



DEVADIYA & ASSOCIATES
CHARTERED ACCOUNTANTS

CIN:- U80301GJ2007PLC050413

ARIHANT INSTITUTE LIMITED

AUDIT REPORT

FINANCIAL YEAR
2020-2021

Registered Office

**201,202, Ratna High Street, Naranpura Cross road,
Naranpura Ahmedabad - 380013**

A-203, Namastyan Complex, Nr. Suresh Cross Road,
Naranpura, Ahmedabad-380008.
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Offices at : Ahmedabad & Baroda



DEVADIYA & ASSOCIATES
CHARTERED ACCOUNTANTS

UDIN:21112495AAAACM1973

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
ARIHANT INSTITUTE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **ARIHANT INSTITUTE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit / (loss) and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.





Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Evaluation of uncertain tax positions The Company has material uncertain tax positions including matters under dispute / confirmed which involves significant judgment to determine the possible outcome of these disputes. <i>Refer Notes 6 to the Standalone Financial Statements</i></p>	<p>Principal Audit Procedures Obtained details of completed tax assessments and demands for the year ended March 31, 2021 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2021 to evaluate whether any change was required to management's position on these uncertainties.</p>

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

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

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





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In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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





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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.





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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standard as specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:





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In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Place: Ahmedabad

Date: 02.11.2021

For, DEVADIYA & ASSOCIATES.

Chartered Accountants

FRN : 0123045W

CA Sanjay Devadiya
PARTNER

Membership number:112495

UDIN:21112495AAAACM1973





"Annexure A" to the Independent Auditor's Report
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 of **ARIHANT INSTITUTIONS LIMITED** ("the Company") as of March 31, 2021 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls 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 of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial 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.

CA

DEVADIYA & ASSOCIATES
CHARTERED ACCOUNTANTS

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

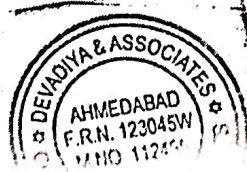
Place: Ahmedabad

Date: 02.11.2021

For DEVADIYA & ASSOCIATES.

Chartered Accountants

FRN : 0123045W



CA Sanjay Devadiya

PARTNER

Membership number:112495

UDIN:21112495AAAACM1973

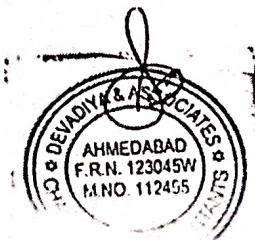


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"Annexure B" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2021:

- 1) In respect of the Company's fixed assets:
 - (a) The Company has maintained proper 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 asset has been physically verified by the management during the year and according to the information and explanations given to us, no material discrepancies between the book's records and the physical fixed assets have been noticed.
 - (c) There is no immovable property in the name of the company and hence this clause is not applicable.
- 2) In respect of the Company's Inventory:
 - (a) The management has conducted the physical verification of inventory at reasonable intervals.
 - (b) The discrepancies noticed, if any, on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.



6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

7) (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 not regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, GST, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.

(b) According to the information and explanations given to us, undisputed amounts payable in respect of the above were in arrears as at March 31, 2021 for a period of more than six months from the date on when they become payable as under;

Sr. No.	Particulars	Amount outstanding
1	GST PAYABLE	3480618
2	TDS PAYABLE	3199777
3	P.F. PAYABLE	64164
4	P. T. PAYABLE	7922

(c) According to the information and explanation given to us, there are no dues of sales tax, service tax, GST, Duty of customs, duty of excise, value added tax, outstanding on account of any dispute.

8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures. Hence reporting under this clause of the Order is not applicable to the Company.

9) Based upon the audit procedures performed and the information and explanations given by the management, during the year the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no material fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.



