



**13TH
ANNUAL
REPORT**

**ARIHANT
INSTITUTE LIMITED**

**REGISTERED OFFICE:
201,202, RATNA HIGH STREET,
NARANPURA CROSSROAD,
NARANPURA, AHMEDABAD-380013
CIN:L80301GJ2007PLC050413
E-MAIL ID: cs@arihantinstitute.com**

VISION, MISSION & VALUE STATEMENT



OUR VISION:

We are committed to providing world class, quality education providing institute that would put on track the careers of students in the fields of Accounts, Law & Finance by providing thorough knowledge and extending pre and post examination support to them. We envision the institute network to go beyond the boundaries of the home state to reach out to deserving students in small towns through Satellite Learning Program.

OUR MISSION

Our Mission is to be among top quadrille coaching institute across nation by 2020. Our aim to be most preferred coaching institute of India and to create an educational platform for the students to help them prepare for entrance exams for all the streams. This would be done by providing specialized coaching, guidance and motivation to excel in their performance.

CORE VALUES:

The core values are a set of principles that are aligned with Company's mission and guide the practice and development of curriculum, faculty, students, and staff. Some of the core values are:

- I) **Ethics:** Foster a learning environment that promotes responsible, principled behavior which respects the dignity of all members of the community.
- II) **Integrity:** Conduct all activities in an ethical manner. Commit to practices that are fair, honest, and objective in dealing with students, faculty members, staff, and stakeholders at all levels of the community.
- III) **Student Service:** Strive to ensure that curriculum, delivery, and support services respond to inquiries, requests, and concerns in an appropriate and timely manner.
- IV) **Quality:** Provide educational programs that lead to the acquisition of knowledge and skills necessary to achieve information literacy, career advancement, personal enrichment, leadership, and service to the community.

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CORPORATE INFORMATION:

BOARD OF DIRECTORS:

1. Mr. Vinodbhai Chimanlal Shah, , Non-Executive Director and Chairman
2. Mr. Sandip Vinodkumar Kamdar, Whole Time Director and CEO
3. Mrs. Shivani Ketul Patel, Non-Executive Independent Director
4. Mr. Prashant Chandraprakash Srivastav, Non-Executive Independent Director

COMMITTEES:

Audit Committee:

1. Mr. Prashant Chandraprakash Srivastav, Chairman
2. Mrs. Shivani Ketul Patel, Member
3. Mr. Vinod Chimanlal Shah, Member

Nomination and Remuneration Committee:

1. Mr. Prashant Chandraprakash Srivastav, Chairman
2. Mrs. Shivani Ketul Patel, Member
3. Mr. Vinodbhai Chimanlal Shah, Member

Stakeholders Relationship Committee:

1. Mrs. Shivani Ketul Patel, Chairman
2. Mr. Prashant Chandraprakash Srivastav, Member
3. Mr. Sandip Vinodkumar Kamdar, Member

Internal Complaints Committee:

1. Mr. Sandip Vinodkumar Kamdar, Chairman
2. Mr. Prashant Chandraprakash Srivastav, Member
3. Mrs. Shivani Ketul Patel, Member

CHIEF EXECUTIVE OFFICER:

Mr. Sandip Vinodkumar Kamdar

STATUTORY AUDITORS:

NGST & Associates

BANKER OF THE COMPANY:

State Bank of India
Kotak Mahindra Bank

LISTED AT:

BSE Limited (On SME Platform)
Script code: 541401

REGISTERED & TRANSFER AGENT:

Kfin Technologies Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad 500032

Tel. No.: 040-67162222 Fax No.: +91 23001153
E-mail: einward.ris@karvy.com

REGISTERED OFFICE:

201,202, Ratna High Street,
Naranpura Crossroad,
Naranpura,
Ahmedabad-380013.

COMPANY CONTACT DETAILS:



www.arihantinstitute.com



cs@arihantinstitute.com



[079-2763113/14/15](tel:079-2763113/14/15)

arihant

NOTICE

NOTICE is hereby given that 13th Annual General Meeting of Arihant Institute Limited will be held on Thursday, 31st December, 2020, at 04:00 P.M. at C-404, Kautilya Royale Flat Opp. Ladli Showroom, Vijaynagar Road, Naranpura, Ahmedabad-380013 to transact following businesses:

ORDINARY BUSINESS:

Item No.: 1 Adoption of Audited Financial Statement:

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March, 2020, together with the Reports of the Board of Directors and Auditors thereon.

Item No.: 2 Reappointment of Director:

To re-appoint Mr. Sandip Vinodkumar Kamdar (DIN: 00043214) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, seeks re-appointment.

DATE: 09/12/2020
PLACE: AHMEDABAD

FOR ARIHANT INSTITUTE LIMITED

SD/-

SD/-

SIGNATURE
SANDEEP VINODKUMAR KAMDAR
WHOLE TIME DIRECTOR & CEO
DIN: 00043214

SIGNATURE
VINOD CHIMANLAL SHAH
CHAIRMAN & NON EXECUTIVE DIRECTOR
DIN: 08033798

NOTES:

1. The relevant details, as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking re-appointment as Director under Item No. 2 and 4 to 8 of the Notice is also annexed herewith.

| Particulars | Mr. Sandip Vinodray Kamdar |
|--------------------|-----------------------------------|
| DIN: | 00043214 |
| Father's Name: | Mr. Vinodkumar keshavlal kamdar |
| Date of Birth: | 08/10/1973 |
| Qualification: | Chartered Accountant |

| | |
|---|--|
| Date of Appointment: | 31 st August, 2018 |
| Nature of his expertise in specific functional areas : | Sandeep Kamdar is the Founder and Promoter of Arihant Institute Limited (AIL). He is a visionary educationist who has dedicated 20 years of his life to build careers of 2000+ Chartered Accountants and 250+ Company Secretaries. |
| Disclosure of relationships between directors inter-se | Son in Law of Mr. Vinod Chimanlal Shah |
| Names of listed entities in which the person also holds the directorship | NIL |
| Names of listed entities in which the person also hold the membership of Committees of the board; | NIL |
| Shareholding of non-executive directors. | NIL |

*Chairmanship/membership of the Audit Committee and Stakeholders' Relationship Committee has been considered.

