/S Dmax Polymer Pvt. Ltd. (Interest rate 10%)	1.15	6.07	
Interest Income			
M/S Dev Kripa Developers Pvt. Ltd.(Interest rate 8%)	18.01	36.85	
M/S Innovo Infratech Llp (Interest rate 9%)	2.48	4.80	
M/S Gitanjali Finvest Pvt. Ltd. (Interest rate 15%)	5.51	10.98	
M/S Moti Lal Banarsi Das (Interest rate 12%)	3.28	0.58	
	March 31, 2021	March 31, 2020	April 1, 2019
	(Rs.)	(Rs.)	(Rs.)
Balance Payable			
M/S Dmax Polymer Pvt. Ltd.	-	22.92	100.21
Balance Receivable			
M/S Dev Kripa Developers Pvt. Ltd.	488.85	493.41	517.31
M/S Innovo Infratech Llp	55.00	57.00	64.00
M/S Gitanjali Finvest Pvt. Ltd.	-	-	-
M/S Moti Lal Banarsi Das	62.59	60.00	-
Interest rates of Other Parties			
M/s Din Dayal Real Estates (Interest rate 12%)			
M/s Pritesh Chander Kothari (Interest rate 9%)			
M/s Divine Polymers (Interest rate 9%)			
M/s Kamal Ideal Infratech Pvt. Ltd. (Interest rate 9.5%)			
M/s Real Polymers (Interest rate 7.5%)			

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Notes to the financial statements for the year ended March 31, 2021

(Rs in Lacs)

26 Financial instruments and risk management

26.1 A Financial Instruments by Category

	March 31, 2021		March 31, 2020		April 1, 2019	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets						
Cash and Cash Equivalents	-	13.86	-	16.30	-	17.44
Loans	-	1,095.56	-	1,075.92	-	841.53
Investments	-	151.01	-	155.15	-	155.15
Other Financial assets	-	80.23	-	41.14	-	94.07
	-	1,340.65	-	1,288.51	-	1,108.19
Financial Liabilities						
Borrowings	-	320.00	-	343.42	-	100.21
Other Financial liabilities	-	15.21	-	9.29	-	22.22
	-	335.21	-	352.71	-	122.43

26.1.a Fair value hierarchy

The fair value of financial instruments as referred to in note above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements]. The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or 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.

26.1.b Financial assets and liabilities measured at fair value - recurring fair value measurements

Financial assets at fair value through profit or loss

	As at	Level 1	Level 2	Level 3	Total
Current Investment in Mutual Funds	March 31, 2021	-	-	-	-
Current Investment in Mutual Funds	March 31, 2020	-	-	-	-
Current Investment in Mutual Funds	April 1, 2019	-	-	-	-

26.1.c Valuation technique used to determine fair value

The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at Note: There were no specific financial instruments which were fair valued using level 3 indicators hence no unobservable inputs.

Note: Management considers that the carrying amounts of financial assets and financial liabilities measured at amortised cost approximate their fair values.

26.2 Financial risk management

The Company, is exposed to various market risks, credit risk and liquidity risk. The laid down processes, periodic communication, control framework and management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks. Below notes explain the sources of risk in which the company is exposed to and how it manages the risk.

26.2.A Market risk:

a. Price risk:

The Company is using aluminium and ferrous items for production of various products. Fluctuation in commodity prices in global market affects directly and indirectly the price of raw material and components used by the Company in manufacturing its various product segments. Further, Pricing pressure from its major Customer to give price cuts and the inability to pass on the increased cost of inputs to the customers may also affect the profitability of the company. The Price risk arises due to fluctuation in prices of these commodities.

The Company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices. The Company's commodity risk is managed centrally through well-established trading operations and control processes. Further, the Company is having arrangement with major customer for actualization of raw material price variations periodically.

b. Foreign currency risk:

Foreign currency risk arise from monetary receivables and obligations expressed in a currency other than functional currency of the Company. Primarily the Company is catering to customers in local currency.

The derivative instruments and unhedged foreign currency exposure is as follows:

(i) Derivatives outstanding as at the reporting date

Particulars / Purpose	Currency	March 31, 2021 (Rs.)	March 31, 2020 (Rs.)	April 1, 2019 (Rs.)
Forward Contract (Buy)	-			

(ii) Particulars of unhedged foreign exposure as at the reporting date

The Company does not have unhedge foreign currency at the end of reporting period.

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Notes to the financial statements for the year ended March 31, 2021

(Rs in Lacs)

c. Interest rate risk:

Interest rate is the risk that fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates.

The exposure of the Company's borrowing at variable rate and fixed rate at the end of reporting period are as follows:

Particulars	March 31, 2021 (Rs.)	March 31, 2020 (Rs.)	April 1, 2019 (Rs.)
Variable rate borrowings			
Fixed rate borrowings	320.00	343.42	100.21
Total borrowings			

Profit / loss is sensitive to higher / lower interest expense from borrowings as a results of changes in interest rates. Holding all other variable constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rate on floating portion of borrowings.

Particulars	March 31, 2021 (Rs.)	March 31, 2020 (Rs.)	April 1, 2019 (Rs.)
Variable rate borrowings		Nil	Nil
Interest rate increase by 0.5%	-	-	-
Interest rate decrease by 0.5%	-	-	-

26.2.B Credit Risk :

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Company and arises principally from the Company's receivables from customers and liquid investments with banking institutions / mutual funds. The maximum amount of the credit exposure is equal to the carrying amounts of these receivables.

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customer, is its ultimate holding company with good credit rating . Other customers are subjected to credit assessments as a precautionary measure, and the adherence of all customers to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default.

Particulars	March 31, 2021 (Rs.)	March 31, 2020 (Rs.)	April 1, 2019 (Rs.)
Investment Allowance	158.27	133.28	133.28
Add: Provided During the year	(0.31)	25.00	-
Closing	157.96	158.27	133.28

26.2.C Liquidity risk:

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities and maintaining availability of standby funding through an adequate line up of committed credit facilities.

The Company manages liquidity risk by maintaining availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

(a) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	0- 3 months	3 - 6 months	6 months - 1 Year	1 - 3 Years	More than 3 years	Total
As at March 31, 2021						
Borrowing*	-	-	-	-	-	-
Other Financial liabilities	-	15.21	-	-	-	15.21
Total	-	15.21	-	-	-	15.21

	0- 3 months	3 - 6 months	6 months - 1 Year	1 - 3 Years	More than 3 years	Total
As at March 31, 2020						
Borrowing*	-	-	-	-	-	-
Other Financial liabilities	-	9.29	-	-	-	9.29
Total	-	9.29	-	-	-	9.29

	0- 3 months	3 - 6 months	6 months - 1 Year	1 - 3 Years	More than 3 years	Total
As at April 1, 2019						
Borrowing*	-	-	-	-	-	-
Other Financial liabilities	-	22.22	-	-	-	22.22
Total	-	22.22	-	-	-	22.22

*Repayable on demand

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Notes to the financial statements for the year ended March 31, 2021

(Rs in Lacs)

26.3 Capital management

The capital structure of the Company consists of debt, cash and cash equivalents and equity attributable to equity shareholders of the Company which comprises issued share capital (including premium) and accumulated reserves disclosed in the Statement of Changes in Equity. The Company's capital management objective is to achieve an optimal weighted average cost of capital while continuing to safeguard the Company's ability to meet its liquidity requirements (including its commitments in respect of capital expenditure) and repay loans as they fall due. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is debt divided by total equity. The Company's policy is to keep an optimum gearing ratio. The Company includes within debt, interest bearing loans and borrowings.