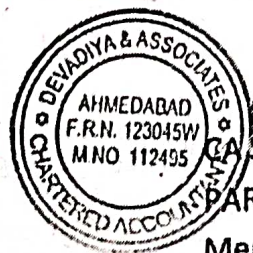


DEVADIYA & ASSOCIATES
CHARTERED ACCOUNTANTS

- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the standalone Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment 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.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, 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 Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

Place: Ahmedabad
Date:02.11.2021

For DEVADIYA & ASSOCIATES.
Chartered Accountants
FRN : 123045W



Sanjay Devadiya
CA Sanjay Devadiya
PARTNER

Membership number:112495
UDIN:21112495AAAACM1973

ARIHANT INSTITUTE LIMITED
Balance Sheet as at 31st March, 2021

Particulars	Sch No.	As at 31st March, 2021	As at 31st March, 2020
1	2	3	4
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			9,40,50,060
(a) Share capital	1	9,40,50,060	4,27,25,512
(b) Reserves and surplus	2	4,15,72,105	
2 Share application money pending allotment			
3 Non-current liabilities			10,49,986
(a) Long-term borrowings	3	10,49,986	
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long-term provisions		-	-
4 Current liabilities			15,07,236
(a) Short-term borrowings		-	-
(b) Trade payables		12,32,236	66,97,094
(c) Other current liabilities	4	67,52,481	8,53,000
(d) Short-term provisions	5	8,53,000	
TOTAL		14,55,09,869	14,68,82,889
II. ASSETS			
1 Non-current assets			5,04,24,651
(a) Fixed assets	6	4,91,50,649	-
(b) Non-current investments		-	8,97,170
(c) Deferred tax assets (net)	7	10,17,896	3,67,54,670
(d) Long-term loans and advances	8	3,67,54,670	1,19,94,455
(e) Other non-current assets		1,19,94,455	
2 Current assets			5,37,918
(a) Current investments		-	4,33,21,035
(b) Inventories	9	5,37,918	3,52,813
(c) Trade receivables	10	4,33,19,512	26,00,177
(d) Cash and cash equivalents	11	1,45,760	
(e) Short-term loans and advances	12	25,89,010	
TOTAL		14,55,09,869	14,68,82,889

See accompanying notes to the financial statements
As per our Audit Report of even date attached herewith



FOR DEVADIYA & ASSOCIATES
Chartered Accountants
FRN No: 123045W

Sandip
CA Sandip Devadiya
Partner
Mem. No. : 112495

UDIN:21112495AAAACM1973
Place : AHMEDABAD
Date : 02/11/2021

99
Sandip Vinodkumar Kamdar
Whole Time Director & CEO
DIN NO:00043214



For and on behalf of
ARIHANT INSTITUTE LIMITED

Vinodbhai
Vinodbhai Shah
Non-Exe. Director
DIN NO:08033798

Sanchita
Sanchita Ojha
Company Secretary
M No. A64450

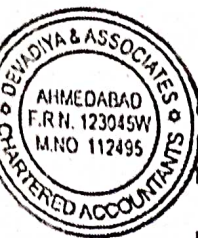
Place: Ahmedabad
Date : 02/11/2021

ARIHANT INSTITUTE LIMITED
Profit and loss statement for the year ended 31st March, 2021

Particulars	Refer Note No.	31st March, 2021	31st March, 2020
I. Revenue from operations			
II. Other Income	14	3,07,706	56,67,018
III. Total Revenue (I + II)	15		
IV. Expenses:		3,07,706	56,67,018
Cost of materials sold and service provided	16	1,00,871	10,05,511
Employee benefits expense	17	1,45,461	12,29,464
Finance costs	18	6,478	20,993
Depreciation and amortization expense	7	12,74,002	13,29,045
Other expenses	19	55,027	16,91,239
Total expenses		15,81,839	52,76,252
Profit before exceptional and extraordinary items and tax (III-IV)		(12,74,133)	3,90,766
VI. Exceptional items			
VII. Profit before extraordinary items and tax (V - VI)		(12,74,133)	3,90,766
VIII. Extraordinary items			
IX. Profit before tax (VII- VIII)		(12,74,133)	3,90,766
X Tax expense:			
(1) Current tax			78,000
(2) Deferred tax		(1,20,726)	(40,563)
Profit (Loss) for the period from continuing operations (VII- XI VIII)		(11,53,407)	3,53,329
XV Profit (Loss) for the period (XI + XIV)		-11,53,407	3,53,329
XII Earnings per equity share:			
(1) Basic		-0.12	0.04
(2) Diluted		-0.12	0.04

See accompanying notes to the financial statements
As per our Audit Report of even date attached herewith