2. **A member entitled to attend and vote at the 13th Annual General Meeting ("The Meeting") is entitled to appoint a Proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company.**

The instrument appointing a Proxy should however be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.

A person shall act as proxy for only 50 members and holding in aggregate not more than 10 percent of the total share capital of the company carrying voting rights. Member holding more than 10 percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member.

If a Person is appointed as Proxy for more than 50 Members, he shall choose any 50 Members and confirm the same to the Company 24 hours before the commencement of the Meeting. In case, the Proxy fails to do so, the Company shall consider only the first 50 proxies received in respect of such person as valid.

Proxy holder shall prove his identity at the time of attending the Meeting. A Proxy Form which does not state the name of the Proxy shall be considered invalid.

3. Corporate members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of Companies Act, 2013 ("the Act") are requested to send to the Company a certified copy of the Board resolution

authorising their representatives to attend and vote on their behalf at the Meeting.

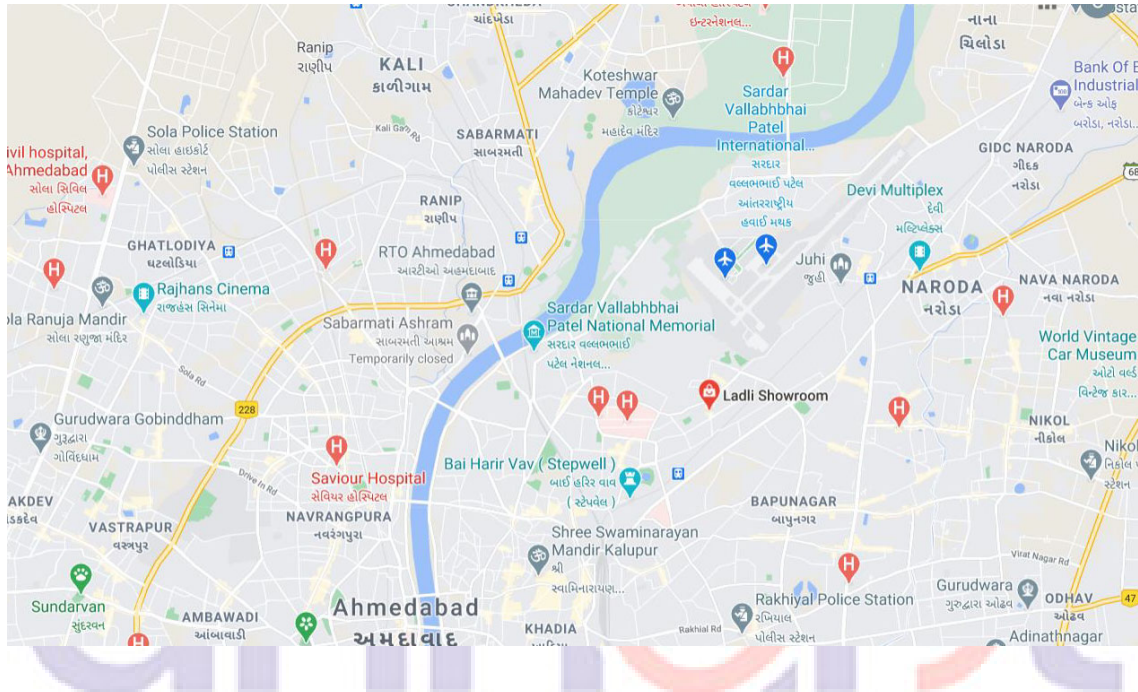
4. Proxy Form(s) and certified copy of Board resolution(s) authorising **representative(s)** to attend and vote at the Meeting shall be sent to the registered office of the Company and addressed to the "Secretarial Department of Arihant Institute Limited".
5. In case of joint holders attending the meeting together, only holder whose name appearing first will be entitled to vote.
6. The cut-off date is 22nd December, 2020. I.e. those who are the members of the company as on 22nd December, 2020 will be entitled to attend and vote in 13th AGM of the company.
7. The Register of Members and Share Transfer Books of the Company will be closed from 23rd December, 2020 to 30th December, 2020 and same will be re-opened from 31st December, 2020 onwards.
8. The route map showing directions to reach the venue of the 13thAGM is provided at the end of notice and also uploaded on the Website of the Company.
9. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long period of time. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
10. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code (Magnetic Ink Character Recognition Code) and IFSC code, mandates nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents to provide efficient and better services.
11. Members are requested to notify any change in their address, if any to the Registrar & Share Transfer Agent of the company- Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500032.
12. In accordance with the provisions of Section 72 of the Companies Act, 2013, the facility for making/ varying/ cancelling nominations is available to individuals,

holding shares in a company. Nomination can be made in Form SH-13 and any variation/ cancellation thereof can be made by giving notice in Form SH-14 prescribed under the Companies (Share Capital and Debentures) Rules, 2014 for the purpose. The Forms can be obtained from Registrar & Share Transfer Agent-Karvy Computershare Private Limited.

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrars and Transfer Agents of the Company.
14. The Notice of the AGM along with the Annual Report 2019-20 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2019-20 will also be available on the Company's website viz. www.arihantinstitute.com
15. Members who have received the notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance slip and submit a duly filled in Attendance slip at the registration counter to attend the AGM.
16. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
17. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting

ROUTE MAP OF VENUE OF 13TH ANNUAL GENERAL MEETING

C-404, Kautilya Royale Flat
Opp. Ladli Showroom,
Vijaynagar Road,
Naranpura, Ahmedabad-380013.



