



25TH ANNUAL REPORT 2019-20

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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:

- ❖ **Rohit Jain,** Managing Director (From 10/10/2000)
- ❖ **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

Shivani Saxena (From 03/02/2020)

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.com/>

cs@arihantclassic.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 25th Annual General Meeting of the Members of **Arihant Classic Finance Limited** is scheduled to be held on Wednesday, the 25th day of November 2020 at 02: 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,2020 the Profit and Loss Account and the Cash Flow Statement of the company for the year ended 31st March, 2020, 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, 2020 the Profit and Loss Account and the Cash Flow Statement of the company for the year ended 31st March, 2020, notes to Financial statements, Board's Report and auditor's report thereon.
2. To appoint a Director in place of **Mr. Mayur Jain (DIN: 00626354)**, who is liable to retire by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Appointment of Mrs. Tina Jain as Managing Director of the Company for a period of five years with effect from 1st November, 2020:**

To consider, and if thought fit, to pass the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of section 196, 197 & 203 read with Schedule V and Rule 3 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any of the Companies Act, 2013 including any statutory modifications of re-enactment thereof for the time being in force, approval of the company be and is hereby granted

to appoint Mrs. Tina Doshi as Managing Director of the company with immediate effect for five years from 1st November 2020 to 31th October, 2025 without remuneration and terms & conditions mentioned in the draft agreement placed before the members of the board.”

“**RESOLVED FURTHER THAT** the Board of Directors and the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to this resolution.”

4. **Shifting of Registered Office of the Company from State of Gujrat to NCT of Delhi:**

To consider, and if thought fit, to pass the following resolution as a special resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 13(4) of the Companies Act, 2013 read with Rule 30 & 31 of the Companies (Incorporation) Rule, 2014 and other applicable provisions, if any and subject to the confirmation of the Regional Director, the consent of the members of the Company be and are hereby accorded to shift the Registered Office of the Company from State of Gujrat to NCT of Delhi.”

“**RESOLVED FURTHER THAT** subject to the aforementioned confirmation/approval and pursuant to section 13 and all other applicable provisions, if any of the Companies Act, 2013, the existing clause II of Memorandum of Association of the Company be and is hereby altered by substituting the existing clause II with new clause II as under:

II. The Registered Office of the Company will be situated in the NCT of Delhi.”

“**RESOLVED FURTHER THAT** to affect the aforesaid resolution the registered office of the Company is shifted from State of Gujrat to NCT of Delhi at such place as may be decided by the Board of Directors of the Company.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, any of Director of the company be and are authorized to sign the petition, application, affidavits and such other

documents as may be necessary in relation to and to file a petition before the Regional Director for and on behalf of the Company.”

**BY ORDER OF THE BOARD
For Arihant Classic Finance Limited**

**Sd/-
Shivani Saxena
Company Secretary**

Place: Delhi

Date: 31/10/2020

NOTES:

- i. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its circular dated 5 May 2020 read with circulars dated 8 April 2020 and 13 April 2020 (collectively referred to as 'MCA Circulars') and SEBI circular dated 12 May 2020 permitted holding of the annual general meeting ('AGM') through VC/OAVM facility, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the 'Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations') and MCA Circulars, the AGM of the Company is being conducted through VC/OAVM hereinafter called as 'e-AGM'.
- 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., authorising 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 cavikas@drinternational.com.
- iv. The deemed venue for 25th e-AGM shall be the Registered Office of the Company.

- v. Statement pursuant to section 102 of the Act forms a part of this Notice. The Board of Directors, at their meeting held on 31st October, 2020, has decided that the special business set out under item nos. 3 and 4, being considered unavoidable, be transacted at the 25th e-AGM of the Company.
- vi. 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 02.00 P.M to 02.30 P.M. and will be available for all members.
- vii. As per the provisions under the MCA Circulars, Members attending the 25th AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- viii. 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.
- ix. The Register of Members and Share Transfer books will remain closed from Thursday the 19/11/2020 to Wednesday the 25/11/2020.
- x. In line with the MCA Circulars, the notice of the 25th AGM along with the Annual Report 2019-20 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 2019-20 will also be available on the Company's website at <http://arihantclassic.com/investors/annual-reports/>.
- xi. 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.
- xii. 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.
- xiii. In case of any queries regarding the Annual Report, the Members may write to cs@arihantclassic.com to receive an email response.

- xiv. As the 25th AGM is being held through electronic means, the route map is not annexed to this Notice.
- xv. **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 25th AGM. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facilities.
- xvi. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on 18/11/2020 (cut-off date). Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or e-voting at the AGM venue. A person who is not a Member on the cut-off date should accordingly treat this Notice as for information purposes only.

The procedure with respect to remote e-voting is provided below:-

Step 1: Login to NSDL e-voting website

- A. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- B. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- C. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

User ID:

For Members holding shares in demat account with NSDL	8 character DP ID followed by 8 digit Client ID. For example, if your DP ID is IN300*** and Client ID is 12*****, then your user ID is IN300***12*****.
For Members holding shares in demat account with CDSL.	16 digit Beneficiary ID. For example, if your Beneficiary ID is 12*****, then your user ID is 12*****.
For Members holding shares in certificate form.	Electronic Voting Event Number (EVEN) followed by your folio number registered with the Company. For example, if the EVEN is 101456 and your folio number is 01/12***, then your user ID is 1014560112***.

Password:

- a. If you are already registered with NSDL for remote e-voting, you should use your existing password for login and cast your vote.
- b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your '**initial password**', you need to enter the '**initial password**' and the system will force you to change your password.
- c. How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
- d. If you are unable to retrieve or have not received the '**initial password**', or have forgotten your password:
 - Click on '**Forgot User Details / Password?**', if holding shares in dematerialised form, or

- Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

D. Agree to the terms and conditions by clicking the box.

E. Click on 'Login'. Home page of remote e-voting opens.

If you are registered for NSDL e-services 'IDEAS', you can login at <https://www.eservices.nsdl.com/> with your existing IDEAS login and click on e-voting to proceed to Step 2 to cast your vote.

Step 2: Cast your vote on NSDL e-voting website

(a) Click on 'e-voting: Active Evoting Cycles' and select the EVEN of *Arihant Classic Finance Limited*.

(b) Now you are ready for remote e-voting as '**Cast Vote**' page opens.

(c) Cast your vote by selecting appropriate option and click on '**Submit**'. Thereafter click on '**Confirm**' when prompted; upon confirmation, your vote is cast and you will not be allowed to change your vote.

(d) Thereafter the message '**Vote cast successfully**' will be displayed.

(e) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

- i. Corporate and institutional shareholders (companies, trusts, societies etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csteam.sac@gmail.com with a copy marked to evoting@nsdl.co.in
- ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

- iii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.
- iv. Remote e-voting will commence at 09.00 a.m. on 22/11/2020 and will end at 05.00 p.m. on 24/11/2020, when remote e-voting will be blocked by NSDL.

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

In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@arihantclassic.com.

General Information

- (a) There will be one vote for every Client ID No. / Registered Folio No. irrespective of the number of joint holders.
- (b) The Results of voting will be declared within 48 hours from the conclusion of the AGM and the Resolutions will be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes. The declared Results, along with the Scrutinizer's Report, will be available forthwith on the Company's corporate website www.arihantclassic.com under the section 'Investor' and on the website of MSEI such Results will also be forwarded to Metropolitan Stock Exchange of India, where the Company's shares are listed.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT,
2013 ("the Act")**

**THE FOLLOWING STATEMENT SETS OUT ALL MATERIAL FACTS RELATING TO THE SPECIAL
BUSINESS MENTIONED IN THE ACCOMPANYING NOTICE:**

ITEM 3

The Board of Directors on the recommendation of the Remuneration Committee at its meeting held on 31/10/2020 considered and passed the resolution for the appointment of Mrs. Tina Doshi as Managing Director for a period of 5 years with effect from 1st November, 2020 to 31st October, 2025 without any payment of remuneration. She has given his assent for the re-appointment as a Managing Director.

The Board places the above resolution before the Members for their approval as being the Special Resolution.

ITEM 4

Clause II of the Memorandum of Association of the Company provided that the registered office of the Company be situated in the State of Ahmedabad. Due to changed business scenario the said business activities required the company to expansion of the activities and area of its operation and also to carry on the business more economically and efficiently. To work more efficiently the company has decided to shift registered office from the State of Ahmedabad to the NCT of Delhi.

Therefore, the Company intends to shift its registered office from the State of Ahmedabad to the NCT of Delhi. Accordingly from the point of administrative convenience, economical and efficient management of the affairs of the company and to attain the long term strategic business objectives, it has been considered desirable to centralize administrative control and operations in Gurugram. The Board of Directors has, thus, decided to shift the Registered Office of the Company from the State of Ahmedabad to the NCT of Delhi. Since the Proposal involves the amendment of Clause II of the Memorandum of Association of the Company which can be affected by passing the special resolution subject to the confirmation of the Regional Director in terms of section 13(4) of the Companies Act, 2013 read with Rule 30 & 31 of the Companies (Incorporation) Rule, 2014, approval of the members is being sought by way of intended special resolution. The Board recommends the resolution for approval.

The Board places the above resolution before the Members for their approval as being the Special

Resolution.

BY ORDER OF THE BOARD
For Arihant Classic Finance Limited

Place: Delhi

Date: 31.10.2020

Sd/-

Shivani Saxena

Company Secretary

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, 2020.

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, 2020	Year ended 31st March, 2019
Sales & Other Income	93,36,886.00	9,99,32,316.00
Total Expenses	82,19,766.00	10,71,17,049.00
Profit/(Loss) for the year	1117120.00	-71,84,733.00
Less: Provision for Taxation :	-	-
Less: Income Tax	353408.00	-
Less: Deferred Tax	-287.00	(675.00)
Profit/(Loss) after Tax	763425.00	-71,85,408.00
Balance Carried Forward to Balance Sheet	7,63,425.00	-71,85,408.00

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. In the Financial Year 2019-20 the Company has occurred huge loss due to loss in trading.

3. TRANSFER TO RESERVES:

Your Directors have not recommended transferring any amount of reserves during the financial year ended 31st March, 2020.

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 reduced from Rs. 9,99,32,316 to 93,36,886.00. 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 2019-20 witnessed divergent trends among major economies. The Indian economy and business environment remained largely subdued during 2019-20. 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.

The Company was listed on Ahmedabad Stock Exchange and Vide SEBI Circular No. SEBI/HO/MRD/DSA/CIR/P/2016/110 dated 10th October, 2016 the company was placed in the Dissemination Board till 17th February, 2020. Though, the company got listing with Metropolitan Stock Exchange on 18th February, 2020.

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	10,000	-	-
2.	Dipika Polymers Pvt. Ltd.	-	1,51,00,000	-	-
3.	I.K. Polymers Pvt. Ltd.	19,31,303	-	-	-

4.	M/s. Innovo Infratech LLP	57,00,000	-	-	-
5.	Gitanjali Finvest Pvt. Ltd.	78,31,228	-	-	-
6.	Dada Aadinath project Pune	5,389,272	-	-	-
7.	D R International Private Limited	-	3,63,800	-	-
8.	Pal Peugeot Ltd.	-	50,000	-	-
9.	Moti Lal Banarsi Dass	6000000	-	-	-
10.	Din Dayal Real Estates	12990000	-	-	-
11.	Divine Polymers	2100000	-	-	-
12.	Kamal Ideal Infratech Pvt. Ltd.	3,20,52,562	-	-	-
13.	Pritesh Chander Kant Kothari	24,05,384	-	-	-
14.	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.com/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, 2020 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 2019-20 on its website at <http://arihantclassic.com/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 (%)
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1.	Dipika Polymer Private Limited	U25202DL2005PTC140370	30.39
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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:-

- Mr. Rohit Jain – 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, Mr. Mayur Jain 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.com/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 2019-20:

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 2019-20.

31. DISCLOSURE REQUIREMENTS

- 1) Policy for Preservation of Documents of the company is available on the website of the Company at weblink: [http://arihantclassic.com/investors/Policy on Preservation of Documents under SEBI Regulations, 2015.pdf](http://arihantclassic.com/investors/Policy%20on%20Preservation%20of%20Documents%20under%20SEBI%20Regulations,%202015.pdf)
- 2) Policy for Material Events and Information's of the Company is available on the website of the Company at weblink: [http://arihantclassic.com/investors/Policy on Disclosure of Material Events and Information's under SEBI Regulations, 2015.pdf](http://arihantclassic.com/investors/Policy%20on%20Disclosure%20of%20Material%20Events%20and%20Information's%20under%20SEBI%20Regulations,%202015.pdf)

- 3) Policy of Nomination and Remuneration policy is available on the website of the Company at weblink: [http://arihantclassic.com/investors/Nomination and Remuneration policy.pdf](http://arihantclassic.com/investors/Nomination%20and%20Remuneration%20policy.pdf)
- 4) Policy on Terms and conditions for appointment of Independent Directors is available on the website of the Company at weblink: [http://arihantclassic.com/investors/Terms and conditions for appointment of Independent Directors.pdf](http://arihantclassic.com/investors/Terms%20and%20conditions%20for%20appointment%20of%20Independent%20Directors.pdf)
- 5) Policy for Evaluation of the Performance is available on the website of the Company at weblink: [http://arihantclassic.com/investors/Policy for Evaluation of the Performance.pdf](http://arihantclassic.com/investors/Policy%20for%20Evaluation%20of%20the%20Performance.pdf)
- 6) Code of Fair Disclosure and Code of Conduct for insiders is available on the website of the Company at weblink: [http://arihantclassic.com/investors/Code of Fair Disclosure and Code of Conduct for insiders.pdf](http://arihantclassic.com/investors/Code%20of%20Fair%20Disclosure%20and%20Code%20of%20Conduct%20for%20insiders.pdf)
- 7) Code for Board and Senior Members is available on the website of the Company at weblink: [http://arihantclassic.com/investors/Code for Board and Senior Members.pdf](http://arihantclassic.com/investors/Code%20for%20Board%20and%20Senior%20Members.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 2019-2020.

The Secretarial Auditor Report for the financial year ended March 31, 2020 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:

1. The Company has not appointed Scrutinizer and not mentions cutoff date, E-voting period & E-voting procedure and Book Closer date in Notice of Annual General Meeting for the F.Y. 2018-
2. The Company also not provided any facility to its members to exercise their votes at the general meeting by electronic voting system as Rule 20 of (Management and Administration) Rules 2014.
3. We have not found any documentary evidence for sending of notices of Annual General Meeting to the shareholders.