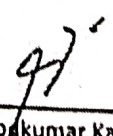
FOR DEVADIYA & ASSOCIATES
Chartered Accountants
FRNo: 123045W

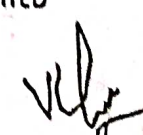


CA Sanjay Devadiya
Partner
Mem. No. : 112495

UDIN:21112495AAAACM1973
Place : AHMEDABAD
Date : 02/11/2021

For and on behalf of
ARIHANT INSTITUTE LIMITED

x 
Sandip Vinod Kumar Kamdar
Whole Time Director & CEO
DIN NO:00043214

x 
Vinodbhal Shah
Non-Exe. Director
DIN NO:08033798

x 
Sanchita Ojha
Company Secretary
M No. A64450

Place : AHMEDABAD
Date : 02/11/2021



ARIHANT INSTITUTE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

All amounts in rupees unless otherwise stated

Particulars	2020-21	2019-20
A. Cash Flow from operating activities	(12,74,133)	3,90,766
Profit before taxation		
<u>Adjustments for :</u>	12,74,002	13,29,045
Depreciation	-	-
(Profit) / Loss on sale of Fixed Assets	6,478	20,993
Financial Expenses	-	-
Interest Income	6,347	17,40,804
Operating profit before working capital changes		
Movements in Working Capital :	1,523	(33,32,950)
(Increase)/Decrease in Sundry Debtors	-	1,42,216
(Increase)/Decrease in Inventories	(2,75,000)	5,52,258
Increase/(Decrease) in Trade Payables	55,387	(31,33,764)
Increase/(Decrease) in Current Liability	11,167	18,77,472
(Increase)/Decrease in Loans and Advances	-	(0)
(Increase)/Decrease in Other Non current assets	(2,00,576)	(21,53,963)
Cash (used in) / generated from operations	-	(78,000)
Direct taxes paid (net of refunds)		
Net cash (used in) / generated from operating activities (A)	(2,00,576)	(22,31,963)
B. Cash flows from investing activities		
Purchase of fixed assets	-	(62,05,236)
(Increase)/Decrease in Loans and Advances - long	-	66,05,026
Dividends received	-	-
Interest received	-	-
Net cash used in investing activities (B)	-	3,99,790
C. Cash flows from financing activities		
Increase/(Decrease) in Share Capital	-	-
Increase/(Decrease) in Long Term Borrowing	-	8,39,670
Increase/(Decrease) in Secured Loan - CC loan	-	-
Financial Expenses	(6,478)	(20,993)
Net cash from financing activities (C)	(6,478)	8,18,677
Net increase in cash and cash equivalents		
D=(A + B + C)	(2,07,054)	(10,13,496)
Cash and cash equivalents at the beginning of the year	3,52,818	13,66,314
Cash and cash equivalents at the end of the year	1,45,763	3,52,818



ARIHANT INSTITUTE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

All amounts in rupees unless otherwise stated

Particulars	2020-21	2019-20
A. Cash Flow from operating activities		
Profit before taxation	(12,74,133)	3,90,766
Adjustments for :		
Depreciation	12,74,002	13,29,045
(Profit) / Loss on sale of Fixed Assets	-	-
Financial Expenses	6,478	20,993
Interest Income	-	-
Operating profit before working capital changes	6,347	17,40,804
Movements in Working Capital :		
(Increase)/Decrease in Sundry Debtors	1,523	(33,32,950)
(Increase)/Decrease in Inventories	-	1,42,216
Increase/(Decrease) in Trade Payables	(2,75,000)	5,52,258
Increase/(Decrease) in Current Liability	55,387	(31,33,754)
(Increase)/Decrease in Loans and Advances	11,167	18,77,472
(Increase)/Decrease in Other Non current assets	-	(0)
Cash (used in) / generated from operations	(2,00,576)	(21,53,963)
Direct taxes paid (net of refunds)	-	(73,000)
Net cash (used in) / generated from operating activities (A)	(2,00,576)	(22,31,963)
B. Cash flows from investing activities		
Purchase of fixed assets	-	(62,05,236)
(Increase)/Decrease in Loans and Advances - long	-	66,05,026
Dividends received	-	-
Interest received	-	-
Net cash used in investing activities (B)	-	3,99,790
C. Cash flows from financing activities		
Increase/(Decrease) in Share Capital	-	-
Increase/(Decrease) in Long Term Borrowing	-	8,39,670
Increase/(Decrease) in Secured Loan - CC loan	-	-
Financial Expenses	(6,478)	(20,993)
Net cash from financing activities (C)	(6,478)	8,18,677
Net increase in cash and cash equivalents D=(A + B + C)	(2,07,054)	(10,13,496)
Cash and cash equivalents at the beginning of the year	3,52,818	13,66,314
Cash and cash equivalents at the end of the year	1,45,763	3,52,818