A. Net Debt (Total Debt less cash and cash equivalents) divided by Total equity

Particulars	As at	As at	As at
	March 31, 2021	March 31, 2020	April 1, 2019
Debt	320.00	343.42	100.21
Cash and cash equivalent	13.86	16.30	17.44
Net Debts	306.14	327.12	82.77
Total Equity	1,190.51	1,135.96	1,128.33
Net debts to Total Equity	0.26	0.29	0.07

Loan covenants

The Company is in compliant with all the loan covenants on all the borrowings outstanding as on the financial statements date

B. Dividends

Particulars	As at	As at	As at
	March 31, 2021	March 31, 2020	April 1, 2019
<i>On Equity share of Rs.10 each</i>			
Final Dividend			
- Amount of dividend paid	Nil	Nil	Nil
- Dividend per equity share	Nil	Nil	Nil
Interim Dividend			
- Amount of dividend paid	Nil	Nil	Nil
- Dividend per equity share	Nil	Nil	Nil

27 First-time adoption of Ind AS

Equity reconciliation for April 01, 2019 and 31st March 2020

	Refer	As on 31st March 2020			As on 1st April 2019		
		Indian GAAP	Adjustments	Ind AS	Indian GAAP	Adjustments	Ind AS
A. ASSETS							
1 Financial Assets							
a. Cash and Cash Equivalents		16.30	-	16.30	17.44	-	17.44
b. Loans	a	1,234.19	158.27	1,075.92	974.81	133.28	841.53
c. Investments	b	155.15	-	155.15	155.15	-	155.15
d. Other Financial assets		41.14	-	41.14	94.07	-	94.07
Total Financial Assets		1,446.78		1,288.51	1,241.47		1,108.19
2 Non-Financial Assets							
a. Inventories	c	168.99	-	168.99	100.79	-	100.79
b. Property, Plant and equipment	d	-	-	-	-	-	-
c. Deferred Tax Assets	e	14.87	-	14.87	1.81	-	1.81
d. Current tax assets(Net)		-3.53	-	(3.53)	-	-	-
e. Other Non-Financial assets		19.83	-	19.83	44.98	-	44.98
Total non-financial Assets		200.16		200.16	147.58		147.58
Total Assets		1,646.94		1,488.67	1,389.05		1,255.77
B. LIABILITIES AND EQUITY							
I. LIABILITIES							
1 Financial Liabilities							
a. Borrowings		343.42	-	343.42	100.21	-	100.21
b. Other Financial liabilities		9.29	-	9.29	22.22	-	22.22
Total Financial liabilities		352.71		352.71	122.43		122.43
2 Non-Financial Liabilities							
a. Provisions		158.27	158.27	0.00	133.28	133.28	-
Total non-financial liabilities		158.27		0.00	133.28		-
Total Liabilities		510.98		352.71	255.71		122.43
II. EQUITY							
a. Equity Share Capital		1,014.81	-	1,014.81	1,014.81	-	1,014.81
b. Other Equity		121.15	-	121.15	113.52	-	113.52
Total Equity		1,135.96		1,135.96	1,128.33		1,128.33
Total Liabilities and Equity		1,646.94		1,488.67	1,384.03		1,250.75

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Notes to the financial statements for the year ended March 31, 2021

(Rs in Lacs)

Profit reconciliation for the year ended March 31, 2020

	As on 31st March 2020		
	Indian GAAP	Adjustments	Ind AS
INCOME			
1.Revenue from Operations			
Interest Income	65.83	-	65.83
Gain and Loss of Sale of shares	25.90	-	25.90
Total revenue from operation	91.72		91.72
2. Other Income	1.65	-	1.65
Total Income(1+2)	93.37		93.37
EXPENSES			
Purchases of Stock-in-Trade	98.06	-	98.06
Changes in inventories of Finished Goods & Work in Progress	-68.21	-	(68.21)
Employee Benefits Expenses	11.05	-	11.05
Finance Costs	6.62	-	6.62
Depreciation & Amortisation	-	-	-
Other Expenses	9.68	-	9.68
Impairment loss	25.00	-	25.00
Total Expenses	82.20		82.20
Profit Before Exceptional Items and Tax	11.17		11.17
Exceptional Items	-	-	-
Profit before tax	11.17		11.17
Tax expenses:			
(1) Current Tax	3.53	-	3.53
(2) MAT Credit Entitlement			
(3) Deferred Tax	-0.00	-	(0.00)
Profit for the year	7.63		7.63
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:-			
Re-measurement gains (losses) on defined benefit plans	-		
Income tax benefit			
Net other comprehensive income not to be reclassified to profit or loss	-	-	-
Total Comprehensive income for the year, net of tax	7.63		7.63

a) **Loans at amortised cost**

Under previous GAAP, Loans were accounted for at their undiscounted nominal values. Under Ind AS, these have been accounted for at amortised cost method by discounting the cash flows using effective interest rates.

b) **Investment in Subsidiary and Associates**

As permitted by IND AS-101, the investment in subsidiary and associates carried at cost at the date of transition

c) **Loans Given**

Under Indian GAAP, Non Performing Assets and provisioning were computed based on the RBI guidelines. Under Ind AS, loan assets are classified based on staging criteria prescribed under Ind AS 109 - Financial instruments and impairment is computed based on Expected Credit Loss model. Under Indian GAAP provision for Non Performing Asset and standard asset were presented under provisions. However, under Ind AS, financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses. Consequently, the Company has reclassified the Indian GAAP provisions for standard assets / NPAs amounting to ₹ 133.28 Lacs and ₹ 158.27 Lacs as on April 01, 2019 and March 31, 2020 respectively to impairment allowance as ECL.

28 **Segment wise revenue, results and capital employed**

a. As the Company's business activity falls within a single primary business segment viz. "manufacturing and sale of auto components for two wheelers and four wheelers".
 b. Secondary segment: Geographical- No such reporting required as company is operating in India only.

29 **Previous year figures**

Previous year's figures have been regrouped/reclassified, where necessary, to confirm to this year's classification.