Rest of the points mentioned in the Secretarial Audit Report are self explanatory.

It was also decided to appoint M/s Saurabh Agrawal & Co., Company Secretaries as Secretarial Auditor for the Financial Year 2020-21.

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 2019-20 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 25th Annual General Meeting of the Company and Annual Report of the Company for the financial year 2019-20 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: 31/10/2020

Place: Delhi

Mayur Jain

Director

DIN: 00626354

Madhu Doshi

Director

DIN: 00626336

FORM NO. AOC.2

For the financial year 2019-20

(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: 31.10.2020
Place: Delhi**

**(Director)
Mayur Jain
DIN: 00626354**

**(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	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
Madhu Doshi	Director	Rental Expenses	70800.00	-	-
DMAX Polymer Pvt. Ltd.	Director's wife is Director	Interest Paid	606514.00	-	-
Dev Kripa Developers Pvt. Ltd.	Common Director	Interest Income	3684730.00	-	-
Innovo Infratech LLP	Director is Partner	Interest Income	479587.00	-	-
Gitanjali Finvest Pvt. Ltd.	Common Director	Interest Income	1097955.00	-	-
Motilal Banarsi Das	Partners is relative of Director	Interest Income	58426.00	-	-

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

Date: 31.10.2020

Place: Delhi

(Director)

Mayur Jain

DIN: 00626354

(Director)

Madhu Doshi

DIN: 00626336

FORM NO. MGT.9**EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31st March, 2020****[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]****I. REGISTRATION AND OTHER DETAILS :**

i	CIN	:	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:- cs@arihantclassic.com
vi	Whether Listed Company Yes / No	:	Yes <u>Metropolitan Stock Exchange of India Limited (MSE)</u>
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
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1.	Non Banking Financial Services	Group- 649, Class- 6499, Sub Class-64990 (Other financial service activities, except insurance and pension funding activities)	100
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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	6429 0	223590	2.20	159300	6429 0	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	6479 0	6647990	65.51	6583200	6479 0	6647990	65.51	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	10083300	6479 0	10148090	100	10083300	6479 0	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	<u>NO CHANGE</u>			

	the year specifying the reasons for increase/ decrease (e.g. Allotment/ transfer/ bonus/ sweat equity etc.)				
	At the end of the year	-	-	-	-

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

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. 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.	Mr. Ami Shah				
	At the beginning of the year	2,77,000	2.24	2,77,000	2.24
	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	2,77,000	2.24	2,77,000	2.24

(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.	Mr. Rohit 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

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	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
Principal Amount	-	10021087.00	-	10021087.00
Interest due but not paid	-	-	-	-

Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	10021087.00	-	10021087.00
Change in Indebtedness during the financial year				
Addition	-	24320658.00		24320658.00
Reduction	-	-	-	-
Net Change	-	24320658.00		24320658.00
Indebtedness at the end of the financial year				
Principal Amount	-	34341745.00		34341745.00
Interest due but not paid	-	-	-	-
Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	34341745.00		34341745.00

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
		Mr. Rohit Jain		
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	Mr. Rohit Jain	Mr. Mayur Jain	Mr. Jatin Kakkar	Mr. Mohit Chaturvedi	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 Pooja (Resigned on 31/08/2019)	Company Secretary Shivani (appointed on 03/02/2020)	Chief Finance Officer	
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	NA	146130	82420	NA	NA
2.	Stock Option	NA	NA	NA	NA	NA
3.	Sweat Equity	NA	NA	NA	NA	NA

4.	Commission As % of profit others, specify	NA	NA	NA	NA	NA
5.	Others, please specify(Vehicle, Medical & Professional Reading Reimbursement)	NA	NA	NA	NA	NA
	Total	NA	146130	82420	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: 31.10.2020
Place: Delhi

(Director)
Mayur Jain
DIN: 00626354

(Director)
Madhu Doshi
DIN: 00626336

Form AOC-1

(Financial year ended on 31.03.2020)

(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: 31.10.2020
Place: Delhi**

**(Director)
Mayur Jain
DIN: 00626354**

**(Director)
Madhu Doshi
DIN: 00626336**

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	31.03.2020
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. 36149832.50
Profit/Loss for the year	Rs. 2987335.24
Considered in Consolidation	Rs. 907851.18
Not Considered in Consolidation	Rs. 2079484.06

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: 31.10.2020
Place: Delhi**

**(Director)
Mayur Jain
DIN: 00626354**

**(Director)
Madhu Doshi
DIN: 00626336**

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31.03.2020

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

To,
The Members,
Arihant 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, 2020 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, 2020 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;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies, Act and dealing with client - **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 Company was listed on Ahmedabad Stock Exchange and Vide SEBI Circular No. SEBI/HO/MRD/DSA/CIR/P/2016/110 dated 10th October, 2016 the company was placed in the Dissemination Board till 17th February, 2020. Though, the company got listing with Metropolitan Stock Exchange on 18th February, 2020.***
2. ***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. Pooja company secretary of the company has resigned on 31st August, 2020 and Ms. Shivani Saxena appointed on 3rd February, 2020.***
3. ***The Company has not appointed Scrutinizer and not mentions cutoff date, E-voting period & E-voting procedure and Book Closer date in Notice of Annual General Meeting for the F.Y. 2018-19. The Company also not provided any facility to its members to exercise their votes at the general meeting by electronic voting system as Rule 20 of (Management and Administration) Rules 2014.***
4. ***We have not found any documentary evidence for sending of notices of Annual General Meeting to the shareholders.***

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, Ms. Pooja has resigned from the post of

Company Secretary and Ms. Shivani Saxena was appointed as a Company Secretary of the Company during the period under review.

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: 20/10/2020

Saurabh Agrawal & Co.
(Company Secretaries)

Saurabh Agrawal
(Partner)
FCS: 5430
CP No.: 4868
UDIN: F005430B001007365

-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: 20/10/2020

Saurabh Agrawal & Co.

(Company Secretaries)

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	No. of Meetings Attended	No. of Membership in Boards of other Companies**	No. of Membership/ Chairmanships in Committees

			Financial Year			of other Companies
Mr. Rohit Jain	10-10-2000	Executive Director	7	7	NIL	NIL

- 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, 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	7		NIL	NIL
Mr. Madhu Doshi	10-10-2000	Director	7		NIL	NIL
Mr. Jatin Kakkar	30-08-2018	Director	7		NIL	NIL
Mr. Mohit Chaturvedi	01-01-2019	Director	7		NIL	NIL
Mr. Vikram Mutha	03-01-2019	Director	7		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.com/> at: <http://arihantclassic.com/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.com/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 2019-20:

During the year under review, your Directors have met 7 (Seven) times, at the various dates, as mentioned herein below:

No. of Board Meetings Held	Dates of Board Meetings
01	30.05.2019
02	20.07.2019
03	13.08.2019
04	03.09.2019
05	14.10.2019
06	11.11.2019
07	03.02.2020

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 Mr. Rohit Jain 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:

- 1) 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.
- 2) Recommending the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor's and the fixation of audit fees.
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- 4) 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
 - 5) 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.
 - 6) Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
 - 7) 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.
 - 8) 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.
 - 9) Scrutiny of inter-corporate loans and investments
 - 10) To review the function of the vigil mechanism.
 - 11) 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.
 - 12) 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, 2020 are as follows:

No. of Meetings Held	<u>Date of meetings</u>
01	30.05.2019
02	20.07.2019
03	13.08.2019
04	02.09.2019
05	11.11.2019
06	03.02.2020

S. No.	<u>Name of the Members</u>	Meetings held	Meeting attended
1	Mr. Mohit Chaturvedi	6	6
2	Mr. Mayur Jain	6	6
3	Mr. Jatin Kakkar	6	6

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	20.07.2019
02	03.02.2020

Sl. No.	<u>Name of the Members</u>	Meetings attended
1	Mr. Mohit Chaturvedi	02
2	Mr. Mayur Jain	02
3	Mr. Jatin Kakkar	02

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, 2020.

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 03.02.2020, 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 2019-20, 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 Mr. Rohit Jain 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 2019-20.

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 has 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: cs@arihantclassic.com. Further, Ms. Pooja has resigned from the post of Company Secretary and Compliance officer of the Company on 31.08.2019

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	Date of meeting
1	03.02.2020

Sl. No.	Name of the Members	Meetings attended
1	Mr. Mayur Jain	01
2	Mr. Mohit Chaturvedi	01
3	Mr. Rohit Jain	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, 2020 was placed before the Board at its meeting held on 30.07.2020 and Adjourned Meeting held on 31.07.2020 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 2019-20.

MEANS OF COMMUNICATIONS:

a) Communication to Shareholders

The Company is maintaining a functional website i.e., www.arihantclassic.com, 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.com/investors/>.

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

**Date: 31.10.2020
Place: Delhi**

**(Director)
Mayur Jain
DIN: 00626354**

**(Director)
Madhu Doshi
DIN: 00626336**

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, 2020 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 not fully complied with the conditions of Corporate Governance as stipulated in listing regulations including following:
 - i. *The Company was listed on Ahmedabad Stock Exchange and Vide SEBI Circular No. SEBI/HO/MRD/DSA/CIR/P/2016/110 dated 10th October, 2016 the company was placed in the Dissemination Board till 17th February, 2020. Though, the company got listing with Metropolitan Stock Exchange on 18th February, 2020.*
 - ii. *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. Pooja company secretary of the company has resigned on 31st August, 2020 and Ms. Shivani Saxena appointed on 3rd February, 2020.*
 - iii. *The Company has not appointed Scrutinizer and not mentions cutoff date, E-voting period & E-voting procedure and Book Closer date in Notice of Annual General Meeting for the F.Y. 2018- 19. The Company also not provided any facility to its members to exercise their votes at the general meeting by electronic voting system as Rule 20 of (Management and Administration) Rules 2014.*
 - iv. *We have not found any documentary evidence for sending of notices of Annual General Meeting to the shareholders.*

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: 31/10/2020

For: Saurabh Agrawal & Co.

Company Secretaries

Saurabh Agrawal

M. No. 5430

C.P. No. 4868

UDIN:F00543013001134118

CFO Certificate

To

The Board of Director

ARIHANT CLASSIC FINANCE LIMITED

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

We hereby certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2020 and to the best of our 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 Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2020 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 we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.

- d) We hereby certify that:
 - i. There has not been any significant change in internal control over financial reporting during the year under reference;
 - ii. There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - iii. No instance of fraud was observed in the company by the management or any employee having a significant role in the Company's internal control system over financial reporting.

Date: 31/07/2020

Place: New Delhi

Sd/-

Mukesh Kumar

Chief Financial Office

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.

S. No	DIN/PAN	Name of Director	Date of Appointment
1	00626336	MRS. MADHU DOSHI	10/10/2000
2	00626354	MR. MAYUR JAIN	10/10/2000
3	00626369	MR. ROHIT JAIN	10/10/2000
4	08196611	MR. JATIN KAKKAR	30/08/2018
5	08288324	MR. VIKRAM KISHORE MUTHA	03/01/2019

6

08299460

MR. MOHIT CHATURVEDI

01/01/2019

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: 31/10/2020

For: Saurabh Agrawal & Co.

Company Secretaries

Saurabh Agrawal

M. No. 5430

C.P. No. 4868

UDIN: F00543013001134085

MANAGEMENT DISCUSSION AND ANALYSIS

a) INDUSTRY STRUCTURE AND DEVELOPMENT:

Covid-19, Pandemic, has shocked the Indian as well as entire world economy, every sector is facing several challenges since few Months. 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) BUSINESS STRATEGY:

Due to complete stoppage of activities at offices, sites and equipment, shops for more than two months on account of COVID-19 pandemic, the project completion schedules are likely to be adversely affected. All efforts are being made to minimize the adverse impact. The boards of Directors of your Company are exploring the opportunity to raise and generate the financial resources as to crystallize the plans to expand business activities.

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 installments: In case of delayed receipts of installment 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 installments and in inevitable cases legal action is also being initiated.

e) FORWARD LOOKING STATEMENTS:

The report contains forward-looking statements identified by words like “plans”, “expects”, “will”, “believes”, “Projects”, “estimates” and so on. All statements that address expectation or projection about the future, but not limited to the Company’s strategy for growth, Market position, expenditure and

financial results are forward looking statements. Since these are based on certain assumptions and expectation of future events, the company cannot give guarantee that these are accurate or will be realised.

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 installments. The Company has in place adequate internal financial controls commensurate to the size and nature of its business. The Company has proper policies and procedures in place to ensure proper controls, safeguarding of assets against loss and all transactions are authorized, recorded and reported correctly. These internal controls are also evaluated and monitored by the Statutory Auditors of the Company on a periodic basis and their reports are placed before the Audit Committee for its review and corrective actions and suggestions if any required. Suggestions for improvement are considered and the Audit Committee follows up on the corrective actions if any. In the opinion of the Audit Committee, the existing internal financial controls framework is adequate and operating effectively.

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
25 th	2019-20	25.11.2020 02.00. P.M

Financial Calendar: 1st April to 31st March

Results for the quarter ending June 30, 2019	In the mid of August 2019
Results for the quarter ending September 30, 2019	In the mid of November, 2019
Results for the quarter ending December 31, 2019	In the mid of February, 2019
Results for the quarter/year ending March 31, 2020	In the mid/end of May, 2020
Annual General Meeting for the year ending March 2019	Latest by September, 2019

Thursday the 19/11/2020 to Wednesday the 25/11/2020 (both days inclusive).

The Board of Directors has not recommended any Dividend on Equity Shares of the Company for the financial year 2019-20.

The Company was listed on Ahmedabad Stock Exchange and Vide SEBI Circular No. SEBI/HO/MRD/DSA/CIR/P/2016/110 dated 10th October, 2016 the company was placed in the Dissemination Board till 17th February, 2020. Though, the company got listing with Metropolitan Stock Exchange on 18th February, 2020

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 lodgement.

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, 2020.