Components of cash and cash equivalents	As at March 31, 2020	As at March 31, 2019
Cash on hand	36,387	2,41,295
With Scheduled Banks		
- in Current Account	1,09,373	1,11,518
- in Term Deposit Accounts	-	-
Total	1,45,763	3,52,813

Notes:

1) The figures in brackets represent outflows.

2) Previous periods' figures have been regrouped / reclassified, wherever necessary, to confirm to current year presentation.

3) The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard-3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.

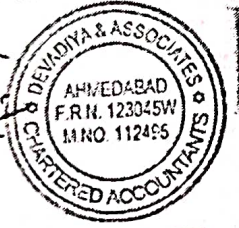
As per our report of even date
FOR DEVADIYA & ASSOCIATES

Chartered Accountants

FRNo: 123045W

CA Sanjay Devadiya
Partner
Mem. No. : 112495

Place : Ahmedabad
Date : 02/11/2021



For and on behalf of
ARIHANT INSTITUTE LTD

Sandip Vinodkumar Kamdar
Whole Time Director & CEO
DIN NO:00043214

Place: Ahmedabad
Date : 02/11/2021

Vinodbhai Shah
Non-Exe. Director
DIN NO:08033798

Sanchita Ojha
Company Secretary
M No. A64450

ARIHANT INSTITUTE LIMITED
Notes forming part of financial statements

Schedule 1
Share capital

Share Capital	2020-21		2019-20	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs. 10/- each	95,00,000	9,50,00,000	95,00,000	9,50,00,000
Issued				
Equity Shares of Rs. 10/-each	94,05,006	9,40,50,060	94,05,006	9,40,50,060
Subscribed & Paid up				
Equity Shares of Rs.10/- each fully paid	94,05,006	9,40,50,060	94,05,006	9,40,50,060
Total	94,05,006	9,40,50,060	94,05,006	9,40,50,060

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	2020-21		2019-20	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	94,05,006	9,40,50,060	94,05,006	9,40,50,060
Shares Issued during the year	-	-	-	-
Shares Converted from Pref to Equity Shares	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	94,05,006	9,40,50,060	94,05,006	9,40,50,060

Shares in the company held by each shareholder holding more than 5 percent shares

Name of Shareholder	2020-21		2019-20	
	No. of Shares	% of Holding	No. of Shares	% of Holding
SANDEEP V KAMDAR	7,61,115	8.09%	7,61,115	8.09%
VINODBHAI K KAMDAR	6,48,000	6.89%	6,48,000	6.89%
ANJALI S KAMDAR	6,70,000	7.12%	6,70,000	7.12%
MADHUBEN V KAMDAR	13,25,000	14.09%	13,25,000	14.09%
	36,04,115	38.32%	36,04,115	38.32%

Schedule 2

Reserves and surplus

	2020-21	2019-20
a. Surplus in Statement of Profit and Loss		
Opening balance		(2,05,77,754)
(+) Net Profit/(Net Loss) For the current year	(2,02,24,425)	3,53,329
(+) Transfer from Reserves	(11,53,407)	-
(-) Proposed Dividends	-	-
(-) Bonus Issued	-	-
(-) Transfer to Reserves	-	-
Closing Balance	(2,13,77,832)	(2,02,24,425)
Share Premium		
Opening balance	6,29,49,940	6,29,49,940
Add: Equity Shares Issued at premium during year	-	-
Total	4,15,72,108	4,27,25,515