For NJG & CO.
 Chartered Accountants
 Firm Reg. No. 019718N

For and on behalf of the Board of Directors

CA SUYASH RAJ NAHATA
 (Partner)
 Membership No. 529644
 UDIN:

TINA HASMUKH MUTHA
 DIRECTOR
 DIN:002260980

MAYUR JAIN
 DIRECTOR
 DIN:00626354

Place: New Delhi
 Date: 12/08/2021

MUKESH KUMAR
 CHIEF FINANCIAL OFFICER

YATI MITTAL
 COMPANY SECRETARY



INDEPENDENT AUDITOR'S REPORT

To the Members of
ARIHANT CLASSIC FINANCE LIMITED
414, Nalanda Enclave, Opp. Sudama Resorts
Pritam Nagar, Ellisbridge, Ahmedabad, Gujarat-380006

Opinion

We have audited the Consolidated Ind AS financial statements of **ARIHANT CLASSIC FINANCE LIMITED (“the Company”)**, which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss, including statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred as the “financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its Losses, 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 Consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) as 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 Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Ind AS financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the *Board's Report including Annexure to the Board's Report*, but does not include the financial statements and our auditor's report thereon.



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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information: we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the financial position, financial performance, (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 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 implementation and maintenance of 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 Consolidated Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Ind AS financial statements, management is 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS 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 an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated 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 risks 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS financial statements for the financial year ended 31 March, 2021 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



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure 1' a statement on the matters specified in paragraphs 3 and 4 of the order.
2. As required by section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Consolidated Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in 'Annexure 2' to this report.
 - g. In our opinion, the managerial remuneration for the year ended 31 March 2021 has been paid/provided by the company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position in its Consolidated Ind AS financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For NJG & Co.
Chartered Accountants

SD/-
(CA SUYASH RAJ NAHATA)
Partner, Mem. No 529644
Firm Regn. No.019718N
UDIN: 21529644AAAACO1214
Place: New Delhi
Date: 12/08/2021



Annexure 1 to Independent Auditor's Report

Annexure 1 referred to in paragraph (1) under the heading 'Report on other legal and regulatory requirements' of our report even date

1.
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets of the Company were physically verified in full by the management during the year. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us, the records examined by us, we report that the Company does not hold any freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.
2. The company have inventories in the form of Shares in the electronic form so there is no requirement of physical verification. However, the company has been regularly verifying the e-statement as provided by the authority. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
3. According to information and explanation given to us, the company has granted unsecured loans to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013.
 - a. In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the company.
 - b. In respect of the aforesaid loans, the parties are repaying the principal amounts as stipulated and are also regular in payment of interest, where applicable.
 - c. In respect of the aforesaid loans, in the cases where the overdue amount is more than ninety days, in our opinion, reasonable steps have been taken by the company for the recovery of the principal amounts and interest, where applicable.
 - d. In respect of the aforesaid loans, in the cases where the overdue amount did not pay within the stipulated time, then in our opinion, the company has made sufficient and appropriate provision for the such loans.
4. In our opinion and according to information and explanation given to us, in respect of loans, investments, guarantees and security, the Company has complied with the provisions of sections 185 and section 186 of the Companies Act, 2013.
5. In our opinion and according to the information and explanations given to us, the company has complied with the directives of the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder, to the extent applicable, have been complied with. We are informed by management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.



6. To the best of our knowledge and as explained, the central government has not specified the maintenance of cost records under section 148(1) of the Act, for the services of the company.
7. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
According to the information and explanations given to us and the records of the company examined by us, there is one dispute pending regarding income tax relating to financial year 2008-09, against which the company already paid of Rs. 3,32,670, and the balance liability will be paid on the time of final disbursement of appeal by the authority.
8. In our opinion and according to the information and explanations given to us, the company has no outstanding dues to any financial institutions or banks or any government or any debenture holders during the year. Accordingly, paragraph 3 (viii) of the order is not applicable.
9. According to the information and explanations given by management, the company has not raised any money by way of initial public offer or further public offer.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. According to information and explanations as given by the management, there is no managerial remuneration has been paid/provided by the company during the financial year. Hence, there is no requirement to check the compliance of provisions of section 197 read with schedule V to the Act.
12. The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.



NJG & CO.
CHARTERED ACCOUNTANTS

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27, BARAKHAMBA ROAD,
NEW DELHI - 110001
Tel. No. 011-23325314
E-mail: njg_co@yahoo.co.in

15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.

16. According to the information and explanations given to us and based on our examination of the records of the company, the company has registered as required, under section 45-IA of the Reserve Bank of India Act 1934.

For NJG & Co.
Chartered Accountants

SD/-
(CA SUYASH RAJ NAHATA)
Partner, Mem. No 529644
Firm Regn. No.019718N
UDIN: 21529644AAAACO1214
Place: New Delhi
Date: 12/08/2021



Annexure 2 to the Independent Auditor's Report

Annexure 2 referred to in paragraph 2(f) under the heading 'Report on the other legal and regulatory requirements' of our report of even date

Report on the internal financial controls over financial reporting under clause (i) of sub – section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of ARIHANT CLASSIC FINANCE LIMITED (“the Company”) as at March 31, 2021, in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The board of directors of the Company 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, 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 internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 Consolidated 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, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed



risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

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

Meaning of internal financial controls over financial reporting with reference to these Ind AS Financial Statements

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting with reference to these Consolidated Ind AS Financial Statements

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

Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting with reference to these Consolidated Ind AS financial statements and such internal



NJG & CO.
CHARTERED ACCOUNTANTS

708, NEW DELHI HOUSE,
27, BARAKHAMBA ROAD,
NEW DELHI - 110001
Tel. No. 011-23325314
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financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NJG & Co.
Chartered Accountants

SD/-
(CA SUYASH RAJ NAHATA)
Partner, Mem. No 529644
Firm Regn. No.019718N
UDIN: 21529644AAAACO1214
Place: New Delhi
Date: 12/08/2021

ARIHANT CLASSIC FINANCE LIMITED
414, NALANDA ENCLAVE, OPP. SUDAMA RESORTS, PRITAM NAGAR,
ELLISBRIDGE, AHMEDABAD, GUJARAT-380006
CIN L65910GJ1995PLC025312
EMAIL : COMPLIANCE4ARIHANT@GMAIL.COM, CONTACT : 011-45061900

Consolidated Balance Sheet as at 31st March 2021

(Rs In Laacs)

	Note no.	31st March 2021 (Rs.)	31st March 2020 (Rs.)	1st April 2019 (Rs.)
A. ASSETS				
1 Financial Assets				
a. Cash and Cash Equivalents	3	13.86	16.30	17.44
d. Loans	4	1,095.56	1,075.92	841.53
e. Investments	5	479.04	426.75	420.49
f. Other Financial assets	6	80.23	41.14	94.07
Total Financial Assets		1,668.68	1,560.11	1,373.53
2 Non-Financial Assets				
a. Inventories	7	156.44	168.99	100.79
b. Current tax assets(Net)	8	-	-3.53	-
c. Deferred tax assets	9	12.66	14.87	1.81
d. Property, Plant and equipment	10	-	-	-
e. Other Non-Financial assets	11	19.62	19.83	44.98
Total non-financial Assets		188.72	200.16	147.58
Total Assets		1,857.40	1,760.27	1,521.11
B. LIABILITIES AND EQUITY				
I. LIABILITIES				
1 Financial Liabilities				
b. Borrowings	12	320.00	343.42	100.21
c. Other Financial liabilities	13	15.21	9.29	22.22
Total Financial liabilities		335.21	352.71	122.43
2 Non-Financial Liabilities				
b. Current Tax Liabilities	14	3.65	-	5.01
Total non-financial liabilities		3.65	-	5.01
Total Liabilities		338.86	352.71	127.44
II. EQUITY				
a. Equity Share Capital	15	1,014.81	1,014.81	1,014.81
b. Other Equity	16	503.73	392.75	378.86
Total Equity		1,518.54	1,407.56	1,393.67
Total Liabilities and Equity		1,857.40	1,760.27	1,521.11

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

As per our report of even date attached

For NJG & CO.