DIRECTOR'S REPORT

To,
THE MEMBERS,
ARIHANT INSTITUTE LIMITED

Your Directors are pleased to present herewith the **13TH ANNUAL REPORT** together with the Audited Financial Statements and Auditors' report thereon for the year ended 31st March, 2020.

FINANCIAL RESULTS/ STATE OF COMPANY AFFAIRS:

The Financial Results of the Company for the year ended on 31st March, 2020 are as follows:-

| Particulars | (Amt. in Rs.) | |
|--|--------------------|----------------------|
| | Year 2019-20 | Year 2018-19 |
| Gross Income | 56,67,018/- | 1,74,74,661/- |
| Profit / (loss) Before Depreciation, Amortization and Taxation | 1,719,811/- | 30,00,682/- |
| Depreciation and Amortization | 13,29,045/- | 11,86,656/- |
| Profit / (Loss) before Taxation | 3,90,766/- | 18,14,026/- |
| Extra-Ordinary Item | 00/- | 00/- |
| Provision for taxation - For Current Tax | 78,000/- | 3,00,000/- |
| Provision for taxation - For Deferred Tax | (40,563)/- | (1,46,221)/- |
| MAT credit Entitlement | 00/- | 00/- |
| Profit / (Loss) after Taxation | 3,53,329/- | 16,60,247/- |
| Appropriations: | NIL | NIL |
| Proposed Dividend | | |

CONSOLIDATED FINANCIAL RESULTS:

The company does not have any subsidiary within the meaning of the Companies Act, 2013. So consolidated financial results are not applicable.

DIVIDEND:

In order to conserve the resources, your directors do not recommend any payment of dividend for the year under review.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/ unclaimed dividend, the provision of Section 125 of the Companies Act, 2013 do not apply.

TRANSFER TO RESERVES:

Except the Profit, the Company has not transferred any amount to reserves during the year.

DEPOSITS:

The Company has not accepted any deposits from Shareholders and Public falling within the ambit of Section 73 of the Companies Act, 2013 and rules made there under. There were no deposits, which were claimed and remained unpaid by the Company as on 31st March, 2020.

LOANS FROM DIRECTOR/RELATIVE OF DIRECTOR:

The balances of monies accepted by the Company from Directors/ relatives of Directors at the beginning of the year were Rs. 2,10,316/- and at the close of year was Rs. 10,49,986/-.

LOANS, GUARANTEES & INVESTMENTS U/S 186:

Particulars of loans given and of the investments made by the Company, if any during the year under review are as mentioned in the Notes forming part of the Financial Statements.

DIRECTORS' RESPONSIBILITY STATEMENT:

It is hereby stated that:

- (a) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (b) The Directors have 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 of the Company for that period.
- (c) The Directors have 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;
- (d) The Directors have prepared the annual accounts ongoing concern basis.
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

LISTING OF SHARES:

On 5th May, 2018, 94,05,006 Equity Shares of Rs.10/- each has been listed on the BSE SME(Small and Medium Exchange).

GROUP COMPANIES:

Following are the group companies of Arihant Institute Limited:

1. Aadi Corpoway Private Limited
2. Arihant Press Private Limited

INDEPENDENT DIRECTORS:

In terms of Section 149 of the Companies Act, 2013 and rules made there under, as on date of this report, the Company has two Non-Executive Independent Directors in line with the Companies Act, 2013.

A separate meeting of Independent Directors was held in the financial year 2019-20 to review the performance of Non- Independent Directors and Board as whole and of the chairman and assess the quality, quantity and timeliness of flow of information between Company Management and Board. The terms and conditions of appointment of Independent Directors and Familiarization program for Independent Director are incorporated on the website of the Company at www.arihantinstitute.com.

The Independent directors have submitted their disclosure to the Board that they fulfill all the requirements as to qualify for their appointment as an Independent Director under the provisions of Section 149 read with Schedule IV of the Companies Act, 2013. The Board confirms that the independent directors meet the criteria as laid down under the Companies Act, 2013.

SHARE CAPITAL:

The Authorised share capital of the company is 9,50,00,000/- and the paid up share capital of the company is 9,40,50,060/- During the year under review, there is no change in the capital structure of the company.

The company has not issued any equity shares with differential rights, sweat equity shares, employee stock option and did not purchase its own shares. Hence, there is no information to be provided as required under various provisions of Companies (Share Capital and Debenture) Rules, 2014 and Section 62 of the Companies Act, 2013.

MATERIAL CHANGES AFFECTING FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF REPORT:

There are no changes which have occurred between the end of the financial year of the company till the date of the report.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

During the year under review, there is no change in the nature of business of your Company.

DIRECTORS, KMPs AND CHANGES THEREOF:

During the year under review, on 1st May, 2019, Miss. Nisha Kushwaha, has resigned from her post of the Whole Time Company Secretary & Compliance officer of the company. The board has considered and appreciated her work and dedication towards the company.

However, in order fill up the position of the Company Secretary & Compliance officer of the company, the board of directors at their meeting held of 23rd January, 2020, has appointed Miss. Mansi yash Vora as a Company Secretary & Compliance officer of the Company.

During the year under review, on 25th May, 2019, Mr. Jigar Umeshbhai Shah (DIN: 05328340), a Non-Executive Director of the company has resigned from the post of the directors of the company. The board in its meeting held on 31st May, 2019, has taken the note on the resignation of Mr. Jigar Umeshbhai Shah, and has appreciated his efforts towards the company.

During the year under review, on 2nd August, 2019, Mr. Rushiraj Zaverbhai Patel, an Executive Director and Chief Financial Officer of the company has resigned from the post of the director and Chief Financial Officer of the company. The board in its meeting held on 5th August, 2019, has taken the note on the resignation of Mr. Rushiraj Zaverbhai Patel, and has appreciated his efforts towards the company as a Director and Chief Financial officer of the company.