Schedule 3

Long Term Borrowings

	2020-21	2019-20
Secured & Unsecured		
(a) Term loans - Secured		
from banks & NBFCs		
from other parties		
Secured by mortgaged of Personal Assets of Directors and guarantees of Directors		
(b) Loans from Directors & Share Holder - Unsecured	10,49,986	10,49,986
	10,49,986	10,49,986
Total	10,49,986	10,49,986

Schedule 4

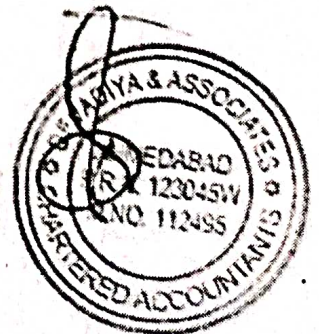
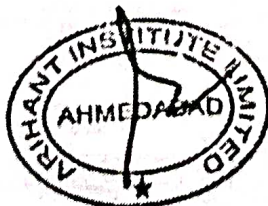
Other Current Liabilities

	2020-21	2019-20
Statutory Liabilities		
Service Tax Liability		
GST payable	34,80,618	34,25,231
TDS	31,99,777	31,99,777
PF	64,164	64,164
PROF. TAX	7,922	7,922
Total	67,52,481	66,97,094

Schedule 5

Short Term Provisions

	2020-21	2019-20
Taxation	8,53,000	8,53,000
Total	8,53,000	8,53,000



Schedule 7
Deffered Tax Assets

	2020-21	2019-20
Opening Balance		
Add: DTA during the period	8,97,170	8,56,607
	1,20,726	40,563
	10,17,896	8,97,170
	10,17,896	8,97,170

Schedule 8
Long Term Loans and Advances

	2020-21	2019-20
a. Security Deposits		
Secured, considered good		
Unsecured, considered good		
	-	-
b. Other loans and advances		
Secured, considered good		
<u>Unsecured, considered good</u>		
Loans and Advances	3,67,54,670	3,67,54,670
	3,67,54,670	3,67,54,670
	3,67,54,670	3,67,54,670

Schedule 9
Inventories

	2020-21	2019-20
a. Stock-in-trade (Valued at cost)	5,37,918	5,37,918
	5,37,918	5,37,918
Total	5,37,918	5,37,918

Schedule 10
Trade Receivables

	2020-21	2019-20
Trade receivables outstanding for a period less than six months from the date they are due for payment. Considered good		51,57,822
		51,57,822
Trade receivables outstanding for a period exceeding six months from the date they are due for payment and Considered good	4,33,19,512	3,81,63,213
	4,33,19,512	3,81,63,213
Total	4,33,19,512	4,33,21,035



Schedule 11

Cash and cash equivalents

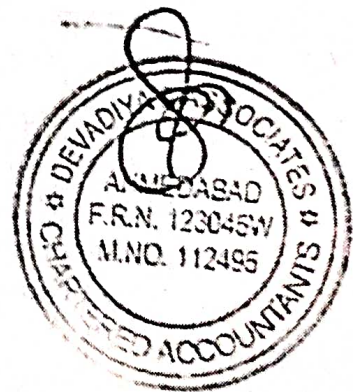
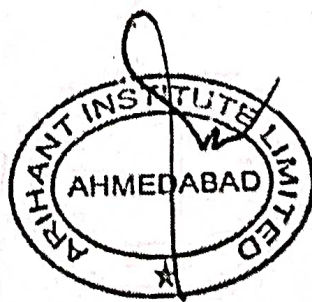
	2020-21	2019-20
a. Balances with banks		
Balance with Scheduled Banks	1,09,373	1,11,518
b. Cash on hand	36,387	2,41,295
	1,45,760	3,52,813

Schedule 12

Short-term loans and advances

Unsecured, considered good

	2020-21	2019-20
Prepaid Expenses & others	5,92,387	6,03,554
Deposit for Lease Premises & Others		
Advance to Faculties	6,94,959	6,94,959
Other Deposits	1,12,061	1,12,061
Advances	6,15,988	6,15,988
Balance with Government Department (Incl. Ad Tax and TDS)	5,73,615	5,73,615
	25,89,010	26,00,177



Schedule 14
Revenue from operations

Particulars	2020-21	2019-20
Sale of services-Coaching, E learning & Franchisee center	3,07,706	56,67,018
Total	3,07,706	56,67,018