Chartered Accountants
Firm Reg. No. 019718N

For and on behalf of the Board of Directors

CA SUYASH RAJ NAHATA
(Partner)
Membership No. 529644
UDIN:

TINA HASMUKH MUTHA
DIRECTOR
DIN:002260980

MAYUR JAIN
DIRECTOR
DIN:00626354

Place : New Delhi
Dated : 12/08/2021

MUKESH KUMAR
CHIEF FINANCIAL OFFICER

YATI MITTAL
COMPANY SECRETARY

ARIHANT CLASSIC FINANCE LIMITED
414, NALANDA ENCLAVE, OPP. SUDAMA RESORTS, PRITAM NAGAR,
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Consolidated Statement of profit & Loss for the year ended March 31, 2021

(Rs In lacs)

	Note No.	31st March 2021 (Rs.)	31st March 2020 (Rs.)
INCOME			
1.Revenue from Operations			
Interest Income		91.41	65.83
Gain and Loss of Sale of shares		6.26	25.90
Total revenue from operation		97.67	91.72
2. Other Income	17	77.69	1.65
Total Income(1+2)		175.36	93.37
EXPENSES			
Purchases of Stock-in-Trade	18	0.01	98.06
Changes in inventories of Finished Goods & Work in Progress	19	12.55	-68.21
Employee Benefits Expenses	20	20.95	11.05
Finance Costs	21	24.69	6.62
Depreciation & Amortisation		-	-
Other Expenses	22	49.23	9.68
Invetsment Allowance	23	0.58	25.00
Total Expenses		108.01	82.20
Profit Before Exceptional Items and Tax		67.35	11.17
Exceptional Items		-	-
Share of Net Profit/Loss of Associates and Joint Venture Accounted for using Equity Method		14.44	8.67
Profit before tax		81.79	19.84
Tax expenses:			
(1) Current Tax		12.80	3.53
(2) Deferred Tax		(0.00)	-0.00
Profit for the year		68.99	16.30
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:-			
Re-measurement gains (losses) on defined benefit plans		-	-
Income tax benefit		-	-
Share of Net Profit/Loss of Associates and Joint Venture Accounted for using Equity Method		41.99	-2.41
Net other comprehensive income not to be reclassified to profit or loss		41.99	-2.41
Total Comprehensive income for the year, net of tax		110.98	13.89
Earning per equity share(nominal value of Rs 10/- each)			
Basic	24	1.09	0.14
Diluted	24	1.09	0.14

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

As per our report of even date attached

For NJG & CO.

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CA SUYASH RAJ NAHATA

(Partner)

Membership No. 529644

UDIN:

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Dated : 12/08/2021

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Statement of Changes in equity for the year ended March 31, 2021

a. Equity Share Capital	Amount
Balance at April 1, 2019	1,014.81
Changes in equity share capital during the year	-
Balance at 31st March, 2020	1,014.81
Changes in equity share capital during the year	-
Balance at 31st March, 2021	1,014.81

b. Other Equity

Particulars	Reserve & Surplus		Total
	General Reserve	Retained Earnings	
Balance at April 1, 2019	-	24.18	24.18
Profit for the year	-	16.30	16.30
Other comprehensive income for the year, net of tax	-	-2.41	-2.41
Total comprehensive income for the year	-	38.07	38.07
Payment of Dividend		-	-
Tax on Dividend		-	-
Balance at March 31, 2020	-	38	38
Profit for the year	-	69	69
Other comprehensive income for the year, net of tax	-	42	42
Total comprehensive income for the year	-	149	149
Payment of Dividend		-	-
Tax on Dividend		-	-
Balance at March 31, 2021	-	149	149

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

As per our report of even date attached

For NJG & CO.

Chartered Accountants
Firm Reg. No. 019718N

For and on behalf of the Board of Directors

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(Partner)
Membership No. 529644
UDIN:

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MAYUR JAIN
DIRECTOR
DIN:00626354

Place : New Delhi
Dated : 12/08/2021

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Cash flow Statement for the year ended March 31, 2021

Particulars	For the year ended march 31, 2021	For the year ended march 31, 2020
Cash Flow From Operating Activities		
Profit before tax	81.79	19.84
Extraordinary Items	41.99	-
Adjustments for :		
Depreciation and amortisation expenses	-	-
Finance Costs	24.69	6.62
Re-measurement (loss)/gain on defined benefit plans	-	-
Operating profit before working capital changes	148.47	26.46
Adjustments for:		
-(Increase)/decrease in loans (non-current)	-19.63	-234.40
-(Increase)/decrease in other financial assets (non-current)	-89.18	39.88
-(Increase)/decrease in other non-current assets	0.21	25.15
-(Increase)/decrease in inventories	12.55	-68.21
-(Increase)/decrease in trade receivables	-	-
-(Increase)/decrease in loans (current)	-	-
-(Increase)/decrease in other financial assets (current)	-	-
-(Increase)/decrease in other current assets	-3.53	3.53
- Increase/(decrease) in other financial liabilities (Non-current)	-	-
- Increase/(decrease) in non-current provisions	-	-
- Increase/(decrease) in trade payables	-	-
- Increase/(decrease) in other financial liabilities (current)	5.92	-12.93
- Increase/(decrease) in current provisions	-9.14	-8.55
- Increase/(decrease) in other current liabilities	-	-
Cash Generated From operations	-102.80	-255.51
Income tax paid (net)	-	-
Cash Generated From operations before extraordinary Items	-102.80	-255.51
Extraordinary Items	-	-
Net Cash From/(used in) Operating Activities (A)	45.67	-229.05
Cash Flow From Investing Activities		
Payments for purchase of property, plant and equipment and capital work in progress	-	-
Proceeds from sale of property, plant and equipment	-	-
Net Cash from/(used in) Investing Activities (B)	-	-
Cash Flow From Financing Activities		
Repayment/Taken of Short term borrowings	-23.42	243.21
Finance cost paid	-24.69	-6.62
Net Cash from/(used in) Financing Activities (C)	-48.11	236.59
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	-2.44	7.54
Add: Cash and Cash Equivalents at the beginning of the year	16.30	17.44
Cash and Cash Equivalents at the end of the year	13.86	24.98
Components of cash and cash equivalents		
Cash on Hand	0.03	1.95
With banks -		
On Current Accounts & cheque in hand	13.83	14.35
Total cash and cash equivalents (Refer Note No.-3)	13.86	16.30

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

As per our report of even date attached

For NJG & CO.