RETIREMENT BY ROTATION

In accordance with the provisions of Section 152 of the Companies Act, 2013 and AOA, Mr. Sandeep Vinodkumar Kamdar (DIN: 00043214), retires by rotation at the forthcoming Annual General Meeting and, being eligible offers himself for re-appointment.

The Board recommends his re-appointment for the consideration to the Members for their approval at the ensuing Annual General Meeting on the terms and conditions mentioned in the Notice convening the AGM. A brief profile of Sandeep Vinodkumar Kamdar (DIN: 00043214) has also been provided therein.

DETAILS OF BOARD MEETINGS:

During the year under review, the Board of Directors met 10 times and an intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013. The details of dates of meeting and attendance of directors in such meetings is enclosed herewith as an **Annexure: 1**

COMMITTEE OF THE BOARD AND THEIR MEETINGS:

During the year under review, Mr. Jigar Umeshbhai shah, a Non-Executive Director, who were also the member of Stakeholder Relationship Committee and Internal Complaints Committee, has resigned from the company on 25th May, 2019, so he automatically ceased to become the member of such committees immediately from the date of his resignation.

During the year under review, Mr. Rushiraj Zaverbhai Patel, an Executive Director and CFO, who were also the member of Audit Committee, has resigned from the company on 2nd August, 2019, so he automatically ceased to become the member of such committees immediately from the date of his resignation.

As on 31st March, 2020, the Board had Committees i.e. the Audit Committee, the Nomination & Remuneration Committee, the Stakeholder's Relationship Committee and Internal Complaints Committee. Full details of the constitution of such committees and meeting held of such committee during the financial year is annexed herewith as an **Annexure: 2**.

ANNUAL RETURN:

In accordance with the Companies Act, 2013, the Annual Return of the Company as on 31st March 2020, will be made available on the Company's website and can be accessed at www.arihantinstitute.com after the ensuing Annual General Meeting of the Company.

ANNUAL EVALUATION OF BOARD'S PERFORMANCE:

Pursuant to the requirements of the Companies Act, 2013 and in accordance with the policy laid down by the Nomination and Remuneration Committee (NRC), as approved by the Board of Directors, the Board has carried out an annual evaluation of its performance, its Committees and all individual directors. In a separate meeting of Independent Directors, performance of Non Independent Directors, performance of the Board as a whole and performance of the Chairman & Managing Director was evaluated.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

There were no related party transactions made by the Company during the year under review as described under Section 188(1) of the Companies Act, 2013.

STATUTORY AUDITORS:

During the 11th Annual General Meeting of the Company, M/s. NGST & Associates, Chartered Accountants (Firm Registration Number: 135159W), was appointed as a Statutory Auditor of the company to hold the post of the Auditor of the company from the conclusion of the 11th Annual General Meeting till the conclusion of the Annual General Meeting to be held for the financial year ending on 31st March, 2023 on such remuneration as may be decided by the board of the directors of the Company.

SECRETARIAL AUDIT:

As per Section 204 of the Companies Act, 2013, every listed company and Unlisted Public Company having paid up share capital of Rupees Fifty Crore or more or Turnover of Rupees Two Fifty Crore or more is required to annex a Secretarial Audit Report with its Board Report, given by A Practicing Company Secretary.

However, due to Covid-19 Pandemic, your directors could not be able to conduct the Secretarial Audit of the company. However, the company is assuring you all that it will be done at earliest possible time.

COST AUDIT:

The provisions of section 148 of the Act read with rule 3 of the Companies (Cost Records and Audit) Rules, 2014 do not apply to the Company.

OBSERVATION BY STATUTORY AUDITOR:

The Auditors' Report to the members for the year under review does not contain any qualification.

INTERNAL AUDITOR:

For the financial year 2019-20, your company was not falling under the criteria of Section 138 of the Companies Act, 2013 read with rule 13 of Companies (Accounts) Rules, 2014 so the requirement to appoint an Internal Auditor of the company for the year 2019-20 is not applicable.

INTERNAL FINANCIAL CONTROL SYSTEM:

The Company has an Internal Financial Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Financial Control function is well defined.

REMUNERTION POLICY:

In accordance with the provisions of Section 178 of the Companies Act, 2013 and Part D of Schedule II of SEBI (LODR) Regulations, 2015, the policy on Nomination and Remuneration of Directors, KMPs and Senior Management of your Company is uploaded on the website at the following link: Link: <http://arihantinstitute.com/policies/>

RISK MANAGEMENT:

The Company has in place a robust risk management framework which identifies and evaluates business risks and opportunities. The Company recognizes that these risks need to be managed and mitigated to protect the interest of the shareholders and stakeholders, to achieve business objectives and enable sustainable growth.

The risk management framework is aimed at effectively mitigating the Company's various business and operational risks, through strategic actions. Risk management is embedded in our critical business activities, functions and processes. The risks are reviewed for the change in the nature and extent of the major risks identified since the last assessment. It also provides control measures for risk and future action plans.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

During the year under review, there are no significant material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operation.

PROCEEDINGS UNDER INSOLVENCY & BANKRUPTCY CODE, 2016.

There are no proceedings pending under the Insolvency and Bankruptcy Code, 2016.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your attention is drawn to the perception and business outlook of your management for your company for current year and for the industry in which it operates including its position and perceived trends in near future. The Management Discussion and Analysis Report as stipulated under Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed herewith as an **Annexure: 3** and forms part of this Director's Report.

PARTICULARS OF EMPLOYEES RELATED DISCLOSURES

Details as required under Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the statement showing the name of the employees drawing remuneration in excess of the limits set out in Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of

the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure-4**.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Section 135 of the Companies Act, 2013 has imposed CSR mandate on companies having minimum threshold limit of net worth, turnover or net profit as prescribed. Since the company does not meet any one of these criterion, it remains outside the purview of Section 135 and consequently the reporting requirements there under do not at present apply to us.