Place: Delhi

Date : 31.10.2020

Director

Mayur Jain



Independent Auditor's Report

To the Members of M/s. Arihant Classic Finance Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **M/s. Arihant Classic Finance Limited ("the company")** which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, (statement of changes in equity) and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information [in which are included the Returns for the year ended.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit/loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAS) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management 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 Responsibility for the Audit of the Financial Statements

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

Other Matter

We have done audit of the financial statements/ information of 1 Corporate Office included in the standalone financial statements of the company.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

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 Companies Act, 2013, we give in the **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- a. 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.
- b. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report agree with the books of account.
- c. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- d. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- e. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”.
- f. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements or the Company does not have any pending litigations which would impact its financial position.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts to the financial statements.
 - 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

(CA SUYASH RAJ NAHATA)
Partner, Mem. No 529644
Firm Regn. No.019718N
UDIN No : 20529644AAAABS5332
Place: New Delhi
Date: 31.07.2020



ANNEXURE “A” TO INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph-1 under the heading “Report on Other Legal & Regulatory Requirements” of our report of even date)

1. **In respect of its Fixed Assets:**

- a. The Company has maintained records showing full particulars including quantitative details and situation of fixed assets.
- b. The fixed assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the books records and physical fixed assets have been noticed.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.

2. **In respect of its Inventories:**

- a) Company is maintaining proper records of Securities held as stock in trade.
 - b) That due to COVID-19 lockdown the market had crashed near to closing date of the balance sheet for short term period bringing the value of the inventory held below the cost price. But then market recovered also within a few days hence the company has not revalued its closing stock at market price.
3. According to the information and explanation given to us the company has granted **One** unsecured loan to the parties required to be listed in the register-maintained u/s 189 of the Companies Act, 2013.
- a) Receipt of the principal amount and interest is regular.
 - b) There is no overdue amount in respect of loans granted to such companies, firms, Limited Liability Partnership or other parties, accordingly clause 3(iii)(c) of the order is not applicable.
4. The company, in our opinion and according to the information and explanations given to us, the company has complied with the provision of section 185 and 186 of the companies act, 2013 in respect of loans, investment, guarantees, and security.
5. According to the information and explanation given to us, the company has not accepted during the year any deposits from the public and as such the directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the companies (acceptance of deposits) rules, 2015 with regards to the deposits accepted from the public are not applicable.
6. As informed to us, the maintenance of the Cost Records has not been specified by the Central Government under sub-section (1) of the section 148 of the Act, in respect of the activities carried by the company.



7. In respect of Statutory Dues:

- a) According to information and explanations given to us and on the basis of our examination of the books of accounts and records, the company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, wealth tax, sales tax, duty of excise, service tax, duty of customs, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of any statutory dues were outstanding as at 31-03-2020 for a period of more than six months from the date they became payable.
 - b) Disputed statutory dues: There is one appeal pending relating to the AY 2013-14 in front of the CIT (Appeals) but the company has already deposited Rs. 3,32,670 against the demand generated. There are 5 outstanding demands relating to A.Y. 2009-10, 2010-11, 2011-12, 2012-13 & 2014-15.
8. In our opinion and according to the information and explanation given to us, the company has not taken any loan either from financial institution or from the government and has not issued any debenture.
 9. Based on our audit procedures and according to the information and explanation given to us, the company has not taken any term loans. No money was raised by way of initial public offer or further public offer (including debt instruments).
 10. According to the information and explanations given to us, fraud on the Company by its officers or employees has been noticed or reported during the year. Accordingly, the provisions of clause 3(x) of the Companies (Auditor's Report) Order, 2016 (as amended) (the order) was applicable to the company and hence commented upon in the Independent Auditors Report and Clause (2) of Annexure "A" of Auditor's Report
 11. According to the information and explanations given to us and based on our examination of the records of the company, the company has not paid/provided for managerial remuneration as per provision of Section 197 read with schedule V of the Companies Act 2013.
 12. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Companies (Auditor's Report) Order, 2016 (as amended) (the order) is applicable to the company and hence commented upon under Annexure "B".
 13. According to the information and explanations given to us and based on our examination of the records of the company, all transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standard.
 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 or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the order are not applicable to the company and hence not commented upon.



NJG & CO.
CHARTERED ACCOUNTANTS

708, NEW DELHI HOUSE
27, BARAKHAMBHA ROAD
NEW DELHI - 110001
Phone : 011-23325314
E-mail : njg_co@yahoo.co.in

15. According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Companies (Auditor's Report) Order, 2016 (as amended) (the order) is not applicable to the company and hence not commented upon.
16. The company is a Non-Banking Financial Company as registered under section 45IA of the Reserve Bank of India Act, 1934.

For NJG & Co.
Chartered Accountants

(CA SUYASH RAJ NAHATA)
Partner, Mem. No 529644
Firm Regn. No.019718N
UDIN No : 20529644AAAABS5332
Place: New Delhi
Date: 31.07.2020



ANNEXURE “B” TO INDEPENDENT AUDITOR’S REPORT

(Referred to in point 2(f) under the heading “Report on Other Legal & Regulatory Requirements” of our report of even date)

Report on the Internal Financial Controls 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 **M/s. Arihant Classic Finance Limited (“the company”)** as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over Financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls 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, the Company now has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2019 based on the internal controls 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

(CA SUYASH RAJ NAHATA)

Partner, Mem. No 529644

Firm Regn. No.019718N

UDIN No: 20529644AAAABS5332

Place: New Delhi

Date: 31.07.2020

ARIHANT CLASSIC FINANCE LIMITED
414, NALANDA ENCLAVE, OPP. SUDAMA RESORTS, PRITAM NAGAR,
ELLISBRIDGE, AHMEDABAD, GUJARAT-380006
CIN L65910GJ1995PLC025312
EMAIL : CS@ARIHANTCLASSIC.COM, CONTACT : 011-45061900
BALANCE SHEET AS AT 31.03.2020

Particulars	Note No.	Figures as of 31.03.2020	Figures as of 31.03.2019
1	2	3	3
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	101,480,900.00	101,480,900.00
(b) Reserves and Surplus	3	12,115,297.00	11,351,872.00
(c) Money Received Against Share Warrants		-	-
2 Share Application Money Pending Allotment		-	-
3 Non-Current Liabilities			
(a) Long-Term Borrowings	4	34,341,745.00	10,021,087.00
(b) Other Long Term Liabilities		-	-
(c) Long Term Provisions		-	-
4 Current liabilities			
(a) Short-Term Borrowings	5	-	-
(b) Trade payables		-	-
(c) Other Current Liabilities	6	928,914.00	2,221,627.00
(d) Short-Term Provisions	7	16,391,679.00	14,422,773.00
TOTAL		165,258,535.00	139,498,259.00
II. ASSETS			
Non-Current Assets			
1 (a) Fixed Assets			
(i) Tangible Assets	8	-	-
(ii) Intangible Assets		-	-
(iii) Capital Work-in-Progress		-	-
(b) Non-Current Investments	9	15,514,800.00	15,514,800.00
(c) Deferred Tax Assets (Net)	10	180,967.00	181,254.00
(d) Long-Term Loans and Advances	11	127,533,934.00	106,887,838.00
(e) Other Non-Current Assets		-	-
2 Current assets			
(a) Inventories	12	16,899,450.00	10,078,886.00
(b) Trade Receivables		-	-
(c) Cash and Cash Equivalents	13	1,629,932.00	1,744,113.00
(d) Short-Term Loans and Advances	14	3,499,452.00	3,502,567.00
(e) Other Current Assets	15	-	1,588,801.00
TOTAL		165,258,535.00	139,498,259.00
Significant Accounting Policies	1	-	-

Accompanying notes are integral part of the financial statements

As per our report on even date
Annexed

FOR ARIHANT CLASSIC FINANCE LIMITED

FOR NJG & CO.
CHARTERED ACCOUNTANTS

MAYUR JAIN
DIRECTOR
DIN:00626354

ROHIT JAIN
MG. DIRECTOR
DIN:00626369

(CA SUYASH RAJ NAHATA)
PARTNER
Firm's Reg. No. 019718N
Mem. No. 529644

MUKESH KUMAR
C.F.O.

SHIVANI SAXENA
COMPANY SECRETARY
M. NO. 46113

UDIN : 20529644AAAABS5332
PLACE : NEW DELHI
DATED : 31.07.2020

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

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD from 01.04.2019 TO 31.03.2020

(Figure's in Rs.)

Particular	Refer Note No.	For the Year Ended as on 31.03.2020	For the Year Ended as on 31.03.2019
I. Revenue From Operations	16	9,172,293.00	98,625,075.00
II. Other Income	17	164,593.00	1,307,241.00
III. Total Revenue (I + II)		9,336,886.00	99,932,316.00
IV. Expenses:			
Cost of Materials Consumed	18	9,806,354.00	87,372,096.00
Purchases of Stock-in-Trade	19	-6,820,565.00	-3,089,955.00
Changes in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade			
Employee Benefits Expense	20	1,105,012.00	1,021,078.00
Finance Costs	21	661,842.00	1,059,166.00
Depreciation and Amortization Expense	8	-	-
Other Expenses	22	967,602.00	7,879,642.00
Provisions & Write offs	24	2,499,521.00	12,875,022.00
Total Expenses		8,219,766.00	107,117,049.00
V. Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		1,117,120.00	-7,184,733.00
VI. Exceptional Items			-
VII. Profit Before Extraordinary Items and Tax (V - VI)		1,117,120.00	-7,184,733.00
VIII. Extraordinary Items			-
IX. Profit Before Tax (VII- VIII)		1,117,120.00	-7,184,733.00
X Tax Expense:			
(1) Current Tax		353,408.00	-
(2) Deferred Tax Asset		-287.00	-675.00
XI Profit (Loss) for The Period From Continuing Operations (IX-X)		763,425.00	-7,185,408.00
XII Profit/(loss) From Discontinuing Operations		-	-
XIII Tax Expense of Discontinuing Operations		-	-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV Profit (Loss) for the Period (XI + XIV)		763,425.00	-7,185,408.00
XVI Earnings per Equity Share:	25		
(1) Basic		0.08	-0.71
(2) Diluted		0.08	-0.71
Significant Accounting Policies	1		

Accompanying notes are integral part of the financial statements

As per our report on even date
Annexed

FOR ARIHANT CLASSIC FINANCE LIMITED

FOR NJG & CO.
CHARTERED ACCOUNTANTS

MAYUR JAIN
DIRECTOR
DIN:00626354

ROHIT JAIN
MG. DIRECTOR
DIN:00626369

(SUYASH RAJ NAHATA)
PARTNER
Firm's Reg. No. 019718N
Mem. No. 529644

MUKESH KUMAR
C.F.O.

SHIVANI SAXENA
COMPANY SECRETARY
M. NO. 46113

UDIN : 20529644AAAABS5332
PLACE : NEW DELHI
DATED : 31.07.2020

ARIHANT CLASSIC FINANCE LIMITED
414, NALANDA ENCLAVE, OPP. SUDAMA RESORTS, PRITAM NAGAR,
ELLISBRIDGE, AHMEDABAD, GUJARAT-380006
CIN L65910GJ1995PLC025312
EMAIL : CS@ARIHANTCLASSIC.COM, CONTACT : 011-45061900
CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31.03.2020

PARTICULAR	For the Period ended 31.03.2020	For the Period ended 31.03.2019
	Amount (Audited)	Amount (Audited)
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit as per Profit and Loss a/c	763,425.00	-7,185,408.00
Adjustment For:		
Deferred Tax Asset	287.00	675.00
Provisions For Doubtful Debts	2,499,521.00	12,875,022.00
Provision for Income Tax	564,196.00	1,094,811.00
Dividend	-164,593.00	-39,350.00
Interest Income	-6,582,728.00	-8,517,373.00
Interest Expenses	661,842.00	1,059,166.00
Operating Profit Before Working Capital Changes	-2,258,050.00	-712,457.00
Adjustment for		
Inc in Inventory	-6,820,565.00	-3,089,955.00
Dec in Other Current Asset	-19,054,180.00	8,512,886.00
Dec in liability	-1,292,713.00	-12,321,924.00
Cash Generated From Operations	-29,425,508.00	-7,611,450.00
Less : Income Tax Paid	-1,094,811.00	-
NET CASH FROM OPERATING ACTIVITIES	-30,520,319.00	-7,611,450.00
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest Income Received	6,582,728.00	8,517,373.00
Dividend	164,593.00	39,350.00
NET CASH FROM INVESTING ACTIVITIES	6,747,321.00	8,556,723.00
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Payment of Unsecured Loan	24,320,658.00	-1,925,803.00
Receipt of Unsecured Loan	-	2,952,505.00
Interest Paid	-661,842.00	-1,059,166.00
NET CASH FROM FINANCING ACTIVITIES	23,658,816.00	-32,464.00
Net increase in cash and cash equivalents	-114,181.00	912,809.00
Cash and cash equivalents at the beginning of period	1,744,113.00	831,304.00
Cash and cash equivalents at the end of period	1,629,932.00	1,744,113.00

Accompanying notes are integral part of the financial statements

As per our report on even date
Annexed

FOR ARIHANT CLASSIC FINANCE LIMITED

FOR NJG & CO.
CHARTERED ACCOUNTANTS

MAYUR JAIN
DIRECTOR
DIN:00626354

ROHIT JAIN
MG. DIRECTOR
DIN:00626369

(CA SUYASH RAJ NAHATA)
PARTNER
Firm's Reg. No. 019718N

MUKESH KUMAR
C.F.O.

SHIVANI SAXENA
COMPANY SECRETARY
M. NO. 46113

UDIN : 20529644AAAAABS5332
PLACE : NEW DELHI
DATED : 31.07.2020

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

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note 2 Details of the Share Capital

(Figure's in Rs.)