Chartered Accountants

Firm Reg. No. 019718N

For and on behalf of the Board of Directors

CA SUYASH RAJ NAHATA

(Partner)

Membership No. 529644

UDIN:

TINA HASMUKH MUTHA

DIRECTOR

DIN:002260980

MAYUR JAIN

DIRECTOR

DIN:00626354

Place : New Delhi

Dated : 12/08/2021

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CHIEF FINANCIAL OFFICER

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(Rs In lacs)

Notes to the Consolidated financial statements for the year ended March 31, 2021

10 Property Plant and Equipments

Carrying Amount of	As at March 31,2021	As at March 31, 2020	As at April 1, 2019
Computer	-	-	-
Office Equipment	-	-	-
Furniture	-	-	-
Mobile	-	-	-
	-	-	-

Cost or deemed cost

Particulars	Computer	Office Equipment	Furniture	Mobile	Total
Deemed cost at April 1, 2019	1.76	0.14	0.32	0.66	2.88
Addition for the year	-	-	-	-	-
Disposal / adjustments	-	-	-	-	-
Balance at March 31, 2020	1.76	0.14	0.32	0.66	2.88
Addition for the year	-	-	-	-	-
Disposal / adjustments	-	-	-	-	-
Balance at March 31, 2021	1.76	0.14	0.32	0.66	2.88

Accumulated Depreciation and

Accum. dep as at April 1, 2019	1.76	0.14	0.32	0.66	2.88
Depreciation expenses	-	-	-	-	-
Disposal / adjustments	-	-	-	-	-
Accm. Dep. at March 31, 2020	1.76	0.14	0.32	0.66	2.88
Depreciation expenses	-	-	-	-	-
Disposal / adjustments	-	-	-	-	-
Balance at March 31, 2021	1.76	0.14	0.32	0.66	2.88

Carrying amount of

Particulars	Computer	Office Equipment	Furniture	Mobile	Total
Deemed cost at April 1, 2019	-	-	-	-	-
Addition for the year	-	-	-	-	-
Disposal / adjustments	-	-	-	-	-
Depreciation charges	-	-	-	-	-
Balance at March 31, 2020	-	-	-	-	-
Addition for the year	-	-	-	-	-
Disposal / adjustments	-	-	-	-	-
Depreciation charges	-	-	-	-	-
Balance at March 31, 2021	-	-	-	-	-

ARIHANT CLASSIC FINANCE LIMITED
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Notes to the Consolidated financial statements for the year ended March 31, 2021

	March 31, 2021 (Rs.)	March 31, 2020 (Rs.)	(Rs In Lacs) April 1, 2019 (Rs.)
3 Cash and Bank Balances			
Cash and cash equivalents:			
Cash in hand	0.03	1.95	4.30
Current Account with scheduled bank	13.83	14.35	13.14
Total	13.86	16.30	17.44
4 Loans (Carried at Amortised Cost)			
Unsecured, Considered good			
Loans to Related Parties	704.79	688.72	764.85
Loans to Others	395.16	391.53	80.05
	1,099.95	1,080.25	844.91
Doubtful/NPA			
Loans to Related Parties	-	-	-
Loans to Others	153.95	153.95	129.90
	153.95	153.95	129.90
Less: Impairment Allowance	158.35	158.27	133.28
	1,095.56	1,075.92	841.53
<i>Terms and Conditions of Loan given</i>			
a All Loans are receivable on demand			
b Interest is receivable annually and interest rate mentioned in note no. 25			
5 Investments			
A. Investments in equity shares (fully paid)			
Unquoted - In associate (equity investments at cost)			
302,000 equity shares (2020 : 302,000) of Rs. 10 each of Dipika Polymer Pvt Ltd	151.00	151.00	151.00
Post Acquisition Profit of Dipika Ploymer Pvt Ltd. (Associate)	328.03	271.60	265.34
B. Investments in equity shares (fully paid)			
Unquoted - In other entities (equity investments at cost)			
36,380 equity shares (2020 : 36,380) of Rs. 10 each of D.R. International Pvt Ltd	-	3.64	3.64
1000 equity shares (2020 : 100) of Rs. 1 each of Dev Kirpa International Pvt Ltd	0.01	0.01	0.01
Equity shares of Rs. 10 each of Pal Peugeot Ltd.	0.50	0.50	0.50
Less: Equity share Impaired	(0.50)	-	-
Total investments in equity instruments	479.04	426.75	420.49
Aggregate carrying value of unquoted investments	479.04	426.75	420.49
6 Other Financial Assets			
Madhu Doshi	80.10	-	-
Other recoverable in cash and kind	0.13	41.14	94.07
	80.23	41.14	94.07
7 Inventories			
Stock-in Trade	156.44	168.99	100.79
	156.44	168.99	100.79
8 Current Tax Assets(net)			
Advance Tax (taxes paid)	-	2.11	-
Provision for Income Tax	-	5.64	-
	-	-3.53	-

ARIHANT CLASSIC FINANCE LIMITED
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Notes to the Consolidated financial statements for the year ended March 31, 2021

	March 31, 2021 (Rs.)	March 31, 2020 (Rs.)	(Rs In Lacs) April 1, 2019 (Rs.)
9 Deferred Tax Assets			
Deferred Tax Assets			
Property, Plant and Equipment and Intangible Assets	1.80	1.81	1.81
MAT Credit Entitlement	10.86	13.06	-
Deferred tax assets	12.66	14.87	1.81

Significant components of net deferred tax assets and liabilities are as follows:

	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Closing Balance
<i>For the year ended March 31, 2021</i>				
Property, plant and equipment and Intangible assets	1.81	-0.00	-	1.80
MAT Credit Entitlement	13.06	-2.20	-	10.86
Net deferred tax Assets	14.87	-2.21	-	12.66
<i>For the year ended March 31, 2020</i>				
Property, plant and equipment and Intangible assets	1.81	-0.00	-	1.81
MAT Credit Entitlement	-	13.06	-	13.06
Net deferred tax Assets	1.81	13.05	-	1.81

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

Note: In view of the Company's past financial performance and future profit projections, the Company expects that it shall generate sufficient future taxable income to fully recover the deferred tax assets.

11 Other non-financial Assets

Balance with Government Authorities

-Income Tax refundable	19.62	19.82	28.68
Other	-	0.01	16.30
	19.62	19.83	44.98

12 Borrowings

Loan from related parties (Unsecured)	-	22.92	100.21
Loans from others	320.00	320.50	-
	320	343	100

Terms and conditions:

The loan is repayable on demand and interest is payable @ 9% p.a

13 Other Financial Liabilities

Statutory Remittances :

- Audit Fees Payable	-	-	-
- TDS payable	2.04	0.96	1.53
- Expenses Payable	13.17	8.33	4.80
Interest accrued but not booked (NPA)	-	-	15.89
	15.21	9.29	22.22

14 Current Tax Liabilities(net)

Provision for Income Tax	10.60	-	10.95
Advance Tax (taxes paid)	6.94	-	5.94
	3.65	-	5.01

15 Equity Share Capital

Authorised share capital:

11500000 Equity shares of Rs 10/- Each (as at 31.03.2020 : 11500000 Equity shares of Rs 10/- Each & as at 01.04.2019 : 11500000 Equity shares of Rs 10/- Each)	1,150.00	1,150.00	1,150.00
	1,150.00	1,150.00	1,150.00