VIGIL MECHANISM

Your Company has formulated a vigil mechanism to deal with instances of unethical behaviour, actual or suspected, fraud or violation of Company's code of conduct or ethics policy. The policy on Vigil Mechanism is uploaded on the website of the Company at following link: <http://arihantinstitute.com/policies/>. During the year under review no instances of fraud were reported by the Statutory Auditors of the Company.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has in place an Anti-harassment policy in line with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Any complaint/ grievances from women employees are reported to Chairman. All employees (Permanent, contractual, temporary, trainees) are covered under the policy. There was no complaints received from any employee during the financial year 2017-18 and no complaint is outstanding as on 31st March, 2020.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated hereunder:-

Conservation of Energy:

1. The steps taken or impact on conservation of energy:-

The Company has taken measures and applied strict control system to monitor day to day power consumption, to endeavor to ensure the optimal use of energy with minimum extent possible wastage as far as possible. The day to day consumption is monitored and various ways and means are adopted to reduce the power consumption in an effort to save energy.

2. The steps taken by the company for utilizing alternate sources of energy.

Company has not taken any step for utilizing alternate sources of energy.

3. The capital investment on energy conservation equipments.

Company has not made any capital investment on energy conservation equipments.

Technology Absorption

Company has not imported any technology and hence there is nothing to be reported here.

Foreign Exchange Earning and Outgo:

The details of Foreign exchange Earnings and outgo during the year are as follows:

(Rs. In Lacs)

| Particulars | 2019-20 | 2018-19 |
|---------------------------------|---------|---------|
| Foreign Exchange Earnings (Rs.) | NIL | NIL |
| Foreign Exchange Outgo(Rs.) | NIL | NIL |

CAUTIONARY STATEMENT:

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable Securities Laws and Regulations. Actual results may differ materially from those expressed in the statement.

ACKNOWLEDGEMENTS:

The Directors wish to place on record their appreciation for the sincere services rendered by employees of the Company at all levels. Your Directors also wish to place on record their appreciation for the valuable co-operation and support received from the Government of India, various State Governments, the Banks/ Financial Institutions and other stakeholders. The Directors also commend the continuing commitment and dedication of the employees at all levels, which has been critical for the Company's success. The Directors look forward to their continued support in future.

DATE: 09/12/2020

PLACE: AHMEDABAD

SD/-

SIGNATURE

**SANDEEP VINODKUMAR KAMDAR
WHOLE TIME DIRECTOR & CEO
DIN: 00043214**

FOR ARIHANT INSTITUTE LIMITED

SD/-

SIGNATURE

**VINOD CHIMANLAL SHAH
CHAIRMAN & NON EXECUTIVE DIRECTOR
DIN: 08033798**

ANNEXURE: 1 TO THE DIRECTORS REPORT

Details of the meeting of the board of Directors held during the year 2019-20 and attendance thereof:

| SN | Date of Meeting | Mr. Sandeep Kamdar | Mr. Prashant Srivastav | Mr. Jigar Shah* | Mr. Vinodbhai Shah | Mr. Rushiraj Patel* | Mrs. Shivani Ketul Patel |
|---------------|-----------------|--------------------|------------------------|--------------------------------------|--------------------|--------------------------------------|--------------------------|
| 1. | 01/05/2019 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2. | 29/05/2019 | ✓ | - | NA (Resigned w.e.f 25.05.2019) | ✓ | - | - |
| 3. | 31/05/2019 | ✓ | - | NA | ✓ | - | - |
| 4. | 08/07/2019 | ✓ | ✓ | NA | ✓ | - | ✓ |
| 5. | 05/08/2019 | ✓ | - | NA | ✓ | NA (Resigned w.e.f 02/08/2019) | - |
| 6. | 14/11/2019 | ✓ | - | NA | ✓ | NA | - |
| 7. | 05/12/2019 | ✓ | - | NA | ✓ | NA | - |
| 8. | 08/12/2019 | ✓ | - | NA | ✓ | NA | - |
| 9. | 23/01/2020 | ✓ | - | NA | ✓ | NA | - |
| 10. | 16/03/2020 | ✓ | - | NA | ✓ | NA | - |
| Total: | | 10/10 | 2/10 | 1/1 | 10/10 | 1/1 | 2/10 |

*Note:

Mr. Jigar U. Shah and Mr. Rushiraj Patel has resigned from the post of directors of the company/ KMPs w.e.f. 25th May, 2019 and 2nd August, 2019 respectively.

ANNEXURE: 2 TO THE DIRECTORS REPORT
COMMITTEES OF THE BOARD OF DIRECTORS AND THEIR MEETINGS

1. AUDIT COMMITTEE:

| Name | Position in Committee | Number of meetings during the financial Year 2019-20 | |
|---------------------------------------|-----------------------|--|----------|
| | | Held | Attended |
| Mr. Prashant Chandraprakash Srivastav | Chairman | 2 | 2 |
| Mrs. Shivani Ketul Patel | Member | 2 | 2 |
| Mr. Vinod Chimanlal Shah, Member | Member | 2 | 2 |

2. NOMINATION AND REMUNERATION COMMITTEE:

| Name | Position in Committee | Number of meetings during the financial Year 2019-20 | |
|---------------------------------------|-----------------------|--|----------|
| | | Held | Attended |
| Mr. Prashant Chandraprakash Srivastav | Chairman | 2 | 2 |
| Mrs. Shivani Ketul Patel | Member | 2 | 2 |
| Mr. Vinodbhai Chimanlal Shah | Member | 2 | 2 |

3. STAKEHOLDERS/ INVESTORS GRIEVANCE COMMITTEE:

| Name | Position in Committee | Number of meetings during the financial Year 2019-20 | |
|---------------------------------------|-----------------------|--|----------|
| | | Held | Attended |
| Mrs. Shivani Ketul Patel | Chairman | 2 | 2 |
| Mr. Prashant Chandraprakash Srivastav | Member | 2 | 2 |
| Mr. Sandip Vinodkumar Kamdar, Member | Member | 2 | 2 |

4. INTERNAL COMPLAINTS COMMITTEE

| Name | Position in Committee | Number of meetings during the financial Year 2019-20 | |
|---------------------------------------|-----------------------|--|----------|
| | | Held | Attended |
| Mr. Sandip Vinodkumar Kamdar | Chairman | 2 | 2 |
| Mrs. Shivani Ketul Patel | Member | 2 | 2 |
| Mr. Prashant Chandraprakash Srivastav | Member | 2 | 2 |

ANNEXURE: 3 TO THE DIRECTORS REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Industry structure and developments:

India's education sector offers a great opportunity with approximately 29 per cent of India's population being between the age group of 0-14 years. India's higher education segment is expected to increase to US\$ 35.03 billion by 2025.