<u>Share Capital</u>	As at 31st March 2020		As at 31st March 2019	
	Number	Amount	Number	Amount
Authorised Equity Shares of Rs. 10 each	11500000	115,000,000.00	11500000	115,000,000.00
Issued Subscribed & Paid up Equity Shares of Rs. 10 each fully paid	10148090	101,480,900.00	10148090	101,480,900.00
Less: Calls in Arrears	-	-	-	-
Total	10148090	101,480,900.00	10148090	101,480,900.00

Note 2.1 Reconciliation of the number of shares outstanding is set out below:-

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	10148090	101,480,900.00	10148090	101,480,900.00
Shares Issued during the year	-	-	-	-
Shares forfeited during the year	-	-	-	-
Shares outstanding at the end of the year	10148090	101,480,900.00	10148090	101,480,900.00

Note 2.2 Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31st March 2020		As at 31st March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
MR. PREMJBHAI PURSHOTAMBHAI PATEL	937300	9.24%	937300	9.24%
MRS.HEMABEN PREMJBHAI PATEL	937300	9.24%	937300	9.24%
MR. MUNIND SHAH	858800	8.46%	858800	8.46%
MR. DHIREN SHAH	537700	5.30%	537700	5.30%
MR. MADHU DOSHI	1000000	9.85%	1000000	9.85%

Note 2.1 Reconciliation of the number of shares outstanding is set out below:-

Particulars	As at 31st March 2020	As at 31st March 2019
	Number	Number
Shares outstanding at the beginning of the year	10,148,090.00	10,148,090.00
Shares Issued during the year	-	-
Shares forfeit during the year	-	-
Shares outstanding at the end of the year	10,148,090.00	10,148,090.00

ARIHANT CLASSIC FINANCE LIMITED
414, NALANDA ENCLAVE, OPP. SUDAMA RESORTS, PRITAM NAGAR,
ELLISBRIDGE, AHMEDABAD, GUJARAT-380006

CIN L65910GJ1995PLC025312

EMAIL : CS@ARIHANTCLASSIC.COM, CONTACT : 011-45061900

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

		(Figure's in Rs.)	
Note 3.	<u>Reserves & Surplus</u>	As at 31st March 2020	As at 31st March 2019
		Amount	Amount
	a. Surplus		
	Opening balance	2,417,988.06	9,357,965.26
	(+) Net Profit/(Net Loss) For the current year	763,425.00	(7,185,408.00)
	(-) Transferred To Special Reseve	152,685.00	-
	(-) Tax Adjustment	-	-
	(-) Reverseasl of Proposed Dividend of Last Year	-	(202,961.80)
	(-) Provision of Dividend Tax on Propose Dividend Reversed	-	(42,469.00)
		3,028,728.06	2,417,988.06
	b. Special Reserve		
	Opening balance	5,670,334.34	5,670,334.34
	Addition During Year	152,685.00	-
	Closing Balance	5,823,019.34	5,670,334.34
	c. Share Forfeiture Account	3,263,550.00	3,263,550.00
	Total	12,115,297.00	11,351,872.00

Note 4	<u>Long Term Borrowings</u>	As at 31st March 2020	As at 31st March 2019
		Amount	Amount
	<u>Unsecured Loans</u>		
	Loans and Advances from Related Party	2,291,950.00	10,021,087.00
	Loans and Advances from others	32,049,795.00	-
	Total	34,341,745.00	10,021,087.00

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

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(Figure's in Rs.)

Note 5	<u>Short Term Borrowings</u>	As at 31 March 2020	As at 31 March 2019
		Amount	Amount
	<u>Secured</u>		
	(a) Loans Repayable on Demand		
	from Banks	-	-
	from other parties	-	-
		-	-
	<u>Unsecured</u>		
	(a) Loans Repayable on Demand		
	from Banks	-	-
	from other parties	-	-
		-	-
	(b) Loans from Related Parties	-	-
		-	-
		-	-
	Total	-	-

Note 6	<u>Other Current Liabilities</u>	As at 31 March 2020	As at 31 March 2019
		Amount	Amount
	Expenses Payable	832,830.00	479,910.00
	Statutory Dues Payable (TDS)	96,084.00	152,792.00
	Sundry Creditors	-	124.00
	Interest accrued but not booked (NPA)	-	1,588,801.00
	Total	928,914.00	2,221,627.00

Note 7	<u>Long Term & Short Term Provisions</u>	As at 31 March 2020	As at 31 March 2019
		Amount	Amount
	(a) Provision For Taxation	564,196.00	1,094,811.00
	(b) Provision For Doubtful Debts	15,827,483.00	13,327,962.00
	Total	16,391,679.00	14,422,773.00

ARIHANT CLASSIC FINANCE LIMITED

414, NALANDA ENCLAVE, OPP. SUDAMA RESORTS, PRITAM NAGAR, ELLISBRIDGE, AHMEDABAD, GUJARAT-380006

CIN L65910GJ1995PLC025312

EMAIL : CS@ARIHANTCLASSIC.COM, CONTACT : 011-45061900

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note 9

(Figure's in Rs.)		
<u>Non Current Investment</u>	As At 31st March 2020	As At 31st March 2019
Other Investment		
(a) Investment Properties	-	-
(b) Investment in Equity instruments	15,514,800.00	15,514,800.00
(c) Investments in Preference Shares	-	-
(d) Investments in Government or Trust Securities	-	-
(e) Investments in Debentures or Bonds	-	-
(f) Investments in Mutual Funds	-	-
(g) Investments in Partnership Firms*	-	-
(h) Other Non-current Investments (specify nature)	-	-
Total	15,514,800.00	15,514,800.00
Less : Provision for Diminution in the value of Investments	-	-
	15,514,800.00	15,514,800.00

Note 9.1 Details of Equity Investments												
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (Rs.)		Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' - Basis of Valuation
			As at 31st March 2020	As at 31st March 2019			As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(a)	Investment in Equity Instruments											
	D.R. International Pvt Ltd	Others	36380	36380	Unquoted	fully Paid	1.36	1.36	363,800.00	363,800.00	YES	
	Dipika Polymer Pvt Ltd	Associates	302000	302000	Unquoted	fully Paid	30.39	30.39	15,100,000.00	15,100,000.00	YES	
	Dev Kirpa International Pvt Ltd	Other	1000	1000	Unquoted	fully Paid			1,000.00	1,000.00	YES	
	Pal Peugeot Ltd.	Other			Unquoted	fully Paid			50,000.00	50,000.00	YES	
	Total								15,514,800.00	15,514,800.00		

ARIHANT CLASSIC FINANCE LIMITED
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EMAIL : CS@ARIHANTCLASSIC.COM, CONTACT : 011-45061900

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

		(Figure's in Rs.)	
Note 10	<u>Deferred tax Assets</u>	As At 31st March 2020	As At 31st March 2019
	Opening Deferred Tax Asset	181,254.00	181,929.00
	Deferred tax Asset/liability for the year	-287.00	-675.00
	Closing: Deferred tax Assets	180,967.00	181,254.00

		As At 31st March 2020	As At 31st March 2019
Note-11	Long Term Loans and Advances	Amount	Amount
	a. Security Deposits		
	Secured, considered good	-	-
	Unsecured, considered good	-	-
		-	-
	b. Loans and Advance to Related Parties		
	Secured, considered good	-	-
	Unsecured, considered good	68,872,262.00	76,485,152.00
	Other	-	-
	Doubtful/NPA	-	-
		68,872,262.00	76,485,152.00
	c. Loans and Advance to Others		
	Secured, considered good		
	Unsecured, considered good	39,152,562.00	8,005,384.00
	Doubtful/NPA	15,395,384.00	12,990,000.00
	Other Advances	4,113,726.00	9,407,302.00
		58,661,672.00	30,402,686.00
		127,533,934.00	106,887,838.00

Note 12	Inventories	As At 31st March 2020	As At 31st March 2019
	a. Stock In Trade (As Certified by the Directors of the Company) (Valued at Cost or Market Value, Whichever is lower)	16,899,450.15	10,078,886.00
	Total	16,899,450.00	10,078,886.00

ARIHANT CLASSIC FINANCE LIMITED

414, NALANDA ENCLAVE, OPP. SUDAMA RESORTS, PRITAM NAGAR,
ELLISBRIDGE, AHMEDABAD, GUJARAT-380006

CIN L65910GJ1995PLC025312

EMAIL : CS@ARIHANTCLASSIC.COM, CONTACT : 011-45061900

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(Figure's in Rs.)

Note 13	Cash and cash equivalents	As at 31st March 2020	As at 31st March 2019
	a. Balances with Banks	1,435,415.00	1,313,774.00
	b. Cash on hand	194,517.00	430,339.34
	Total	1,629,932.00	1,744,113.00

Note-14	Short-term Loans and Advances	As at 31st March 2020	As at 31st March 2019
		Amount	Amount
	A. Loans & Advances to Related Parties		
	Secured, considered good	-	-
	Unsecured, considered good	-	-
	Others	-	-
		-	-
	B. Others		
	Unsecured, considered good		
	Balance of GST Credit	-	-
	Balance With Income Tax Authorities	3,498,577.00	3,461,417.00
	Advance Payment of Income Tax	-	-
	Others	875.00	41,150.00
		3,499,452.00	3,502,567.00
		3,499,452.00	3,502,567.00

Note 15	Other Current Assets	As at 31st March 2020	As at 31st March 2019
	Interest Accrued but not booked	-	1,588,801.00
	Total	-	1,588,801.00

ARIHANT CLASSIC FINANCE LIMITED
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EMAIL : CS@ARIHANTCLASSIC.COM, CONTACT : 011-45061900

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note-16 Revenue From Operations

(Figure's in Rs.)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
	Amount	Amount
Interest Income	6,582,728.00	8,517,373.00
Sale of Shares	2,589,565.00	90,107,702.00
Total	9,172,293.00	98,625,075.00

Note -17 Other Income

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
	Amount	Amount
Dividend Income	164,593.00	39,350.00
Other Income	-	1,267,891.00
Total	164,593.00	1,307,241.00

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note-18 Purchase of Stock in Trade

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Purchases	9,806,354.00	87,372,096.00
Total	9,806,354.00	87,372,096.00

Note-19 Change in Inventory of Stock in Trade

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Opening: Stock In Trade (Shares & Security)	10,078,886.00	6,988,931.00
	10,078,886.00	6,988,931.00
Closing: Stock In Trade (Shares & Security)	16,899,451.00	10,078,886.00
	16,899,451.00	10,078,886.00
Total	-6,820,565.00	-3,089,955.00

Note-20 Employee Benefits Expense

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
	Amount	Amount
Salaries and Incentives	1,007,100.00	926,780.00
Staff Welfare Expenses	97,912.00	94,298.00
Total	1,105,012.00	1,021,078.00

Note-21 Finance Cost

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
	Amount	Amount
Interest Expense	661,842.00	1,059,166.00
		-
Total	661,842.00	1,059,166.00

ARIHANT CLASSIC FINANCE LIMITED
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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note -22 Other Expenses

(Figure's in Rs.)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
	Amount	Amount
Auditors Remuneration	70,800.00	60,000.00
Bad Debts	-	6,267,201.00
Conveyance Expenses	60,534.00	57,601.00
Interest on TDS	6,185.00	525.00
Internal Audit Fees	-	15,000.00
Legal & Professional Charges	335,860.00	67,700.00
Membership Fees	162,250.00	181,600.00
Misc. & General Exp.	60,717.00	28,974.00
Office Expenses	38,004.00	47,794.00
Postage & Telegram	20,435.00	13,498.00
Printing & Stationary	31,034.00	30,033.00
Processing Fees	-	700,000.00
Rates & taxes	-	173,925.00
Rent paid	70,800.00	135,600.00
ROC Filling Charges	4,211.00	25,134.00
Security Transaction Tax	12,372.00	19,748.00
Telephone Expenses	18,351.00	18,426.00
Travelling , Loading & Fooding	47,002.00	36,883.00
Interest on Inocme Tax	29,047.00	-
Total	967,602.00	7,879,642.00

Payments to the auditor as	For the year ended 31st March 2020	For the year ended 31st March 2019
a. Audit Fees	60,000.00	60,000.00
b. GST on The Audit Fees	10,800.00	-
Total	70,800.00	60,000.00

Note-23 Related Party Disclosure

List of Related Parties

Mr. ROHIT JAIN
Mr. MAYUR JAIN
Mrs. MADHU DOSHI
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

Relation

MANAGING DIRECTOR
DIRECTOR
DIRECTOR
COMMON DIRECTOR
COMMON DIRECTOR
COMMON DIRECTOR
DIRECTOR'S WIFE IS DIRECTOR
COMMON DIRECTOR
DIRECTOR IS PARTNER
PARTNER IS RELATIVE OF DIRECTOR

Transactions During The Year with Related Parties

<u>Nature of Transactions</u>	<u>Amount (In Rs.)</u>	<u>Amount (In Rs.)</u>
RENTAL EXPENSES (MADHU DOSHI)	70,800.00	135,600.00
INTEREST PAID (DMAX POLYMER PRIVATE LIMITED)	606,514.00	1,058,340.00
INTEREST INCOME (DEV KRIPA DEVELOPERS PVT. LTD.)	3,684,730.00	5,015,014.00
INTEREST INCOME (INNOVO INFRATECH LLP)	479,587.00	574,151.00
INTEREST INCOME (GITANJALI FINVEST PVT. LTD.)	1,097,955.00	1,589,200.00
INTEREST INCOME (MOTI LAL BANARSI DAS)	58,426.00	-

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(Figure's in Rs.)

Note -24 Provisions & Write offs

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
	Rs.	Rs.
Contingent Provisions Against Standard Assets	94,137.00	-114,977.86
Provisions for NPA	2,405,384.00	12,990,000.00
Total	2,499,521.00	12,875,022.14

Note -25

Earnings Per Share	For the year ended 31st March 2020	For the year ended 31st March 2019
Net profit / (loss) for the year from continuing operations attributable to	763,425.00	-7,185,408.00
Weighted average number of equity shares	10,148,090.00	10,148,090.00
Par value per share	10.00	10.00
Basic Earnings per share	0.08	-0.71
Diluted Earnings per share	0.08	-0.71

Note 26 In the opinion of the Board and to the best of their knowledge and belief the value on realization of loans, advances and current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet except in case of those considered doubtful or NPA.

Note 27 Balances of some Loans & Advances are subject to confirmation from the parties and consequently reconciliation/adjustment arising there from if any. The management however does not expect any material variations.

Note 28 Previous Years figures have been regrouped/reclassified wherever necessary to correspond with current year classification/disclosure.

For and on behalf of the Board

FOR NJG & CO.
CHARTERED ACCOUNTANTS

MAYUR JAIN
DIRECTOR
DIN:00626354

ROHIT JAIN
MG. DIRECTOR
DIN:00626369

(CA SUYASH RAJ NAHATA)
PARTNER
Firm's Reg. No. 019718N
Mem. No. 529644

MUKESH KUMAR
C.F.O.