Issued, subscribed and fully paid up share capital:

10148090 Equity shares of Rs 10/- Each (as at 31.03.2020 : 10148090 Equity shares of Rs 10/- Each & as at 01.04.2019 : 10148090 Equity shares of Rs 10/- Each)	1,014.81	1,014.81	1,014.81
Total issued, subscribed and paid up share capital	1,014.81	1,014.81	1,014.81

ARIHANT CLASSIC FINANCE LIMITED
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Notes to the Consolidated financial statements for the year ended March 31, 2021

	March 31, 2021 (Rs.)	March 31, 2020 (Rs.)	(Rs In Lacs) April 1, 2019 (Rs.)
--	-------------------------	-------------------------	--

a) Rights, Preference and restriction attached to equity shares

The Company has only one class of equity shares, having par value of Rs.10/- per share. Each holder of equity share is entitled for one vote per share and has a right to receive dividend as recommended by the Board of Directors subject to the necessary approval from the shareholders.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

	-	-	-	-	-	-
Equity Shares	Nos.	Amount (Rs.)	Nos.	Amount (Rs.)	Nos.	Amount (Rs.)
Balance as at the beginning of the year	10,148,090	1,014.81	10,148,090	1,014.81	10,148,090	1,014.81
Issued during the year	-	-	-	-	-	-
Balance as at the end of the year	10,148,090	1,014.81	10,148,090	1,014.81	10,148,090	1,014.81

c) Details of shares held by each shareholder holding more than 5% shares

	-	-	-	-	April 1, 2019	-
	Nos.	% holding in the class	Nos.	% holding in the class	Nos.	% holding in the class
Equity Shares of Rs 10 each, fully paid up						
Mr. Premjibhai Purshotambhai Patel	937,300	9.24%	937,300	9.24%	937,300	9.24%
Mrs. Hemaben Premjibhai Patel	937,300	9.24%	937,300	9.24%	937,300	9.24%
Mr. Munind Shah	858,800	8.46%	858,800	8.46%	858,800	8.46%
Mr. Dhiren Shah	537,700	5.30%	537,700	5.30%	537,700	5.30%
Mr. Madhu Doshi	1,000,000	9.85%	1,000,000	9.85%	1,000,000	9.85%

16 Other Equity

Retained earnings (Note-1)	399.07	301.89	289.52
Special Reserve (Note-2)	72.03	58.23	56.70
Share Forfeiture Account(Note -3)	32.64	32.64	32.64
	503.73	392.75	378.86
Retained earnings		-	-
		(Rs.)	(Rs.)
Balance at beginning of the year		301.89	289.52
Add : Profit for the year		110.98	13.89
Less: Transfer to special reserve		13.80	1.53
Balance at end of year		399.07	301.89
		-	-
Special Reserve		(Rs.)	(Rs.)
Opening balance		58.23	56.70
Addition During Year		13.80	1.53
Closing Balance		72.03	58.23

Note 1- Retained Earning

It represents accumulated profits of the company and can be utilised as per Companies Act 2013

Note 2: Special Reserve

It is Statutory Reserve maintained as per RBI Norms

Note 3: Share Forfeiture account

This represents the amount of shares forfeited by the company

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(Rs in Laacs)

Notes to the financial statements for the year ended March 31, 2021

	March 31, 2021 (Rs.)	March 31, 2020 (Rs.)
17 Other Income		
Dividend Income	1.16	1.65
Other Income	0.07	-
Gain on sale of investment	76.46	-
	<u>77.69</u>	<u>1.65</u>
18 Purchase of Stock in Trade		
Purchase	0.01	98.06
Total	<u>0.01</u>	<u>98.06</u>
19 Change in Inventory of Stock in Trade		
Opening: Stock In Trade (Shares & Security)	168.99	100.79
	<u>168.99</u>	<u>100.79</u>
Closing: Stock In Trade (Shares & Security)	156.44	168.99
	<u>156.44</u>	<u>168.99</u>
Total	<u>12.55</u>	<u>-68.21</u>
20 Employee Benefit expenses		
Salaries and Incentives	19.91	10.07
Staff Welfare Expenses	1.04	0.98
TOTAL (Rs.)	<u>20.95</u>	<u>11.05</u>
21 Finance Costs		
Interest Expense	24.69	6.62
TOTAL (Rs.)	<u>24.69</u>	<u>6.62</u>
22 Other Expenses		
Auditors Remuneration	0.71	0.71
Advertisement Expenses	1.01	-
Conveyance Expenses	0.63	0.61
Interest on TDS	0.02	0.06
Legal & Professional Charges	1.67	3.36
Membership Fees	0.18	1.62
Misc. & General Exp.	0.50	0.61
CDSL/NSDL fees	1.83	-
Connectivity/Maintenance charges	0.49	-
Office Expenses	1.49	0.38
Listing Fees	0.65	-
Postage & Telegram	0.19	0.20
Printing & Stationary	0.40	0.31
Rent paid	0.71	0.71
ROC Filling Charges	0.08	0.04
Repair & Maintenance	0.03	-
Security Transaction Tax	-	0.12
Telephone Expenses	0.19	0.18
Travelling , Loadging & Fooding	0.48	0.47
Website Expenses	0.24	-
Interest on Inocme Tax	-	0.29
Bad Debts	37.75	-
TOTAL (Rs.)	<u>49.23</u>	<u>9.68</u>
23 Impairment loss		
	March 31, 2021 (Rs.)	March 31, 2020 (Rs.)
Contingent Provisions Against Standard Assets	0.08	- 0.94
Impairment allowance on non performing assets	-	- 24.05
Impairment allowance on Equity Shares	0.50	-
	<u>0.58</u>	<u>25.00</u>

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24 Earning per share (EPS)

Earning Per Share (EPS) computed in accordance with Indian Accounting Standard (Ind AS) 33 issued by The Institute of Chartered Accountants of India:-

	March 31, 2021	March 31, 2020
	(Rs.)	(Rs.)
Net Profit/(Loss) as per Statement of Profit & Loss (Rs. in Lakhs)	110.98	13.89
Weighted Average Number of Equity Shares outstanding during the year (Nos.)	10,148,090.00	10,148,090
Number of shares - Diluted (Nos.)	10,148,090	10,148,090
Basic Earning Per share (Rs.)	1.09	0.14
Diluted Earning Per share (Rs.)	1.09	0.14

25 Related party disclosures

Names of related parties and related party relationship

Associates	Dipika Polymer Pvt Ltd
Key Managerial Personnel	Mr. Rohit Jain Mr. Mayur Jain Mr. Madhu Doshi
Other Related Parties (Entity in which KMP of Holding Company and their relatives exercise significant influences)	M/S I.K.Polymer North Pvt. Ltd. M/S Dipika Polymers Pvt. Ltd. M/S Dev Kripa Developers Pvt. Ltd. M/S Dmax Polymer Pvt. Ltd. M/S Gitanjali Finvest Pvt. Ltd. M/S Innovo Infratech Llp M/S Moti Lal Banarsi Das