India has one of the largest networks of higher education institutions in the world with more than 1000 Universities and around 50,000 colleges. The Central Government plans to disburse US\$ 1 billion to states for introducing skill development initiatives.

There more than 15,000 Industrial Training Institutes in the India. In October 2017, in order to boost the Skill India mission, two new schemes, SANKALP and STRIVE were launched with an outlay of Rs 6,655 crore (US\$ 1.02 billion). Revitalising Infrastructure and Systems in Education (RISE) by 2022 was announced in union budget 2018-19 with an outlay of Rs 1 lakh crore (US\$ 15.44 billion) for four years.

The Government of India has allowed 100 per cent Foreign Direct Investment (FDI) in the education sector through the automatic route since 2002. From April 2000 to September 2020, Foreign Direct Investment (FDI) equity inflows stood at US\$ 3,849.20 million.

In May 2018, the Ministry of Human Resource Development, Government of India launched Samagra Siksha scheme with the aim of achieving holistic development of school education in the country.

B. Opportunity and Threats:

Opportunities:

- Increase in the demand of education
- Growing role of Private Sector in education industry
- Recent government efforts to promote the education industry.

Threats:

- Political Instability
- Competition
- High Faculty Turnover
- Increasing trend of Abroad Studies
- Covid-19 Outbreak and lockdown

C. Segment-wise or product-wise performance:

The Company operates in a single segment of activity viz. education and hence the segment reporting is not applicable to the Company.

D. Outlook:

The company is already providing coaching for C.A., C.S., CWA, ACCA, CPA etc. The outlook for the coming year 2020-21 looks more promising for professional courses like C.A., C.S. etc. The Company is also looking for expansion of their business by providing coaching in the field of GPSC and UPSC and other competitive exam preparations in the upcoming years. The Company is positive with the future developments and endeavors to do its best to capitalize the opportunities in this sector.

E. Risks & Concerns:

The company is engaged in Tutoring and Coaching Segment and providing Higher, Professional & Vocational Education. The following section discusses the various aspects of enterprise-wide risk management.

Readers are cautioned that the risk related information outlined here is not exhaustive and is for information purpose only. The key risks that may impact the Company's Business include:-

a) Changes in regulatory Environment:

Despite being a regulated and competitive sector, India's education sectors are one of the last theatres for the liberalization debate. Planners and educationalists are confronted with the failure of public initiatives to achieve universal coverage. The increasing trend of preference to study in abroad is also a threat to the Sector.

b) Increased Competition:

The Education Industry in India has witnessed the entry of various new players which was resulted in heightened competition. There is greater participation in the provision of higher education, which should be spread through all levels of Education.

c) Covind-19 outbreak:

After the closure of the year but before reporting date, the whole world has witnessed the outbreak of novel Corona virus which has affected all industries around the world including education sector.

Covid-19 is predicted to be the most concerned risk factor for the education industry for the upcoming years as it has forced the education institutes to remain closed to avoid the chances of infection among children and youth.

F. Internal Control Systems and their Adequacy:

There are well-established procedures for internal controls for operations of the Company. The finance & audit functions are well equipped with professionally experienced qualified personnel & play important roles in implementing the statutory obligations. The company has constituted Audit Committee for guidance and proper control of affairs of the Company. To ensure quality of delivery, the Company is now focusing mainly Higher & Vocational Education.

G. Financial Performance:

| Particulars | (Amt. in Rs.) | |
|---|-------------------|--------------------|
| | Year 2019-20 | Year 2018-18 |
| Total Revenue | 56,67,018/- | 1,74,74,661/- |
| Total expenses | 52,79,252/- | 1,56,60,635/- |
| Profit / (Loss) before Taxation | 3,90,766/- | 18,14,026/- |
| Provision for taxation - For Current Tax | 78,000/- | 3,00,000/- |
| Provision for taxation - For Deferred Tax | (40,563)/- | (1,46,221)/- |
| Profit / (Loss) after Taxation | 3,53,329/- | 16,60,247/- |

H. Material Development in Human Resources:

The efforts for development of human resource have been continued with greater emphasis on training and development programs. The Company enjoyed healthy and cordial relations with the employees of the Company. A detailed performance evaluation system is in place and remuneration and rewards are strongly linked to performance indicators.

The Company has laid down various plans to attract and retain skill manpower at all levels. Your directors' place on record their sincere appreciation in respect of the services rendered by the employees of the Company at all levels.

Cautionary Statements

The report may contain forward looking statements which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations and projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward looking statements.

Forward looking statements are based on certain assumptions and expectations of future events. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events. Actual results could differ materially from those express or implied.