SHIVANI SAXENA
COMPANY SECRETARY
M. NO. 46113

UDIN : 20529644AAAABS5332
PLACE : NEW DELHI
DATED : 31.07.2020

DETAIL OF BALANCESHEET FOR THE YEAR ENDED 31.03.2019												
#	CURRENT YEAR (31.03.2020)			CURRENT YEAR (31.03.2019)			LAST YEAR (31.03.2018)			LAST YEAR		
	LONG	SHORT	TOTAL	LONG	SHORT	TOTAL	LONG	SHORT	TOTAL	LONG	SHORT	TOTAL
# SECURED LOAN												
	-	-	-	-	-	-	-	-	-	-	-	-
# UNSECURED LOAN												
DMAX PLOYMERS PRVATE LIMITED	2,291,950.00		2,291,950.00	10,021,087.00		10,021,087.00	8,994,384.00		8,994,384.00	6,903,667.00		6,903,667.00
MADHUKAR BAJAJ										148,269.00		148,269.00
ANJALI BAJAJ											224,801.00	224,801.00
DIPIKA POLYMERS PVT LTD											440,005.00	440,005.00
D.R. INTERNATIONAL PVT LTD												
INST. OF INNOVATION IN TECH. & MGMT	32,049,795.00		32,049,795.00									
	34,341,745.00		34,341,745.00	10,021,087.00		10,021,087.00	8,994,384.00		8,994,384.00	7,051,936.00	664,806.00	7,716,742.00
# EXPENSES PAYABLE												
NJG & Co. (Audit fee Payable)		54,000.00	54,000.00		54,000.00	54,000.00		45,000.00	45,000.00		50,000.00	50,000.00
Mayur Jain (Roc Charges)		33,600.00	33,600.00		33,600.00	33,600.00		33,600.00	33,600.00			
Madhu Doshi (Rent Payable)		376,920.00	376,920.00		306,120.00	306,120.00		170,520.00	170,520.00			
Salary Payable		117,800.00	117,800.00		69,240.00	69,240.00		72,000.00	72,000.00		116,000.00	116,000.00
Internal Audit Fees Payable		15,000.00	15,000.00		15,000.00	15,000.00						
EMKAY PRINTERS					1,950.00	1,950.00						
Alankit Assignment Ltd		2,950.00	2,950.00									
Saurabh Aggarwal & Co		232,560.00	232,560.00									
Interest payable (DMAX)												
		832,830.00	832,830.00		479,910.00	479,910.00		321,120.00	321,120.00		166,000.00	166,000.00
# SUNDRY CREDITORS												
RELIANCE SECURITIES LIMITED								12,520,516.44	12,520,516.44		1,020,688.71	1,020,688.71
INDIA INFOLINE					124.39	124.39		26,368.05	26,368.05		503,957.00	503,957.00
Bombay Stock Exchange											180,000.00	180,000.00
					124.39	124.39		12,546,884.49	12,546,884.49		1,704,645.71	1,704,645.71
# STATUTORY LIABILITY												
TDS Payable (INTEREST)		66,184.00	66,184.00		146,792.00	146,792.00		76,746.00	76,746.00		28,185.00	28,185.00
TDS Payable (Professional)		29,900.00	29,900.00		6,000.00	6,000.00		10,000.00	10,000.00		5,000.00	5,000.00
		96,084.00	96,084.00		152,792.00	152,792.00		86,746.00	86,746.00		33,185.00	33,185.00
# LOAN & ADVANCE												
Divine Polymers	2,100,000.00		2,100,000.00	1,100,000.00		1,100,000.00	1,116,067.00		1,116,067.00			
Gurmeet Kaur Kalra							2,970,920.00		2,970,920.00		2,970,920.00	2,970,920.00
Nova Electronics							2,936,281.00		2,936,281.00		2,936,281.00	2,936,281.00
							1,905,384.00		1,905,384.00		2,300,000.00	2,300,000.00
Real Polymers	5,000,000.00		5,000,000.00	5,000,000.00		5,000,000.00	5,000,000.00		5,000,000.00			
Raju Guabrai Shah											399,977.00	399,977.00
Shah Pragaben											398,330.00	398,330.00
Tirupati Enterprises											207,453.00	207,453.00
Sperry Plast Ltd												
Kamal Ideal Infatech Pvt Ltd	32,052,562.00		32,052,562.00									
	39,152,562.00		39,152,562.00	8,005,384.00		8,005,384.00	14,230,268.00		14,230,268.00	9,212,961.00		9,212,961.00
LOAN & ADVANCE-NPA												
DIN DAYAL REAL ESTATES	12,990,000.00		12,990,000.00	12,990,000.00		12,990,000.00	13,240,000.00		13,240,000.00	12,000,000.00		12,000,000.00
PRITESH CHANDER KANT KOTHARI	2,405,384.00		2,405,384.00									
			15,395,384.00	12,990,000.00		12,990,000.00	13,240,000.00		13,240,000.00	12,000,000.00		12,000,000.00
# LOAN & ADVANCE (RELATED PARTY)												
Dev Kripa Developers Pvt Ltd	49,341,034.00		49,341,034.00	51,731,304.00		51,731,304.00	52,490,832.00		52,490,832.00	60,401,372.00		60,401,372.00
Gitanjali Finvest Pvt Ltd.	7,831,228.00		7,831,228.00	11,033,273.00		11,033,273.00	11,302,993.00		11,302,993.00	10,134,795.00		10,134,795.00
Inovo Infatech LLP	5,700,000.00		5,700,000.00	6,400,000.00		6,400,000.00	6,317,113.00		6,317,113.00			
Dada Aadinath project Pune				5,389,272.00		5,389,272.00	4,857,388.00		4,857,388.00	4,377,998.00		4,377,998.00
I.K. Polymers North Pvt Ltd				1,931,303.00		1,931,303.00	2,036,303.00		2,036,303.00	4,536,303.00		4,536,303.00
Moti Lal Banarasi Dass	6,000,000.00		6,000,000.00									
	108,024,824.00	68,872,262.00	68,872,262.00	76,485,152.00		76,485,152.00	77,004,629.00		77,004,629.00	79,450,468.00		79,450,468.00
LOAN & ADVANCE-NPA (RELATED PARTY)												
Dada Aadinath project Pune												
I.K. Polymers North Pvt Ltd												
LOAN & ADVANCE OTHERS												
Advance Tax								500,000.00	500,000.00			
Income Tax Stay Amount	332,670.00		332,670.00	332,670.00		332,670.00	332,670.00		332,670.00	300,000.00		300,000.00
Income Tax Refund (2016-2017)		441,026.00	441,026.00		441,026.00	441,026.00		441,026.00	441,026.00			
Income Tax Refund (FY 2017-2018)		1,093,682.00	1,093,682.00		1,093,682.00	1,093,682.00						
TDS Receivable (F.Y. 2018-2019)						831,898.00			593,682.00		771,696.00	771,696.00
MAT Receivable (F.Y. 2018-2019)		1,094,811.00	1,094,811.00		1,094,811.00	1,094,811.00						
MAT Receivable (F.Y. 2019-2020)		210,788.00	210,788.00									
TDS Receivable (F.Y. 2019-2020)		658,270.00	658,270.00									
CGST INPUT								5,512.50	5,512.50			
SGST INPUT								5,512.50	5,512.50			
IGST INPUT								11,700.00	11,700.00			
	332,670.00	3,498,577.00	3,831,247.00	332,670.00	3,461,417.00	3,794,087.00	332,670.00	1,557,433.00	1,890,103.00	300,000.00	771,696.00	1,071,696.00
OTHER ADVANCES												
Prepaid Expenses	6,424.00		6,424.00				3,470.00		3,470.00			
KK SECURITY							188.85		188.85	188.85		188.85
INDIA INFOLINE LTD		874.63	874.63									
RELIANCE SECURITIES LIMITED					41,150.28	41,150.28						
Sharad Chandra	3,774,631.84		3,774,631.84	3,774,631.84		3,774,631.84	3,774,631.84		3,774,631.84			
Vimal Moulders India				5,300,000.00		5,300,000.00	8,400,000.00		8,400,000.00	8,400,000.00		8,400,000.00
Vimal Plast India						360,000.00	360,000.00		360,000.00	360,000.00		360,000.00
	3,781,056.00	875.00	3,781,930.00	9,074,632.00	41,150.00	9,115,782.00	12,538,291.00		12,538,291.00	8,760,189.00		8,760,189.00
Please explain as per AS-18												
LOAN & ADVANCE (OTHERS)												
BALANCE WITH BANK												
KOTAK BANK A/C NO. 610011020792	1,397,538.27		1,397,538.27	1,275,897.02		1,275,897.02	750,799.71		750,799.71			
PNB - 5055	32,143.52		32,143.52	32,143.52		32,143.52	32,143.52		32,143.52			
TAMILNADU MER. BANK LTD.	5,733.67		5,733.67	5,733.67		5,733.67	5,733.67		5,733.67			
	1,435,415.46		1,435,415.00	1,313,774.21		1,313,774.00	788,676.90		788,677.00			

ARIHANT CLASSIC FINANCE LIMITED

(ASSESSMENT YEAR 2020-2021)

ANNEXURE -A

SCHEDULE OF FIXED ASSETS FOR THE YEAR ENDED 31.03.2020 AS PER INCOME TAX ACT

<u>PARTICULARS</u>	<u>OPENING</u>	<u>ADDITION</u>		<u>SALE</u>	<u>TOTAL</u>	<u>DEPRECI-</u>	<u>CLOSING</u>			
		<u>FROM</u>	<u>FROM</u>					<u>DURING</u>	<u>ATION</u>	<u>BALANCE</u>
		<u>01.4.19 to</u>	<u>1.10.19 TO</u>							
	<u>01/04/2019</u>	<u>30.09.19</u>	<u>31.03.2020</u>				<u>31.03.2020</u>			
<u>BLOCK A (40%)</u>										
COMPUTER	-	-	-	-	-	-	-			
<u>BLOCK A (15%)</u>										
OFFICE EQUIPMENT	942.00	-	-	-	942.00	141.00	801.00			
CAR (CAPTIVA)	-	-	-		-	-	-			
MOBILE PHONE	13,636.00				13,636.00	2,045.00	11,591.00			
<u>BLOCK A (10%)</u>										
FURNITURE & FIXTURES	207.00	-	-	-	207.00	21.00	186.00			
	14,785.00	-	-	-	14,785.00	2,207.00	12,578.00			

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ELLISBRIDGE, AHMEDABAD, GUJARAT-380006			
CIN L65910GJ1995PLC025312			
			-
STATEMENT OF DEFFERED TAX ASSETS AS ON 31.03.2020			181,254.00
DEPRECIATION FOR THE YEAR ENDING 31.03.2020 AS PER COMPANIES ACT			-
DEPRECIATION FOR THE YEAR ENDING 31.03.2020 AS PER INCOME TAX			1,103.50
DIFFERENCE			(1,103.50)
TAX LIABILITIES @ 25%			(276)
Add:- SC @ 5%			
Add. Cess @4%			(11)
			(287.00)
			-
Balance Provided			180,967.00

ARIHANT CLASSIC FINANCE LIMITED
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PRITAM NAGAR, ELLISBRIDGE, AHEMDABAD, GUJRAT-380006
CIN: L65910GJ1995PLC025312

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Corporate Information

ARIHANT CLASSIC FINANCE LIMITED. is a NBFC incorporated on 3rd April, 1995 under Companies Act, 1956 and registered under Section 45IA of RBI Act as NBFC as NBFC's Non-Accepting Public Deposits.

Note – 1

Significant Accounting Policies and Notes on Accounts

A. Significant Accounting Policies:

1) Basis of Accounting:

The Financial Statement have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India and presented under the historical cost convention on accrual basis of accounting to comply with the Accounting Standards specified under section 133 of Companies Act, 2013 read with rule 7 of Companies (Accounts) Rules, 2014.

2) Use of Estimates:

In preparing the financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognized in the period the same is determined.

3) Fixed Assets:

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

4) Depreciation:

- Depreciation on tangible assets/Intangible Assets is provided over its useful life specified in schedule II to the Companies Act 2013 on written down value method. Depreciation on fixed assets added / disposed of during the year is provided on the pro rata basis.
- The cost and the accumulated depreciation for the fixed assets sold or otherwise disposed off are removed from the stated values and resulting gain and losses are recognized in statement of profit and loss.

ARIHANT CLASSIC FINANCE LIMITED
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PRITAM NAGAR, ELLISBRIDGE, AHEMDABAD, GUJRAT-380006
CIN: L65910GJ1995PLC025312

5) Inventory:

- a) Stock of raw-materials, stores & spares, components and consumables are valued at cost whereas finished goods are valued at lower of cost or net realizable value. That due to COVID-19 lockdown the market had crashed near to closing date of the balance sheet for short term period bringing the value of the inventory held below the cost price. But then market recovered also within a few days hence the company has not revalued its closing stock at market price.

6) Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and cost attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired or partly acquired, by the issue of share or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by the reference to the fair value of the asset given up or by the reference to the fair value of the investment acquired whichever is clearer evident.

Current investments are carried in the financial statement at lower of the cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charges or credited to the statement of Profit and Loss

7) Cash & Cash Equivalents:

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

8) Revenue Recognition:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Interest income is accounted on accrual basis except for NPA loans

9) Foreign Transactions:

- The transactions in foreign currencies remaining outstanding at the end of the year are translated at the exchange rate prevailing on the date of Balance Sheet.
- Exchange gain/loss on transactions relating to liabilities incurred to acquire fixed assets is treated as an adjustment to the cost of fixed asset.
- Exchange gains and losses on transaction other than those relating to fixed asset are adjusted in the Profit & Loss Account.

ARIHANT CLASSIC FINANCE LIMITED
414, NALANDA ENCLAVE, OPP. SUDAMA RESORTS
PRITAM NAGAR, ELLISBRIDGE, AHEMDABAD, GUJRAT-380006
CIN: L65910GJ1995PLC025312

10) Employee Benefits:

No provision for gratuity or other retirement benefits have been made in the accounts for the year. As per policy of the Company the same shall be provided as and when employee leave.

11) Earning Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

12) Taxation:

- Provision for current tax is made in accordance with the provision of Income Tax Act, 1961. If any further liability arises on account of tax for the year under audit, the same shall be considered on payment basis.
- Deferred tax assets and liabilities are recognized for future tax consequences attributable to the timing differences that results between the profits offered for income tax and profit as per the financial statements. Deferred tax assets and liabilities are measured as per the tax rates/laws that have been enacted or substantively enacted by the Balance Sheet date.

13) Provisions and Contingencies:

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

14) Borrowing Cost:

- Borrowing cost on working capital requirement is charged off to revenue in the period in which they are incurred.
- Borrowing cost, which is directly attributable to the acquisition, construction of Fixed Assets has been capitalized as part of the assets.

15) Previous Year Figures:

Previous year's figures have been rearranged and regrouped wherever necessary so as to make them comparable with those of the current year.