Schedule 15
Other income

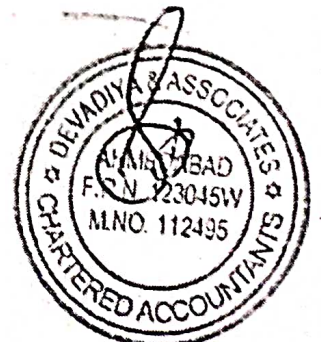
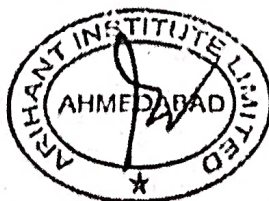
Particulars	2020-21	2019-20
Dividend Income	-	-
Other non-operating income (net of expenses directly attributable to such income)	-	-
Total	-	-

Schedule 16
Cost of materials sold & used & Services

Particulars	2020-21	2019-20
Opening Stock	5,37,918	6,80,134
Purchase	-	-
	5,37,918	6,80,134
Closing Stock	5,37,918	5,37,918
Cost of Services - Professers	1,00,871	8,63,295
Total	1,00,871	10,05,511

Schedule 17
Employee Benefits Expense

	2020-21	2019-20
(a) Salaries and incentives	1,20,000	12,00,000
(b) Contributions to -		
Provident fund & Superannuation scheme	-	-
(c) Staff welfare expenses	25,461	29,464
Total	1,45,461	12,29,464

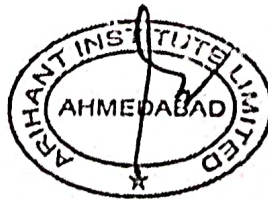


Schedule 18
Finance costs

Particulars	2020-21	2019-20
Interest expense	-	-
Other financial charges	6,478	20,993
Total	6,478	20,993

Schedule 19
Other expenses

Particulars	2020-21	2019-20
Audit Fees	25,000	-
Office Expenses / Miscellaneous Expenses	21,567	95,261
Post, Telephone & Telegram Expenses	8,460	42,394
Travelling, Conveyance and Vehicle Expenses	-	1,19,759
Power and fuel	-	1,31,070
Rent, Rates & Taxes	-	8,14,800
Repairs & Maintenance	-	4,87,955
Total	55,027	16,91,239



ARIHANT INSTITUTE LIMITED

Notes forming part of financial statements

Note 6

FIXED ASSETS FOR THE PERIOD ENDED 31-3-2021

Sr. No.	Particulars of Assets	GROSS BLOCK (AT COST)				DEPRECIATION			NET BLOCK		
		Opening Bal. as on 01-04-20	Addition during the period	Deduction during the period	Total as on 31-03-21	Balance as on 01-04-20	For the period	Deduction during period	Total as on 31-03-21	As on 31-03-21	As on 31.3.2020
TANGIBLE ASSETS :											
1.	Plant & Machinery	72,00,000	-	-	72,00,000	38,67,053	4,56,000	-	43,23,053	28,76,947	33,32,947
2.	Vehicles	9,66,909	-	-	9,66,909	7,16,109	1,14,820	-	8,30,929	1,35,980	2,50,800
3.	Furniture	60,41,207	-	-	60,41,207	35,41,562	5,73,915	-	41,15,477	19,25,730	24,99,645
4.	COMPUTER	81,76,164	-	-	81,76,164	67,18,872	1,29,267	-	68,48,139	13,28,025	14,57,292
5.	Recorded Content	2,20,18,498	-	-	2,20,18,498	-	-	-	-	2,20,18,498	2,20,18,498
INTANGIBLE ASSET :											
6.	Trademark	40,500	-	-	40,500	4,050	-	-	4,050	36,450	36,450
7.	Capital Work In Progress	2,08,29,018	-	-	2,08,29,018	-	-	-	-	2,08,29,018	2,08,29,018
TOTAL :-		6,52,72,296	-	-	6,52,72,296	1,36,64,828	12,74,002	-	1,61,21,647	4,91,50,649	5,04,24,651
P.Y. :-		5,90,67,060	62,05,236	-	6,52,72,296	1,36,64,828	13,29,045	-	1,48,47,645	5,04,24,651	4,55,48,461