DATE: 09/12/2020
PLACE: AHMEDABAD

FOR ARIHANT INSTITUTE LIMITED

SD/-

SD/-

SIGNATURE
SANDEEP VINODKUMAR KAMDAR
WHOLE TIME DIRECTOR & CEO
DIN: 00043214

SIGNATURE
VINOD CHIMANLAL SHAH
CHAIRMAN & NON EXECUTIVE DIRECTOR
DIN: 08033798

ANNEXURE: 4 TO THE DIRECTORS REPORT

A. Statement of Information to be furnished pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year: **3:1**
2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year: **Directors Remuneration for the year 2018-19 was 17,80,000/- and for the 2019-20 is 8,00,000/- so there is no increase in the remuneration of Directors.**
3. The percentage increase in the median remuneration of employees in the financial year: **Employees Remuneration for the year 2018-19 was 21,21,221/- and for the 2019-20 is 4,00,000/- . So there is no increase in the remuneration of Employees.**
4. The number of permanent employees on the rolls of company: **1**
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
6. The remuneration of Directors, KMPs and other employees is in accordance with the Remuneration Policy of the Company provided under Director's Report.

B. Statement Containing the particulars of employees under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as on March 31, 2018:

| Name | Age | Designation | Remuneration received | Qualification & experience | Date of Commencement of Employment | Last employment held | % of Equity Shares held by employee | Whether employee is relative of director/ manager |
|---------------------------|-----|---------------------------|-----------------------|----------------------------|------------------------------------|----------------------|-------------------------------------|---|
| Sandeep Vinodkumar Kamdar | 48 | Managing Director and CFO | 8,00,000/- | Chartered Accountant | 31/08/2008 | - | 8.09% | YES |
| Anjali Sandeep Kamdar | 46 | Head of the operation | 4,00,000/- | Graduate | 01/04/2018 | - | 7.12% | YES Wife of Director |

INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
ARIHANT INSTITUTE LIMITED
Report on the Financial Statements**

Opinion

We have audited the accompanying financial statements of **ARIHANT INSTITUTE LIMITED ('the company')**, which comprise the balance sheet as at 31st March 2020, Cash Flow Statement and the statement of profit and loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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

- a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2020, and
- b) In case of Statement of Profit & Loss, of the profit for the year ended on that date.
- c) In case of Cash Flow Statement, of the 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance. in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon,

We have determined that there are no key audit matters to communicate in 'our report.

Other Information

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

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

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

Responsibility of Management for the 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 and presentation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. 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 applications of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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. That Board of Directors are also responsible for overseeing the company's financial reporting process.

AUDITOR'S RESPONSIBILITY

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

As part of an audit in accordance with Standards on Auditing ('SAs'), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, statement of profit and loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards 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 31 March 2020, taken on record by the Board of Directors, none

of the directors is disqualified as on 31 March 2020, 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 B”
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long term contract including derivative contract; as such the question of commenting on any material foreseeable losses thereon does not arise;
 - iii. There has not been any occasion in case of the Company during the year under report to transfer any sums to the investor education and protection fund. The question of delay in transferring such sums does not arise.
- h. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For: NGST & Associates
Chartered Accountants
Firm registration number: 135159W**

**Place: Mumbai
Date: 27th July 2020**

**SD/-
Bhupendra S Gandhi
Partner
Membership no.: 122296
UDIN - 20122296AAAABU1111**

ANNEXURE – A TO THE AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the Financial Statements for the year ended 31st March, 2020, we report that:

- i. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to the information and explanation given to us, all the fixed assets have been physically verified by the Management during the year along with technical expert but we cannot comment neither on any material discrepancies which were noticed on such verification nor we can comment on whether the same has been properly dealt with in books of accounts as records were not available for the verification.

(c) There is no immovable property in the name of the company and therefore this clause is not applicable.
- ii. (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) As explained to us, there is no material discrepancy noticed on physical verification of inventory as compared to book records.
- iii. In our opinion and according to the information and explanation given to us the company has not granted any secured or unsecured loans to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and therefore clause iii b and iii c are not applicable.
- iv. In our opinion and according to the information and explanations given to us in respect of loans, investments, guarantees and security, the provisions of section 185 and 186 of the Act, has been complied with.
- v. In our opinion and according to the information and explanation given to us by the management, the company has not accepted any deposit from the public and therefore 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 rules framed there under are not applicable.
- vi. To the best of our knowledge and belief and according to the information and explanation given to us, no cost records are required to be maintained by the Company under the Companies (Cost Audit Rules), 2014.
- vii. a. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the company is *generally* regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, income tax, value

- added tax, duty of customs, service tax, cess and other material statutory dues applicable to it.
- b. There were no material undisputed amounts payable in respect of provident fund, income tax, value added tax, duty of customs, service tax, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- c. According to the information and explanations given to us, there are no material dues of income tax, sales tax, service tax, wealth tax, duty of excise, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to financial institutions or banks. Further, the Company has not issued any debenture.
- ix. The Company has raised money by way of initial public offer during the year. As per the information and explanation given to us by the management, the proceeds were partially applied for the purpose for which the money was raised and part of the money is still to be utilised.
- x. According to the information and explanations given to us, no material fraud by company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. This clause is not applicable since the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

- xv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

**For: NGST & Associates
Chartered Accountants
Firm registration number: 135159W**

**Place: Mumbai
Date: 27th July 2020**

**SD/-
Bhupendra S Gandhi
Partner
Membership no.: 122296
UDIN - 20122296AAAABU1111**



ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the Financial Statements for the year ended 31st March, 2020, we report that:

- i. A. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets

B. According to the information and explanation given to us, all the fixed assets have been physically verified by the Management during the year along with technical expert but we cannot comment neither on any material discrepancies which were noticed on such verification nor we can comment on whether the same has been properly dealt with in books of accounts as records were not available for the verification.

C. There is no immovable property in the name of the company and therefore this clause is no applicable.
- ii. (a) The management has conducted physical verification of inventory at reasonable intervals during the year.

(b) As explained to us, there is no material discrepancy noticed on physical verification of inventory as compared to book records.
- iii. In our opinion and according to the information and explanation given to us the company has not granted any secured or unsecured loans to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and therefore clause ii b and ii c are not applicable.
- iv. In our opinion and according to the information and explanations given to us in respect of loans, investments, guarantees and security, the provisions of section 185 and V. 186 of the Act, has been complied with.
- v. In our opinion and according to the information and explanation given to us by the management, the company has not accepted any deposit from the public and therefore 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 rules framed there under are not applicable.