16) Other Matter:

Nil

FOR ARIHANT CALSSIC FINANCE LIMITED

(Director)



Independent Auditor's Report

To the Members of M/s. Arihant Classic Finance Limited

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of **M/s. Arihant Classic Finance Limited ("the company")** which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information in which are included the Returns for the year ended.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAS) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Consolidated 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 financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The respective Board of Directors of the companies are responsible for preparing the financial statements of their companies. In preparing the consolidated 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 consolidated financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

Other Matter

The consolidated financial statements include the share of net profit in respect of one associate whose financial statement have not been audited by us. These financial statements have been audited by other auditors whose report has been furnished to us by the management. We have done audit of the consolidated financial statements/ information of one Corporate Office included in the consolidated financial statements of the company. Our report in terms of sub section (3) of section 143 of the Act, in so far as it relates to the aforesaid associate company, is based solely on the report of the other Auditors.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

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 Companies Act, 2013 and on the consideration of the Auditors report of the associate company as noted in the other matters paragraph, we report, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- a. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the report of the other Auditors.



- b. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report agree with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- c. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- d. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors and the report of the Statutory Auditors of its associate company, none of the directors of the company and its associate company is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- e. With respect to the adequacy of the internal financial controls over financial reporting of the Company and its associate company, the operating effectiveness of such controls, refer to our separate report in “**Annexure A**”.
- f. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the other Auditors on separate financial statements as noted in the other matters paragraph:
 - i. The Company has disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements or the Company does not have any pending litigations which would impact its consolidated financial position.
 - ii. The Company and its associates have made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts to the consolidated financial statements during the year ended 31st March, 2020.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its associate company during the year ended 31st March, 2020.

For NJG & Co.
Chartered Accountants

(CA SUYASH RAJ NAHATA)
Partner, Mem. No 529644
Firm Regn. No.019718N
UDIN: 20529644AAAABT9849
Place: New Delhi
Date: 31.07.2020



ANNEXURE “A” TO INDEPENDENT AUDITOR’S REPORT
(Referred to in point 2(f) under the heading “Report on Other Legal & Regulatory Requirements” of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the company, we have audited the internal financial controls over financial reporting M/s. **Arihant Classic Finance Limited (“the company”)** and its associate as of March 31, 2020.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the company including its associate are 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies , the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

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

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

We believe that the audit evidence we have obtained and by the other Auditors in terms of their report refer to in the other matter paragraph blow, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over Financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls 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, the Company and its associate, now has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2020 based on the internal financial 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

(CA SUYASH RAJ NAHATA)

Partner, Mem. No 529644

Firm Regn. No.019718N

UDIN: 20529644AAAABT9849

Place: New Delhi

Date: 31.07.2020

ARIHANT CLASSIC FINANCE LIMITED
 414, NALANDA ENCLAVE, OPP. SUDAMA RESORTS, PRITAM NAGAR, ELLISBRIDGE, AHMEDABAD,
 GUJARAT-380006

CIN L65910GJ1995PLC025312
 EMAIL : CS@ARIHANTCLASSIC.COM, CONTACT : 011-45061900
CONSOLIDATED BALANCE SHEET AS AT 31.03.2020

Particulars	Note No.	Figures as of 31.03.2020	Figures as of 31.03.2019
1	2	3	3
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	101,480,900.00	101,480,900.00
(b) Reserves and Surplus	3	39,038,818.00	37,367,542.00
(c) Money Received Against Share Warrants		-	-
2 Share Application Money Pending Allotment		-	-
3 Non-Current Liabilities			
(a) Long-Term Borrowings	4	34,341,745.00	10,021,087.00
(b) Other Long Term Liabilities		-	-
(c) Long Term Provisions		-	-
4 Current liabilities			
(a) Short-Term Borrowings	5	-	-
(b) Trade payables		-	-
(b) Other Current Liabilities	6	928,914.00	2,221,627.00
(c) Short-Term Provisions	7	16,391,679.00	14,422,773.00
TOTAL		192,182,056.00	165,513,929.00
II. ASSETS			
Non-Current Assets			
1 (a) Fixed Assets			
(i) Tangible Assets	8	-	-
(ii) Intangible Assets		-	-
(iii) Capital Work-in-Progress		-	-
(b) Non-Current Investments	9	42,438,321.00	41,530,470.00
(c) Deferred Tax Assets (Net)	10	180,967.00	181,254.00
(d) Long-Term Loans and Advances	11	127,533,934.00	106,887,838.00
(e) Other Non-Current Assets		-	-
2 Current assets			
(a) Inventories	12	16,899,450.00	10,078,886.00
(b) Trade Receivables		-	-
(c) Cash and Cash Equivalents	13	1,629,932.00	1,744,113.00
(d) Short-Term Loans and Advances	14	3,499,452.00	3,502,567.00
(e) Other Current Assets	15	-	1,588,801.00
TOTAL		192,182,056.00	165,513,929.00
Significant Accounting Policies	1	-	-

Accompanying notes are integral part of the financial statements

As per our report on even date
Annexed

FOR ARIHANT CLASSIC FINANCE LIMITED

FOR NJG & CO.
CHARTERED ACCOUNTANTS

MAYUR JAIN
DIRECTOR
DIN:00626354

ROHIT JAIN
MG. DIRECTOR
DIN:00626369

(CA SUYASH RAJ NAHATA)
PARTNER
Firm's Reg. No. 019718N
Mem. No. 529644

MUKESH KUMAR
C.F.O.

SHIVANI SAXENA
COMPANY SECRETARY
M. NO. 46113

UDIN : 20529644AAAABT9849
PLACE : NEW DELHI
DATED : 31.07.2020

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

CONSILDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM 01.04.2019 TO 31.03.2020

(Figure's in Rs.)

Particular	Refer Note No.	For the Year Ended as on 31.03.2020	For the Year Ended as on 31.03.2019
I. Revenue From Operations	16	9,172,293.00	98,625,075.00
II. Other Income	17	164,593.00	1,307,241.00
III. Total Revenue (I + II)		9,336,886.00	99,932,316.00
IV. Expenses:			
Cost of Materials Consumed	18	9,806,354.00	87,372,096.00
Purchases of Stock-in-Trade	19	-6,820,565.00	-3,089,955.00
Changes in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade			
Employee Benefits Expense	20	1,105,012.00	1,021,078.00
Finance Costs	21	661,842.00	1,059,166.00
Depreciation and Amortization Expense	8	-	-
Other Expenses	22	967,602.00	7,879,642.00
Provisions & Write offs	24	2,499,521.00	12,875,022.00
Total Expenses		8,219,766.00	107,117,049.00
V. Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		1,117,120.00	-7,184,733.00
VI. Exceptional Items			-
VII. Profit Before Extraordinary Items and Tax (V - VI)		1,117,120.00	-7,184,733.00
VIII. Extraordinary Items			-
IX. Profit Before Tax (VII- VIII)		1,117,120.00	-7,184,733.00
X Tax Expense:			
(1) Current Tax		353,408.00	-
(2) Deferred Tax Asset		-287.00	-675.00
XI Profit (Loss) for The Period From Continuing Operations (IX-X)		763,425.00	-7,185,408.00
XII Profit/(loss) From Discontinuing Operations		-	-
XIII Tax Expense of Discontinuing Operations		-	-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV Profit on Consolidation of Associates		907,851.00	1,653,227.00
XVI Profit (Loss) for the Period (XI + XIV)		1,671,276.00	-5,532,181.00
XVII Earnings per Equity Share:	25		
(1) Basic		0.16	-0.55
(2) Diluted		0.16	-0.55
Significant Accounting Policies	1		

Accompanying notes are integral part of the financial statements

As per our report on even date
Annexed

FOR ARIHANT CLASSIC FINANCE LIMITED

FOR NJG & CO.
CHARTERED ACCOUNTANTS

MAYUR JAIN
DIRECTOR
DIN:00626354

ROHIT JAIN
MG. DIRECTOR
DIN:00626369

(SUYASH RAJ NAHATA)
PARTNER
Firm's Reg. No. 019718N
Mem. No. 529644

MUKESH KUMAR
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SHIVANI SAXENA
COMPANY SECRETARY
M. NO. 46113

UDIN : 20529644AAAABT9849
PLACE : NEW DELHI
DATED : 31.07.2020

ARIHANT CLASSIC FINANCE LIMITED

414, NALANDA ENCLAVE, OPP. SUDAMA RESORTS, PRITAM NAGAR, ELLISBRIDGE, AHMEDABAD,
GUJARAT-380006

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EMAIL : CS@ARIHANTCLASSIC.COM, CONTACT : 011-45061900

CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31.03.2020

PARTICULAR	For the Period ended 31.03.2020	For the Period ended 31.03.2019
	Amount	Amount
	(Audited)	(Audited)
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit as per Profit and Loss a/c after tax	1,671,276.00	-5,532,181.00
Adjustment For:		
Deferred Tax Asset	287.00	675.00
Provisions For Doubtful Debts	2,499,521.00	12,875,022.00
Provision for Income Tax	564,196.00	1,094,811.00
Share of Net Profit from Associate Company	-907,851.00	-1,653,227.00
Dividend	-164,593.00	-39,350.00
Interest Income	-6,582,728.00	-8,517,373.00
Interest Expenses	661,842.00	1,059,166.00
Operating Profit Before Working Capital Changes	-2,258,050.00	-712,457.00
Adjustment for		
Inc in Inventory	-6,820,565.00	-3,089,955.00
Dec in Other Current Asset	-19,054,180.00	8,512,886.00
Dec in liability	-1,292,713.00	-12,321,924.00
Cash Generated From Operations	-29,425,508.00	-7,611,450.00
Less : Income Tax Paid	-1,094,811.00	-
NET CASH FROM OPERATING ACTIVITIES	-30,520,319.00	-7,611,450.00
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest Income Received	6,582,728.00	8,517,373.00
Dividend	164,593.00	39,350.00
NET CASH FROM INVESTING ACTIVITIES	6,747,321.00	8,556,723.00
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Payment of Unsecured Loan	24,320,658.00	-1,925,803.00
Receipt of Unsecured Loan	-	2,952,505.00
Interest Paid	-661,842.00	-1,059,166.00
NET CASH FROM FINANCING ACTIVITIES	23,658,816.00	-32,464.00
Net increase in cash and cash equivalents	-114,181.00	912,809.00
Cash and cash equivalents at the beginning of period	1,744,113.00	831,304.00
Cash and cash equivalents at the end of period	1,629,932.00	1,744,113.00

Accompanying notes are integral part of the financial statements

As per our report on even date
Annexed

FOR ARIHANT CLASSIC FINANCE LIMITED

**FOR NJG & CO.
CHARTERED ACCOUNTANTS**

MAYUR JAIN
DIRECTOR
DIN:00626354

ROHIT JAIN
MG. DIRECTOR
DIN:00626369

(CA SUYASH RAJ NAHATA)
PARTNER
Firm's Reg. No. 019718N

MUKESH KUMAR
C.F.O.

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COMPANY SECRETARY
M. NO. 46113

UDIN : 20529644AAAABT9849
PLACE : NEW DELHI
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ARIHANT CLASSIC FINANCE LIMITED

414, NALANDA ENCLAVE, OPP. SUDAMA RESORTS, PRITAM NAGAR, ELLISBRIDGE, AHMEDABAD, GUJARAT-380006

CIN L65910GJ1995PLC025312

EMAIL : CS@ARIHANTCLASSIC.COM, CONTACT : 011-45061900

NOTES ON THE CONSOLIDATION FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note 2 Details of the Share Capital

(Figure's in Rs.)

<u>Share Capital</u>	As at 31st March 2020		As at 31st March 2019	
	Number	Amount	Number	Amount
Authorised Equity Shares of Rs. 10 each	11500000	115,000,000.00	11500000	115,000,000.00
Issued Subscribed & Paid up Equity Shares of Rs. 10 each fully paid	10148090	101,480,900.00	10148090	101,480,900.00
Less: Calls in Arrears	-	-	-	-
Total	10148090	101,480,900.00	10148090	101,480,900.00

Note 2.1 Reconciliation of the number of shares outstanding is set out below:-

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	10148090	101,480,900.00	10148090	101,480,900.00
Shares Issued during the year	-	-	-	-
Shares forfeited during the year	-	-	-	-
Shares outstanding at the end of the year	10148090	101,480,900.00	10148090	101,480,900.00

Note 2.2 Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31st March 2020		As at 31st March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
MR. PREMJBHAI PURSHOTAMBHAI PATEL	937300	9.24%	937300	9.24%
MRS.HEMABEN PREMJBHAI PATEL	937300	9.24%	937300	9.24%
MR. MUNIND SHAH	858800	8.46%	858800	8.46%
MR. DHIREN SHAH	537700	5.30%	537700	5.30%
MR. MADHU DOSHI	1000000	9.85%	1000000	9.85%

Note 2.1 Reconciliation of the number of shares outstanding is set out below:-

Particulars	As at 31st March 2020	As at 31st March 2019
	Number	Number
Shares outstanding at the beginning of the year	10,148,090.00	10,148,090.00
Shares Issued during the year	-	-
Shares forfeit during the year	-	-
Shares outstanding at the end of the year	10,148,090.00	10,148,090.00

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(Figure's in Rs.)

Note 3.	<u>Reserves & Surplus</u>	As at 31st March 2020	As at 31st March 2019
		Amount	Amount
	a. Surplus		
	Opening balance	28,433,658.12	33,720,408.32
	(+) Net Profit/(Net Loss) For the current year	1,671,276.00	(5,532,181.00)
	(-) Transferred To Special Reseve	334,255.00	-
	(-) Tax Adjustment	-	-
	(-) Reverseasl of Proposed Dividend of Last Year	-	(202,961.80)
	(-) Provision of Dividend Tax on Propose Dividend Reversed	-	(42,469.00)
		29,770,679.12	28,433,658.12
	b. Special Reserve		
	Opening balance	5,670,334.34	5,670,334.34
	Addition During Year	334,255.00	-
	Closing Balance	6,004,589.34	5,670,334.34
	c. Share Forfeiture Account	3,263,550.00	3,263,550.00
	Total	39,038,818.00	37,367,542.00

Note 4	<u>Long Term Borrowings</u>	As at 31st March 2020	As at 31st March 2019
		Amount	Amount
	<u>Unsecured Loans</u>		
	Loans and Advances from Related Party	2,291,950.00	10,021,087.00
	Loans and Advances from others	32,049,795.00	-
	Total	34,341,745.00	10,021,087.00

ARIHANT CLASSIC FINANCE LIMITED
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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(Figure's in Rs.)