ARIHANT INSTITUTE LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

A. SIGNIFICANT ACCOUNTING POLICIES:

1. **Basis of Preparation of Financial Statements**
The financial statements have been prepared and presented under the historical cost convention, on accrual basis of accounting in accordance with generally accepted accounting principles in India and the provisions of the Companies Act, 2013. They are prepared in accordance with the Accounting Standards specified under section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions to the extent applicable.
2. **Use of Estimates**
The preparation of Financial Statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made, that affects the reported amounts of assets and liabilities on the date of the Financial Statements and the reported amounts of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.
3. **Fixed Assets**
Fixed assets are stated at cost of acquisition or construction, net of recoverable taxes including any cost attributable for bringing the asset to its working condition for its intended use less accumulated depreciation and impairment loss, if any.
4. **Depreciation / Amortization**
Depreciation on fixed assets is provided on Straight Line Method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013.
5. **Inventories**
Finished goods, Work in progress & material is valued at cost including material cost and attributable overheads. Provision is made when expected realisation is lesser than the carrying cost. The inventories are stated at lower of cost and Net realizable value.
6. **Revenue Recognition**
The revenue is recognized on the mercantile basis. Revenue is recognized when significant risk and reward is transferred to Customers. Interest income is recognized on time proportionate basis.
7. **Foreign Currency Transactions**
Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.
 - a) Monetary items outstanding at the balance sheet date are translated at the exchange rate prevailing at the balance sheet date and the resultant difference is recognized as income or expense.
 - b) Non-monetary items outstanding at the balance sheet date are reported using the exchange rate at the date of the transactions.





8. **Employee Benefits**
- As certified by the management, the company has no liability under the Provident Fund & Super-annuation Fund.
 - It is explained to us that the company does not provide for any leave encashment and any liability arising thereon shall be paid and dealt with in the books of accounts at the actual time of payment.
 - Company does not made provision for Gratuity.

9. **Taxation**
- Current tax is measured at the amount expected to be paid/recovered from the taxation authorities, using the applicable tax rates and tax law. The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent period are recognized as deferred tax assets or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations. Deferred tax assets are recognized only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred assets can be realized. Deferred tax assets are recognized on carried forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits.

10. **Impairment of Assets**
- Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any such indication exists, then recoverable amount of the asset is estimated. An impairment loss, if any, is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the net selling price and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. The impairment loss recognised in a prior accounting period is reversed, if there has been a change in the estimate of recoverable amount.

11. **Earnings per Share**
- The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

12. **Contingent Liabilities & Provisions**

- A provision is recognized when there is a present obligation as a result of a past event 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 reviewed at each balance sheet date and adjusted to reflect the current best estimate.
- A disclosure for a contingent liability is made when there is a possible or present obligation that may but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.





NOTES ON ACCOUNTS

1) **Earnings per share (EPS)**

Sr. No.	Description	31st March 2021	31st March 2020
a)	Weighted average number of equity Shares of Rs.10/- each		
	a) Number of shares at the Beginning of the year	94,05,006	94,05,006
	ii) Number of shares at the End of the year	94,05,006	94,05,006
	Weighted average number of Equity Shares – Basic	94,05,006	94,05,006
	Weighted average number of Equity Shares – Diluted	94,05,006	94,05,006
b)	Net Profit/ (Loss) after tax available for Equity share-holders	(11,53,407)	3,53,329
c)	- Basic Earnings per Equity Share (in Rupees)	(0.12)	0.03
	- Diluted Earning per Equity Share (in Rupees)	(0.12)	0.03

2) **Related Party Disclosure:**

Key Managerial Personal:

- Sandip Vinodkumar Kamdar
- Rushiraj Patel (resigned w.e.f. 02.08.2019)
- Jigar Umeshbhai Shah (resigned w.e.f. 25.05.2019)
- Shivani Ketul Patel
- Vinodbhai Chimanlal Shah

Relatives of Key Managerial Personal –

- Anjali Sandip Kamdar
- Madhuben Vinodbhai Kamdar
- Vinodbhai K Kamdar





Transactions with related parties as under:

Sr. No.	Related Party	Nature of payment	Amount
1	Directors and their relatives	Remuneration	NIL (12,00,000)
1	Directors and their relatives	Unsecured Loan Payable at the end of year	
		Loan payable	10,49,986 (10,49,986)

3)

Expenditure in Foreign Currency on account of

Particulars	Current Year (Rs. In Lacs)	Previous Year (Rs. In Lacs)
	No such transaction	

4)

Earning in Foreign Currency on Account of

Particulars	Current Year (Rs. In Lacs)	Previous Year (Rs. In Lacs)
	No such transaction	

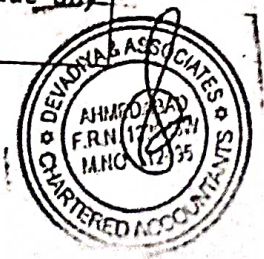
5)

DTA on carried forwarded loss has been not created in books of account as we get explanation from the management regarding virtual uncertainty regarding future taxable profit, so on prudence ground, it ignore creation of DTA while DTA-DTL already created on depreciation provision. In view of the management, there was no certainty to set off of the loss or depreciation arising due to timing difference and hence no provision for Deferred Tax Assets has been provided for the year under audit

6)

Matters underlying with Income Tax Department (under dispute / confirmed)

Sr No	Claims against the Company, not acknowledged as debts (1) for the Assessment Year;	31 st March, 2021
1	2013-14,	
	2017-18	216357
	2018-19	2753330
	2019-20	6302540
	2020-21	754180
		32290
As at March 31, 2021, claims against the company not acknowledged as debts in respect of income tax matters amounted to Rs. 1,00,58,697/-. These matters are pending before varlous Income Tax Authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a materal adverse effect on the Company's financial position and results of operations. However, the company has not made any provision in its books of accounts.		





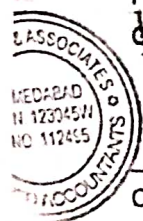
DEVADIYA & ASSOCIATES
CHARTERED ACCOUNTANTS

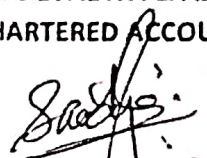
- 7) *In the current year, business operation adversely impacted due to pandemic situation and the operation of the company was majorly affected during the year under consideration. However, considering the managements' opinion that situation revive in normal and business cycle recovered gradually, we have considered the business as going concern.*
- 8) *Year 2020-2021 is operationally looks like non going concern, but it is exceptional situation for the world and hence management has assessed business as going concern.*
- 9) *Preliminary Expenses not written off during the year under Audit.*
- 10) *The company has given Loans & Advances to certain parties since long, advances for purchase of Fixed Assets to various parties since long and outstanding Debtors and there was no transaction and the same accounts are stagnant. However, in view of the management, the same are recoverable / payable and hence not written off.*
- 11) *Long term loans and advances has been processed for Confirmation. We received random confirmations but management still under process to compile / received 100% confirmation from all the parties. As it is confirmed by the Management, we have taken as correct subject to confirmation.*
- 12) *Financial Risk management objectives: The financial risks mainly include market risk (interest rate risk), credit risk and liquidity risk.*

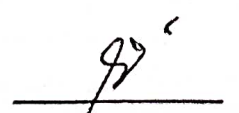
Signature of Note "1" to "12 forming part of Balance Sheet and Profit & Loss A/c.
AS PER OUR REPORT OF EVEN DATE ATTACHED HEREWITH.

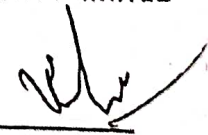
For DEVADIYA & ASSOCIATES,
CHARTERED ACCOUNTANTS


For and on behalf of board of directors
OF ARIHANT INSTITUTE LIMITED




CA Sanjay Devadiya
PARTNER
M No. 112495
F R No. 123045W
UDIN:21112495AAAACM1973
PLACE: AHMEDABAD
DATE: 02.11.2021


Sandip V. Kamdar
Whole Time Director
& CEO
DIN: 00043214
PLACE: AHMEDABAD
DATE: 02.11.2021


Vinod C. Shah
Chairman
& Non Exe. Director
DIN: 08033798


Sanchita Ojha
Company Secretary
M: No. A64450