Related party transactions

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

	March 31, 2021	March 31, 2020	
	(Rs.)	(Rs.)	
Rent Paid			
Madhu Joshi	0.35	0.71	
Interest Paid			
M/S Dmax Polymer Pvt. Ltd. (Interest rate 10%)	1.15	6.07	
Interest Income			
M/S Dev Kripa Developers Pvt. Ltd.(Interest rate 8%)	18.01	36.85	
M/S Innovo Infratech Llp (Interest rate 9%)	2.48	4.80	
M/S Gitanjali Finvest Pvt. Ltd. (Interest rate 15%)	5.51	10.98	
M/S Moti Lal Banarsi Das (Interest rate 12%)	3.28	0.58	
	March 31, 2021	March 31, 2020	April 1, 2019
	(Rs.)	(Rs.)	(Rs.)
Balance Payable			
M/S Dmax Polymer Pvt. Ltd.	-	22.92	100.21
Balance Receivable			
M/S Dev Kripa Developers Pvt. Ltd.	488.85	493.41	517.31
M/S Innovo Infratech Llp	55.00	57.00	64.00
M/S Gitanjali Finvest Pvt. Ltd.	-	-	-
M/S Moti Lal Banarsi Das	62.59	60.00	-
Interest rates of Other Parties			
M/s Din Dayal Real Estates (Interest rate 12%)			
M/s Pritesh Chander Kothari (Interest rate 9%)			
M/s Divine Polymers (Interest rate 9%)			
M/s Kamal Ideal Infratech Pvt. Ltd. (Interest rate 9.5%)			
M/s Real Polymers (Interest rate 7.5%)			

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Notes to the financial statements for the year ended March 31, 2021

(Rs in Lacs)

26 Financial instruments and risk management

26.1 A Financial Instruments by Category

	March 31, 2021		March 31, 2020		April 1, 2019	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets						
Cash and Cash Equivalents	-	13.86	-	16.30	-	17.44
Loans	-	1,095.56	-	1,075.92	-	841.53
Investments	-	479.04	-	426.75	-	420.49
Other Financial assets	-	80.23	-	41.14	-	94.07
	-	1,668.68	-	1,560.11	-	1,373.53
Financial Liabilities						
Borrowings	-	320.00	-	343.42	-	100.21
Other Financial liabilities	-	15.21	-	9.29	-	22.22
	-	335.21	-	352.71	-	122.43

26.1.a Fair value hierarchy

The fair value of financial instruments as referred to in note above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements]. The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or 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.

26.1.b Financial assets and liabilities measured at fair value - recurring fair value measurements

Financial assets at fair value through profit or loss

	As at	Level 1	Level 2	Level 3	Total
Current Investment in Mutual Funds	March 31, 2021	-	-	-	-
Current Investment in Mutual Funds	March 31, 2020	-	-	-	-
Current Investment in Mutual Funds	April 1, 2019	-	-	-	-

26.1.c Valuation technique used to determine fair value

The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at Note: There were no specific financial instruments which were fair valued using level 3 indicators hence no unobservable inputs.

Note: Management considers that the carrying amounts of financial assets and financial liabilities measured at amortised cost approximate their fair values.

26.2 Financial risk management

The Company, is exposed to various market risks, credit risk and liquidity risk. The laid down processes, periodic communication, control framework and management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks. Below notes explain the sources of risk in which the company is exposed to and how it manages the risk.

26.2.A Market risk:

a. Price risk:

The Company is using aluminium and ferrous items for production of various products. Fluctuation in commodity prices in global market affects directly and indirectly the price of raw material and components used by the Company in manufacturing its various product segments. Further, Pricing pressure from its major Customer to give price cuts and the inability to pass on the increased cost of inputs to the customers may also affect the profitability of the company. The Price risk arises due to fluctuation in prices of these commodities.

The Company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices. The Company's commodity risk is managed centrally through well-established trading operations and control processes. Further, the Company is having arrangement with major customer for actualization of raw material price variations periodically.

b. Foreign currency risk:

Foreign currency risk arise from monetary receivables and obligations expressed in a currency other than functional currency of the Company. Primarily the Company is catering to customers in local currency.

The derivative instruments and unhedged foreign currency exposure is as follows:

(i) Derivatives outstanding as at the reporting date

Particulars / Purpose	Currency	March 31, 2021 (Rs.)	March 31, 2020 (Rs.)	April 1, 2019 (Rs.)
Forward Contract (Buy)	-			

(ii) Particulars of unhedged foreign exposure as at the reporting date

The Company does not have unhedge foreign currency at the end of reporting period.

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(Rs in Lacs)

c. Interest rate risk:

Interest rate is the risk that fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates.

The exposure of the Company's borrowing at variable rate and fixed rate at the end of reporting period are as follows:

Particulars	March 31, 2021 (Rs.)	March 31, 2020 (Rs.)	April 1, 2019 (Rs.)
Variable rate borrowings			
Fixed rate borrowings	320.00	343.42	100.21
Total borrowings			

Profit / loss is sensitive to higher / lower interest expense from borrowings as a results of changes in interest rates. Holding all other variable constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rate on floating portion of borrowings.

Particulars	March 31, 2021 (Rs.)	March 31, 2020 (Rs.)	April 1, 2019 (Rs.)
Variable rate borrowings		Nil	Nil
Interest rate increase by 0.5%	-	-	-
Interest rate decrease by 0.5%	-	-	-

26.2.B Credit Risk :

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Company and arises principally from the Company's receivables from customers and liquid investments with banking institutions / mutual funds. The maximum amount of the credit exposure is equal to the carrying amounts of these receivables.

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customer, is its ultimate holding company with good credit rating . Other customers are subjected to credit assessments as a precautionary measure, and the adherence of all customers to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default.

Particulars	March 31, 2021 (Rs.)	March 31, 2020 (Rs.)	April 1, 2019 (Rs.)
Investment Allowance	158.27	133.28	133.28
Add: Provided During the year	(0.31)	25.00	-
Closing	157.96	158.27	133.28

26.2.C Liquidity risk:

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities and maintaining availability of standby funding through an adequate line up of committed credit facilities.

The Company manages liquidity risk by maintaining availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

(a) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	0- 3 months	3 - 6 months	6 months - 1 Year	1 - 3 Years	More than 3 years	Total
As at March 31, 2021						
Borrowing*	-	-	-	-	-	-
Other Financial liabilities	-	15.21	-	-	-	15.21
Total	-	15.21	-	-	-	15.21

	0- 3 months	3 - 6 months	6 months - 1 Year	1 - 3 Years	More than 3 years	Total
As at March 31, 2020						
Borrowing*	-	-	-	-	-	-
Other Financial liabilities	-	9.29	-	-	-	9.29
Total	-	9.29	-	-	-	9.29

	0- 3 months	3 - 6 months	6 months - 1 Year	1 - 3 Years	More than 3 years	Total
As at April 1, 2019						
Borrowing*	-	-	-	-	-	-
Other Financial liabilities	-	22.22	-	-	-	22.22
Total	-	22.22	-	-	-	22.22

*Repayable on demand

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26.3 Capital management

The capital structure of the Company consists of debt, cash and cash equivalents and equity attributable to equity shareholders of the Company which comprises issued share capital (including premium) and accumulated reserves disclosed in the Statement of Changes in Equity. The Company's capital management objective is to achieve an optimal weighted average cost of capital while continuing to safeguard the Company's ability to meet its liquidity requirements (including its commitments in respect of capital expenditure) and repay loans as they fall due. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is debt divided by total equity. The Company's policy is to keep an optimum gearing ratio. The Company includes within debt, interest bearing loans and borrowings.