Note 5

<u>Short Term Borrowings</u>	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
<u>Secured</u>		
(a) Loans Repayable on Demand		
from Banks	-	-
from other parties	-	-
	-	-
<u>Unsecured</u>		
(a) Loans Repayable on Demand		
from Banks	-	-
from other parties	-	-
	-	-
(b) Loans from Related Parties		
	-	-
	-	-
	-	-
Total	-	-

Note 6

<u>Other Current Liabilities</u>	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
Expenses Payable	832,830.00	479,910.00
Statutory Dues Payable (TDS)	96,084.00	152,792.00
Sundry Creditors	-	124.00
Interest accrued but not booked (NPA)	-	1,588,801.00
Total	928,914.00	2,221,627.00

Note 7

<u>Long Term & Short Term Provisions</u>	As at 31 March 2020	As at 31 March 2019
	Amount	Amount
(a) Provision For Taxation	564,196.00	1,094,811.00
(b) Provision For Doubtful Debts	15,827,483.00	13,327,962.00
Total	16,391,679.00	14,422,773.00

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

#####

(Figure's in Rs.)

Note 9	Non Current Investment	As At 31st March 2020	As At 31st March 2019
	Other Investment		
	(a) Investment Properties	-	-
	(b) Investment in Equity instruments	42,438,321.00	41,530,470.00
	(c) Investments in Preference Shares	-	-
	(d) Investments in Government or Trust Securities	-	-
	(e) Investments in Debentures or Bonds	-	-
	(f) Investments in Mutual Funds	-	-
	(g) Investments in Partnership Firms*	-	-
	(h) Other Non-current Investments (specify nature)	-	-
	Total	42,438,321.00	41,530,470.00
	Less : Provision for Diminution in the value of Investments	-	-
		42,438,321.00	41,530,470.00

Note 9.1 Details of Equity Investments												
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (Rs.)		Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' - Basis of Valuation
			As at 31st March 2020	As at 31st March 2019			As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(a)	Investment in Equity Instruments											
	D.R. International Pvt Ltd	Others	36380	36380	Unquoted	fully Paid	1.36	1.36	363,800.00	363,800.00	YES	
	Dev Kirpa International Pvt Ltd	Other	1000	1000	Unquoted	fully Paid			1,000.00	1,000.00	YES	
	Pal Peugeot Ltd.	Other			Unquoted	fully Paid			50,000.00	50,000.00	YES	
	Dipika Polymer Pvt Ltd	Associates	302000	302000	Unquoted	fully Paid	30.39	30.39	15,100,000.00	15,100,000.00	YES	
	Post Acquisition Profit of Associate								26,923,521.00	26,015,670.00		
	Total								42,438,321.00	41,530,470.00		

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(Figure's in Rs.)

Note 10	<u>Deferred tax Assets</u>	As At 31st March 2020	As At 31st March 2019
	Opening Deferred Tax Asset	181,254.00	181,929.00
	Deferred tax Asset/liability for the year	-287.00	-675.00
	Closing: Deferred tax Assets	180,967.00	181,254.00

Note-11	Long Term Loans and Advances	As At 31st March 2020 Amount	As At 31st March 2019 Amount
	a. Security Deposits		
	Secured, considered good	-	-
	Unsecured, considered good	-	-
		-	-
	b. Loans and Advance to Related Parties		
	Secured, considered good	-	-
	Unsecured, considered good	68,872,262.00	76,485,152.00
	Other	-	-
	Doubtful/NPA	-	-
		68,872,262.00	76,485,152.00
	c. Loans and Advance to Others		
	Secured, considered good		
	Unsecured, considered good	39,152,562.00	8,005,384.00
	Doubtful/NPA	15,395,384.00	12,990,000.00
	Other Advances	4,113,726.00	9,407,302.00
		58,661,672.00	30,402,686.00
		127,533,934.00	106,887,838.00

Note 12	Inventories	As At 31st March 2020	As At 31st March 2019
	a. Stock In Trade (As Certified by the Directors of the Company) (Valued at Cost or Market Value, Whichever is lower)	16,899,450.15	10,078,886.00
	Total	16,899,450.00	10,078,886.00

ARIHANT CLASSIC FINANCE LIMITED

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(Figure's in Rs.)

Note 13	Cash and cash equivalents	As at 31st March 2020	As at 31st March 2019
	a. Balances with Banks	1,435,415.00	1,313,774.00
	b. Cash on hand	194,517.00	430,339.34
	Total	1,629,932.00	1,744,113.00

Note-14	Short-term Loans and Advances	As at 31st March 2020	As at 31st March 2019
		Amount	Amount
	A. Loans & Advances to Related Parties		
	Secured, considered good	-	-
	Unsecured, considered good	-	-
	Others	-	-
		-	-
	B. Others		
	Unsecured, considered good		
	Balance of GST Credit	-	-
	Balance With Income Tax Authorities	3,498,577.00	3,461,417.00
	Advance Payment of Income Tax	-	-
	Others	875.00	41,150.00
		3,499,452.00	3,502,567.00
		3,499,452.00	3,502,567.00

Note 15	Other Current Assets	As at 31st March 2020	As at 31st March 2019
	Interest Accrued but not booked	-	1,588,801.00
	Total	-	1,588,801.00

ARIHANT CLASSIC FINANCE LIMITED
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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note-16 Revenue From Operations

(Figure's in Rs.)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
	Amount	Amount
Interest Income	6,582,728.00	8,517,373.00
Sale of Shares	2,589,565.00	90,107,702.00
Total	9,172,293.00	98,625,075.00

Note -17 Other Income

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
	Amount	Amount
Dividend Income	164,593.00	39,350.00
Other Income	-	1,267,891.00
Total	164,593.00	1,307,241.00

ARIHANT CLASSIC FINANCE LIMITED414, NALANDA ENCLAVE, OPP. SUDAMA RESORTS, PRITAM NAGAR, ELLISBRIDGE, AHMEDABAD,
GUJARAT-380006**CIN L65910GJ1995PLC025312**

EMAIL : CS@ARIHANTCLASSIC.COM, CONTACT : 011-45061900

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**Note-18 Purchase of Stock in Trade**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Purchases	9,806,354.00	87,372,096.00
Total	9,806,354.00	87,372,096.00

Note-19 Change in Inventory of Stock in Trade

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Opening: Stock In Trade (Shares & Security)	10,078,886.00	6,988,931.00
	10,078,886.00	6,988,931.00
Closing: Stock In Trade (Shares & Security)	16,899,451.00	10,078,886.00
	16,899,451.00	10,078,886.00
Total	-6,820,565.00	-3,089,955.00

Note-20 Employee Benefits Expense

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
	Amount	Amount
Salaries and Incentives	1,007,100.00	926,780.00
Staff Welfare Expenses	97,912.00	94,298.00
Total	1,105,012.00	1,021,078.00

Note-21 Finance Cost

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
	Amount	Amount
Interest Expense	661,842.00	1,059,166.00
		-
Total	661,842.00	1,059,166.00

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GUJARAT-380006

CIN L65910GJ1995PLC025312

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note -22 Other Expenses

(Figure's in Rs.)

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
	Amount	Amount
Auditors Remuneration	70,800.00	60,000.00
Bad Debts	-	6,267,201.00
Conveyance Expenses	60,534.00	57,601.00
Interest on TDS	6,185.00	525.00
Internal Audit Fees	-	15,000.00
Legal & Professional Charges	335,860.00	67,700.00
Membership Fees	162,250.00	181,600.00
Misc. & General Exp.	60,717.00	28,974.00
Office Expenses	38,004.00	47,794.00
Postage & Telegram	20,435.00	13,498.00
Printing & Stationary	31,034.00	30,033.00
Processing Fees	-	700,000.00
Rates & taxes	-	173,925.00
Rent paid	70,800.00	135,600.00
ROC Filling Charges	4,211.00	25,134.00
Security Transaction Tax	12,372.00	19,748.00
Telephone Expenses	18,351.00	18,426.00
Travelling , Loadging & Fooding	47,002.00	36,883.00
Interest on Inocme Tax	29,047.00	-
Total	967,602.00	7,879,642.00

Payments to the auditor as	For the year ended 31st March 2020	For the year ended 31st March 2019
a. Audit Fees	60,000.00	60,000.00
b. GST on The Audit Fees	10,800.00	-
Total	70,800.00	60,000.00

Note-23 Related Party Disclosure

List of Related Parties

Mr. ROHIT JAIN
Mr. MAYUR JAIN
Mrs. MADHU DOSHI
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

Relation

MANAGING DIRECTOR
DIRECTOR
DIRECTOR
COMMON DIRECTOR
COMMON DIRECTOR
COMMON DIRECTOR
DIRECTOR'S WIFE IS DIRECTOR
COMMON DIRECTOR
DIRECTOR IS PARTNER
PARTNER IS RELATIVE OF DIRECTOR

Transactions During The Year with Related Parties

<u>Nature of Transactions</u>	<u>Amount (In Rs.)</u>	<u>Amount (In Rs.)</u>
RENTAL EXPENSES (MADHU DOSHI)	70,800.00	135,600.00
INTEREST PAID (DMAX POLYMER PRIVATE LIMITED)	606,514.00	1,058,340.00
INTEREST INCOME (DEV KRIPA DEVELOPERS PVT. LTD.)	3,684,730.00	5,015,014.00
INTEREST INCOME (INNOVO INFRATECH LLP)	479,587.00	574,151.00
INTEREST INCOME (GITANJALI FINVEST PVT. LTD.)	1,097,955.00	1,589,200.00
INTEREST INCOME (MOTI LAL BANARSI DAS)	58,426.00	-

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NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

(Figure's in Rs.)

Note -24 Provisions & Write offs

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
	Rs.	Rs.
Contingent Provisions Against Standard Assets	94,137.00	-114,977.86
Provisions for NPA	2,405,384.00	12,990,000.00
Total	2,499,521.00	12,875,022.14

Note -25

Earnings Per Share	For the year ended 31st March 2020	For the year ended 31st March 2019
Net profit / (loss) for the year from continuing operations attributable	1,671,276.00	-5,532,181.00
Weighted average number of equity shares	10,148,090.00	10,148,090.00
Par value per share	10.00	10.00
Basic Earnings per share	0.16	-0.55
Diluted Earnings per share	0.16	-0.55

Note 26 In the opinion of the Board and to the best of their knowledge and belief the value on realization of loans, advances and current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet except in case of those considered doubtful or NPA.

Note 27 Balances of some Loans & Advances are subject to confirmation from the parties and consequently reconciliation/adjustment arising there from if any. The management however does not expect any material variations.

Note 28 Previous Years figures have been regrouped/reclassified wherever necessary to correspond with current year classification/disclosure.

For and on behalf of the Board

FOR NJG & CO.
CHARTERED ACCOUNTANTS

MAYUR JAIN
DIRECTOR
DIN:00626354

ROHIT JAIN
MG. DIRECTOR
DIN:00626369

(CA SUYASH RAJ NAHATA)
PARTNER
Firm's Reg. No. 019718N
Mem. No. 529644

MUKESH KUMAR
C.F.O.