A. Net Debt (Total Debt less cash and cash equivalents) divided by Total equity

Particulars	As at	As at	As at
	March 31, 2021	March 31, 2020	April 1, 2019
Debt	320.00	343.42	100.21
Cash and cash equivalent	13.86	16.30	17.44
Net Debts	306.14	327.12	82.77
Total Equity	1,518.54	1,407.56	1,393.67
Net debts to Total Equity	0.20	0.23	0.06

Loan covenants

The Company is in compliant with all the loan covenants on all the borrowings outstanding as on the financial statements date

B. Dividends

Particulars	As at	As at	As at
	March 31, 2021	March 31, 2020	April 1, 2019
<i>On Equity share of Rs.10 each</i>			
Final Dividend			
- Amount of dividend paid	Nil	Nil	Nil
- Dividend per equity share	Nil	Nil	Nil
Interim Dividend			
- Amount of dividend paid	Nil	Nil	Nil
- Dividend per equity share	Nil	Nil	Nil

27 First-time adoption of Ind AS

Equity reconciliation for April 01, 2019 and 31st March 2020

	Refer	As on 31st March 2020			As on 1st April 2019		
		Indian GAAP	Adjustments	Ind AS	Indian GAAP	Adjustments	Ind AS
A. ASSETS							
1 Financial Assets							
a. Cash and Cash Equivalents		16.30	-	16.30	17.44	-	17.44
b. Loans	a	1,234.19	158.27	1,075.92	974.81	133.28	841.53
c. Investments	b	426.75	-	426.75	420.49	-	420.49
d. Other Financial assets		41.14	-	41.14	94.07	-	94.07
Total Financial Assets		1,718.38		1,560.11	1,506.81		1,373.53
2 Non-Financial Assets							
a. Inventories	c	168.99	-	168.99	100.79	-	100.79
b. Property, Plant and equipment	d	-	-	-	-	-	-
c. Deferred Tax Assets	e	14.87	-	14.87	1.81	-	1.81
d. Current tax assets(Net)		-3.53	-	(3.53)	-	-	-
e. Other Non-Financial assets		19.83	-	19.83	44.98	-	44.98
Total non-financial Assets		200.16		200.16	147.58		147.58
Total Assets		1,918.54		1,760.27	1,654.39		1,521.11
B. LIABILITIES AND EQUITY							
I. LIABILITIES							
1 Financial Liabilities							
a. Borrowings		343.42	-	343.42	100.21	-	100.21
b. Other Financial liabilities		9.29	-	9.29	22.22	-	22.22
Total Financial liabilities		352.71		352.71	122.43		122.43
2 Non-Financial Liabilities							
a. Provisions		158.27	158.27	0.00	133.28	133.28	-
Total non-financial liabilities		158.27		0.00	133.28		-
Total Liabilities		510.98		352.71	255.71		122.43
II. EQUITY							
a. Equity Share Capital		1,014.81	-	1,014.81	1,014.81	-	1,014.81
b. Other Equity		392.75	-	392.75	378.86	-	378.86
Total Equity		1,407.56		1,407.56	1,393.67		1,393.67
Total Liabilities and Equity		1,918.54		1,760.27	1,649.37		1,516.09

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Profit reconciliation for the year ended March 31, 2020

	As on 31st March 2020		
	Indian GAAP	Adjustments	Ind AS
INCOME			
1.Revenue from Operations			
Interest Income	65.83	-	65.83
Gain and Loss of Sale of shares	25.90	-	25.90
Total revenue from operation	91.72		91.72
2. Other Income	1.65	-	1.65
Total Income(1+2)	93.37		93.37
EXPENSES			
Purchases of Stock-in-Trade	98.06	-	98.06
Changes in inventories of Finished Goods & Work in Progress	-68.21	-	(68.21)
Employee Benefits Expenses	11.05	-	11.05
Finance Costs	6.62	-	6.62
Depreciation & Amortisation	-	-	-
Other Expenses	9.68	-	9.68
Impairment loss	25.00	-	25.00
Total Expenses	82.20		82.20
Profit Before Exceptional Items and Tax	11.17		11.17
Exceptional Items	-	-	-
Profit before tax	11.17		11.17
Tax expenses:			
(1) Current Tax	3.53	-	3.53
(2) MAT Credit Entitlement			
(3) Deferred Tax	-0.00	-	(0.00)
Profit for the year	7.63		7.63
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:-			
Re-measurement gains (losses) on defined benefit plans	-		
Income tax benefit			
Net other comprehensive income not to be reclassified to profit or loss	-	-	-
Total Comprehensive income for the year, net of tax	7.63		7.63

a) Loans at amortised cost

Under previous GAAP, Loans were accounted for at their undiscounted nominal values. Under Ind AS, these have been accounted for at amortised cost method by discounting the cash flows using effective interest rates.

b) Investment in Subsidiary and Associates

As permitted by IND AS-101, the investment in subsidiary and associates carried at cost at the date of transition

c) Loans Given

Under Indian GAAP, Non Performing Assets and provisioning were computed based on the RBI guidelines. Under Ind AS, loan assets are classified based on staging criteria prescribed under Ind AS 109 - Financial instruments and impairment is computed based on Expected Credit Loss model. Under Indian GAAP provision for Non Performing Asset and standard asset were presented under provisions. However, under Ind AS, financial assets measured at amortised cost (majorly loans) are presented net of provision for expected credit losses. Consequently, the Company has reclassified the Indian GAAP provisions for standard assets / NPAs amounting to ₹ 133.28 Lacs and ₹ 158.27 Lacs as on April 01, 2019 and March 31, 2020 respectively to impairment allowance as ECL.

28 Segment wise revenue, results and capital employed

a. As the Company's business activity falls within a single primary business segment viz. "manufacturing and sale of auto components for two wheelers and four wheelers".
 b. Secondary segment: Geographical- No such reporting required as company is operating in India only.

29 Previous year figures

Previous year's figures have been regrouped/reclassified, where necessary, to confirm to this year's classification.

For NJG & CO.
 Chartered Accountants
 Firm Reg. No. 019718N

For and on behalf of the Board of Directors

CA SUYASH RAJ NAHATA
 (Partner)
 Membership No. 529644
 UDIN:

TINA HASMUKH MUTHA
 DIRECTOR
 DIN:002260980

MAYUR JAIN
 DIRECTOR
 DIN:00626354

Place: New Delhi
 Dated : 12/08/2021

MUKESH KUMAR
 CHIEF FINANCIAL OFFICER

YATI MITTAL
 COMPANY SECRETARY