SHIVANI SAXENA
COMPANY SECRETARY
M. NO. 46113

UDIN : 20529644AAAABT9849
PLACE : NEW DELHI
DATED : 31.07.2020

DETAIL OF BALANCESHEET FOR THE YEAR ENDED 31.03.2019												
#	CURRENT YEAR (31.03.2020)			CURRENT YEAR (31.03.2019)			LAST YEAR (31.03.2018)			LAST YEAR		
	LONG	SHORT	TOTAL	LONG	SHORT	TOTAL	LONG	SHORT	TOTAL	LONG	SHORT	TOTAL
# SECURED LOAN	-	-	-	-	-	-	-	-	-	-	-	-
# UNSECURED LOAN												
DMAX PLOYMERS PRVATE LIMITED	2,291,950.00	-	2,291,950.00	10,021,087.00	-	10,021,087.00	8,994,384.00	-	8,994,384.00	6,903,667.00	-	6,903,667.00
MADHUKAR BAJAJ	-	-	-	-	-	-	-	-	-	148,269.00	-	148,269.00
ANJALI BAJAJ	-	-	-	-	-	-	-	-	-	-	224,801.00	224,801.00
DIPIKA POLYMERS PVT LTD	-	-	-	-	-	-	-	-	-	-	440,005.00	440,005.00
D.R. INTERNATIONAL PVT LTD	-	-	-	-	-	-	-	-	-	-	-	-
INST. OF INNOVATION IN TECH. & MGMT	32,049,795.00	-	32,049,795.00	-	-	-	-	-	-	-	-	-
	34,341,745.00	-	34,341,745.00	10,021,087.00	-	10,021,087.00	8,994,384.00	-	8,994,384.00	7,051,936.00	664,806.00	7,716,742.00
# EXPENSES PAYABLE												
NJG & Co. (Audit fee Payable)	-	54,000.00	54,000.00	-	54,000.00	54,000.00	-	45,000.00	45,000.00	-	50,000.00	50,000.00
Mayur Jain (Roc Charges)	-	33,600.00	33,600.00	-	33,600.00	33,600.00	-	33,600.00	33,600.00	-	-	-
Madhu Doshi (Rent Payable)	-	376,920.00	376,920.00	-	306,120.00	306,120.00	-	170,520.00	170,520.00	-	-	-
Salary Payable	-	117,800.00	117,800.00	-	69,240.00	69,240.00	-	72,000.00	72,000.00	-	116,000.00	116,000.00
Internal Audit Fees Payable	-	15,000.00	15,000.00	-	15,000.00	15,000.00	-	-	-	-	-	-
EMKAY PRINTERS	-	-	-	-	1,950.00	1,950.00	-	-	-	-	-	-
Alankit Assignment Ltd	-	2,950.00	2,950.00	-	-	-	-	-	-	-	-	-
Saurabh Aggarwal & Co	-	232,560.00	232,560.00	-	-	-	-	-	-	-	-	-
Interest payable (DMAX)	-	-	-	-	-	-	-	-	-	-	-	-
	-	832,830.00	832,830.00	-	479,910.00	479,910.00	-	321,120.00	321,120.00	-	166,000.00	166,000.00
# SUNDRY CREDITORS												
RELIANCE SECURITIES LIMITED	-	-	-	-	-	-	-	12,520,516.44	12,520,516.44	-	1,020,688.71	1,020,688.71
INDIA INFOLINE	-	-	-	-	124.39	124.39	-	26,368.05	26,368.05	-	503,957.00	503,957.00
Bombay Stock Exchange	-	-	-	-	-	-	-	-	-	-	180,000.00	180,000.00
	-	-	-	-	124.39	124.39	-	12,546,884.49	12,546,884.49	-	1,704,645.71	1,704,645.71
# STATUTORY LIABILITY												
TDS Payable (INTEREST)	-	66,184.00	66,184.00	-	146,792.00	146,792.00	-	76,746.00	76,746.00	-	28,185.00	28,185.00
TDS Payable (Professional)	-	29,900.00	29,900.00	-	6,000.00	6,000.00	-	10,000.00	10,000.00	-	5,000.00	5,000.00
	-	96,084.00	96,084.00	-	152,792.00	152,792.00	-	86,746.00	86,746.00	-	33,185.00	33,185.00
# LOAN & ADVANCE												
Divine Polymers	2,100,000.00	-	2,100,000.00	1,100,000.00	-	1,100,000.00	1,116,067.00	-	1,116,067.00	-	-	-
Gurmeet Kaur Kalra	-	-	-	-	-	-	2,970,920.00	-	2,970,920.00	2,970,920.00	-	2,970,920.00
Nova Electronics	-	-	-	-	-	-	2,936,281.00	-	2,936,281.00	2,936,281.00	-	2,936,281.00
Real Polymers	5,000,000.00	-	5,000,000.00	5,000,000.00	-	5,000,000.00	2,207,000.00	-	2,207,000.00	2,300,000.00	-	2,300,000.00
Raju Guabrai Shah	-	-	-	-	-	-	-	-	-	399,977.00	-	399,977.00
Shah Pragaben	-	-	-	-	-	-	-	-	-	398,330.00	-	398,330.00
Tirupati Enterprises	-	-	-	-	-	-	-	-	-	207,453.00	-	207,453.00
Sperry Plast Ltd	-	-	-	-	-	-	-	-	-	-	-	-
Kamal Ideal Infatech Pvt Ltd	32,052,562.00	-	32,052,562.00	-	-	-	-	-	-	-	-	-
	39,152,562.00	-	39,152,562.00	8,005,384.00	-	8,005,384.00	14,230,268.00	-	14,230,268.00	9,212,961.00	-	9,212,961.00
LOAN & ADVANCE-NPA												
DIN DAYAL REAL ESTATES	12,990,000.00	-	12,990,000.00	12,990,000.00	-	12,990,000.00	13,240,000.00	-	13,240,000.00	12,000,000.00	-	12,000,000.00
PRITESH CHANDER KANT KOTHARI	2,405,384.00	-	2,405,384.00	-	-	-	-	-	-	-	-	-
	-	-	15,395,384.00	12,990,000.00	-	12,990,000.00	13,240,000.00	-	13,240,000.00	12,000,000.00	-	12,000,000.00
# LOAN & ADVANCE (RELATED PARTY)												
Dev Kripa Developers Pvt Ltd	49,341,034.00	-	49,341,034.00	51,731,304.00	-	51,731,304.00	52,490,832.00	-	52,490,832.00	60,401,372.00	-	60,401,372.00
Gitanjali Finvest Pvt Ltd.	7,831,228.00	-	7,831,228.00	11,033,273.00	-	11,033,273.00	11,302,993.00	-	11,302,993.00	10,134,795.00	-	10,134,795.00
Inovo Infatech LLP	5,700,000.00	-	5,700,000.00	6,400,000.00	-	6,400,000.00	6,317,113.00	-	6,317,113.00	-	-	-
Dada Aadinath project Pune	-	-	-	5,389,272.00	-	5,389,272.00	4,857,388.00	-	4,857,388.00	4,377,998.00	-	4,377,998.00
I.K. Polymers North Pvt Ltd	-	-	-	1,931,303.00	-	1,931,303.00	2,036,303.00	-	2,036,303.00	4,536,303.00	-	4,536,303.00
Moti Lal Banarasi Dass	6,000,000.00	-	6,000,000.00	-	-	-	-	-	-	-	-	-
	108,024,824.00	-	108,024,824.00	76,485,152.00	-	76,485,152.00	77,004,629.00	-	77,004,629.00	79,450,468.00	-	79,450,468.00
LOAN & ADVANCE-NPA (RELATED PARTY)												
Dada Aadinath project Pune	-	-	-	-	-	-	-	-	-	-	-	-
I.K. Polymers North Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-
LOAN & ADVANCE OTHERS												
Advance Tax	-	-	-	-	-	-	-	500,000.00	500,000.00	-	-	-
Income Tax Stay Amount	332,670.00	-	332,670.00	332,670.00	-	332,670.00	332,670.00	-	332,670.00	300,000.00	-	300,000.00
Income Tax Refund (2016-2017)	-	441,026.00	441,026.00	-	441,026.00	441,026.00	-	441,026.00	441,026.00	-	-	-
Income Tax Refund (FY 2017-2018)	-	1,093,682.00	1,093,682.00	-	1,093,682.00	1,093,682.00	-	-	-	-	-	-
TDS Receivable (F.Y. 2018-2019)	-	-	-	-	831,898.00	831,898.00	-	593,682.00	593,682.00	-	771,696.00	771,696.00
MAT Receivable (F.Y. 2018-2019)	-	1,305,599.00	1,305,599.00	-	1,094,811.00	1,094,811.00	-	-	-	-	-	-
TDS Receivable (F.Y. 2019-2020)	-	658,270.00	658,270.00	-	-	-	-	-	-	-	-	-
CGST INPUT	-	-	-	-	-	-	-	5,512.50	5,512.50	-	-	-
SGST INPUT	-	-	-	-	-	-	-	5,512.50	5,512.50	-	-	-
IGST INPUT	-	-	-	-	-	-	-	11,700.00	11,700.00	-	-	-
	332,670.00	3,498,577.00	3,831,247.00	332,670.00	3,461,417.00	3,794,087.00	332,670.00	1,557,433.00	1,890,103.00	300,000.00	771,696.00	1,071,696.00
OTHER ADVANCES												
Prepaid Expenses	6,424.00	-	6,424.00	-	-	-	3,470.00	-	3,470.00	-	-	-
KK SECURITY	-	-	-	-	-	-	188.85	-	188.85	188.85	-	188.85
INDIA INFOLINE LTD	-	874.63	874.63	-	-	-	-	-	-	-	-	-
RELIANCE SECURITIES LIMITED	-	-	-	41,150.28	-	41,150.28	-	-	-	-	-	-
Sharad Chandra	3,774,631.84	-	3,774,631.84	3,774,631.84	-	3,774,631.84	3,774,631.84	-	3,774,631.84	-	-	-
Vimal Moulders India	-	-	-	5,300,000.00	-	5,300,000.00	8,400,000.00	-	8,400,000.00	8,400,000.00	-	8,400,000.00
Vimal Plast India	-	-	-	-	-	-	360,000.00	-	360,000.00	360,000.00	-	360,000.00
	3,781,056.00	875.00	3,781,930.00	9,074,632.00	41,150.00	9,115,782.00	12,538,291.00	-	12,538,291.00	8,760,189.00	-	8,760,189.00
Please explain as per AS-18												
LOAN & ADVANCE (OTHERS)												
BALANCE WITH BANK												
KOTAK BANK A/C NO. 610011020792	1,397,538.27	-	1,397,538.27	1,275,897.02	-	1,275,897.02	750,799.71	-	750,799.71	-	-	-
PNB - 5055	32,143.52	-	32,143.52	32,143.52	-	32,143.52	32,143.52	-	32,143.52	-	-	-
TAMILNADU MER. BANK LTD.	5,733.67	-	5,733.67	5,733.67	-	5,733.67	5,733.67	-	5,733.67	-	-	-
	1,435,415.46	-	1,435,415.00	1,313,774.21	-	1,313,774.00	788,676.90	-	788,676.00	-	-	-

ARIHANT CLASSIC FINANCE LIMITED

(ASSESSMENT YEAR 2020-2021)

ANNEXURE -A

SCHEDULE OF FIXED ASSETS FOR THE YEAR ENDED 31.03.2020 AS PER INCOME TAX ACT

<u>PARTICULARS</u>	<u>OPENING</u>	<u>ADDITION</u>		<u>SALE</u>	<u>TOTAL</u>	<u>DEPRECI-</u>	<u>CLOSING</u>
		<u>FROM</u>	<u>FROM</u>				
	<u>BALANCE</u>	<u>01.4.19 to</u>	<u>1.10.19 TO</u>	<u>DURING</u>			<u>BALANCE</u>
	<u>01/04/2019</u>	<u>30.09.19</u>	<u>31.03.2020</u>	<u>THE YEAR</u>			<u>31.03.2020</u>
<u>BLOCK A (40%)</u>							
COMPUTER	-	-	-	-	-	-	-
<u>BLOCK A (15%)</u>							
OFFICE EQUIPMENT	942.00	-	-	-	942.00	141.00	801.00
CAR (CAPTIVA)	-	-	-		-	-	-
MOBILE PHONE	13,636.00				13,636.00	2,045.00	11,591.00
<u>BLOCK A (10%)</u>							
FURNITURE & FIXTURES	207.00	-	-	-	207.00	21.00	186.00
	14,785.00	-	-	-	14,785.00	2,207.00	12,578.00

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GUJARAT-380006			
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			-
STATEMENT OF DEFFERED TAX ASSETS AS ON 31.03.2020			181,254.00
DEPRECIATION FOR THE YEAR ENDING 31.03.2020 AS PER COMPANIES ACT			-
DEPRECIATION FOR THE YEAR ENDING 31.03.2020 AS PER INCOME TAX			1,103.50
DIFFERENCE			(1,103.50)
TAX LIABILITIES @ 25%			(276)
Add:- SC @ 5%			
Add. Cess @4%			(11)
			(287.00)
			-
Balance Provided			180,967.00

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH, 2020

Corporate Information

ARIHANT CLASSIC FINANCE LIMITED. is a NBFC incorporated on 3rd April, 1995 under Companies Act, 1956 and registered under Section 45IA of RBI Act as NBFC as NBFC's Non - Accepting Public Deposits. It has one associate named Deepika Polymer Private Limited.

Note – 1

Significant Accounting Policies and Notes on Accounts

A. Significant Accounting Policies:

1) Basis of Accounting and preparation of consolidated financial statements

The Consolidated Financial Statement have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India and presented under the historical cost convention on accrual basis of accounting to comply with the Accounting Standards specified under section 133 of Companies Act, 2013 read with rule 7 of Companies (Accounts) Rules, 2014.

2) Use of Estimates:

- a) In preparing the consolidated financial statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and the amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognized in the period the same is determined.
- b) An associate is an entity our which the company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The results, assets and liabilities of associate are incorporated in these financial statements using the equity method of accounting.
- c) An interest in associate is accounted for using the equity method from the date in which the investee becomes and associate and are recognized initially at cost. The consolidated financial statements include the share of profit or loss of the associate company from the date the influence commences until the date that the joint control/significance influence ceases.

The consolidated financial statement comprises the financial statements of parent company and its associate M/s Deepika Polymer Pvt. Ltd. as on 31st March, 2020. The

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company is holding 30.39% in its associate M/s Deepika Polymer Pvt. Ltd. which is also incorporated in India.

d) The consolidated financial statements have been prepared and presented in Indian Rupees which is also the associate's functional currency. The company has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of Assets and Liabilities.

3) Fixed Assets:

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

4) Depreciation:

- Depreciation on tangible assets/Intangible Assets is provided over its useful life specified in schedule II to the Companies Act 2013 on written down value method. Depreciation on fixed assets added / disposed of during the year is provided on the pro rata basis.
- The cost and the accumulated depreciation for the fixed assets sold or otherwise disposed off are removed from the stated values and resulting gain and losses are recognized in statement of profit and loss.

5) Inventory:

- a) Inventories are stated at the lower of cost and net realizable value generally. Net realizable value represents the estimated selling price for inventories less all estimated cost necessary to make the sale. Cost of inventories comprises of cost of purchase and other cost incurred in bringing them to their respective location and condition. That due to COVID-19 lockdown the market had crashed near to closing date of the balance sheet for short term period bringing the value of the inventory held below the cost price. But then market recovered also within a few days hence the company has not revalued its closing stock at market price.

6) Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and cost attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired or partly acquired, by the issue of share or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by the reference to the fair value

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of the asset given up or by the reference to the fair value of the investment acquired whichever is clearer evident.

Current investments are carried in the consolidated financial statement at lower of the cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in value is made to recognize a decline other than temporary in the value of the investments.

The value of investment in associate has been valued at cost plus adjustment of share of profit/loss accumulated from the year of purchase of shares till the date of Balance Sheet on the basis of percentage of holding of share capital by parent company in associate.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charges or credited to the statement of Profit and Loss

7) Cash & Cash Equivalents:

Cash and cash equivalents for the purpose of consolidated cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

8) Revenue Recognition:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Interest income is accounted on accrual basis except for NPA loans

9) Foreign Transactions:

- The transactions in foreign currencies remaining outstanding at the end of the year are translated at the exchange rate prevailing on the date of Balance Sheet.
- Exchange gain/loss on transactions relating to liabilities incurred to acquire fixed assets is treated as an adjustment to the cost of fixed asset.
- Exchange gains and losses on transaction other than those relating to fixed asset are adjusted in the Profit & Loss Account.

10) Employee Benefits:

No provision for gratuity or other retirement benefits have been made in the accounts for the year. As per policy of the Company the same shall be provided as and when employee leave.

11) Earning Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

12) Taxation:

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- Provision for current tax is made in accordance with the provision of Income Tax Act, 1961. If any further liability arises on account of tax for the year under audit, the same shall be considered on payment basis.
- Deferred tax assets and liabilities are recognized for future tax consequences attributable to the timing differences that results between the profits offered for income tax and profit as per the financial statements. Deferred tax assets and liabilities are measured as per the tax rates/laws that have been enacted or substantively enacted by the Balance Sheet date.

13) Provisions and Contingencies:

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

14) Borrowing Cost:

- Borrowing cost on working capital requirement is charged off to revenue in the period in which they are incurred.
- Borrowing cost, which is directly attributable to the acquisition, construction of Fixed Assets has been capitalized as part of the assets.

15) Recent Accounting Pronouncements

Consequent to the introduction of goods and service tax (GST) with effect from 01st July, 2017, VAT, Service Tax etc. have been subsumed into GST. With the change in structure of indirect taxes, expenses are also being reported net of taxes. Accordingly, financial statements for the year ended 31st March, 2020 are not comparable with the figures of the previous year.

15) Previous Year Figures:

Previous year's figures have been rearranged and regrouped wherever necessary so as to make them comparable with those of the current year.

16) Other Matter:

Nil

FOR ARIHANT CALSSIC FINANCE LIMITED

(Director)