- vi. To the best of our knowledge and belief and according to the information and explanation given to us, no cost records are required to be maintained by the Company under the Companies (Cost Audit Rules), 2014.
- vii. a. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, income tax, value added tax, duty of Customs, service tax, cess and other material statutory dues applicable to it.

b. There were no material undisputed amounts payable in respect of provident fund, income tax, value added tax, duty of customs, service tax, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

c. According to the information and explanations given to us, there are no material dues of income tax, sales tax, service tax, wealth tax, duty of excise, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to financial institutions or banks. Further, the Company has not issued any debenture.
- ix. The Company has raised money by way of initial public offer during the year. As per the information and explanation given to us by the management, the proceeds were partially applied for the purpose for which the money was raised and part of the money is still to be utilised.
- x. According to the information and explanations given to us, no material fraud by company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not 3(xii) applicable

- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. This clause is not applicable since the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

Place: Mumbai
Date: 27th July 2020

For: NGST & Associates
Chartered Accountants
Firm registration number: 135159W

SD/-
Bhupendra S Gandhi
Partner
Membership no.: 122296
UDIN - 20122296AAAABU1111

ANNEXURE – B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (I) of Sub-Section 143 of The Companies Act, 2013 ("The Act")

We have audited the internal financial controls over financial reporting of ARIHANT INSTITUTE LIMITED ('the company'), as of 31 March 2020, in conjunction with our audit of the 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.

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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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 authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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 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 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For NGST & Associates
Chartered Accountants
Registration No.135159W**

SD/-

**Bhupendra Gandhi
Partner
M. Ship No. 122296
UDIN - 20122296AAAABU1111
Place: Mumbai
Date: 27th July 2020**

ARIHANT INSTITUTE LIMITED
Balance Sheet as at 31st March, 2020

| Particulars | | Sch. No. | As at 31st March, 2020 | As at 31st March, 2019 |
|-------------|--|-------------|---------------------------|---------------------------|
| 1 | | 2 | 3 | 4 |
| I. | EQUITY AND LIABILITIES | | | |
| 1 | Shareholders' funds | | | |
| | (a) Share capital | 1 | 94,050,060 | 94,050,060 |
| | (b) Reserves and surplus | 2 | 42,725,515 | 42,372,186 |
| | Share application money pending allotment | | - | - |
| 2 | | | | |
| 3 | Non-current liabilities | | | |
| | (a) Long-term borrowings | 3 | 1,049,986 | 210,316 |
| | (b) Deferred tax liabilities (Net) | | - | - |
| | (c) Other Long term liabilities | | - | - |
| | (d) Long-term provisions | | - | - |
| 4 | Current liabilities | | | |
| | (a) Short-term borrowings | | - | - |
| | (b) Trade payables | | 1,507,236 | 954,978 |
| | (c) Other current liabilities | 4 | 6,697,094 | 9,908,858 |
| | (d) Short-term provisions | 5 | 853,000 | 775,000 |
| | TOTAL | | 146,882,891 | 148,271,397 |
| II. | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Fixed assets | 6 | 50,424,651 | 45,548,460 |
| | (b) Non-current investments | | - | - |
| | (c) Deferred tax assets (net) | 7 | 897,170 | 856,607 |
| | (d) Long-term loans and advances | 8 | 36,754,670 | 43,359,696 |
| | (e) Other non-current assets | | 11,994,455 | 11,994,455 |
| 2 | Current assets | | | |
| | (a) Current investments | | | |
| | (b) Inventories | 9 | 537,918 | 680,134 |
| | (c) Trade receivables | 10 | 43,321,035 | 39,988,085 |
| | (d) Cash and cash equivalents | 11 | 352,816 | 1,366,311 |
| | (e) Short-term loans and advances | 12 | 2,600,177 | 4,477,649 |
| | TOTAL | | 146,882,891 | 148,271,397 |

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

FOR NGST & ASSOCIATES
Chartered Accountants
FRN: 135159W

FOR AND ON BEHALF OF
ARIHANT INSTITUTE LIMITED

SD/-
BHUPENDRA GANDHI
PARTNER
MEMBERSHIP NO: 12296

SD/-
SIGNATURE
SANDEEP KAMDAR
WHOLE TIME DIRECTOR &
CEO
DIN: 00043214
DATE: 27.07.2020
PLACE: AHMEDABAD

SD/-
SIGNATURE
VINOD CHIMANLAL SHAH
CHAIRMAN & NON
EXECUTIVE DIRECTOR
DIN: 00043214

DATE: 27.07.2020
PLACE: AHMEDABAD

ARIHANT INSTITUTE LIMITED

Profit and loss statement for the year ended 31st March, 2020

| Particulars | | Refer Note No. | 31 st March,2020 | 31 st March,2019 |
|-------------|---|-------------------|--------------------------------|--------------------------------|
| I. | Revenue from operations | 14 | 5,667,018 | 17,474,661 |
| II. | Other income | 15 | - | - |
| III. | Total Revenue (I + II) | | 5,667,018 | 17,474,661 |
| IV. | Expenses: | | | |
| | Cost of materials sold and service provided | 16 | 1,005,511 | 6,046,148 |
| | Employee benefits expense | 17 | 1,229,464 | 3,971,721 |
| | Finance costs | 18 | 20,993 | 50,646 |
| | Depreciation and amortization expense | 7 | 1,329,045 | 1,186,656 |
| | Other expenses | 19 | 1,691,239 | 4,405,462 |
| | Total expenses | | 5,276,252 | 15,660,635 |
| V. | Profit before exceptional and extraordinary items and tax (III-IV) | | 390,766 | 1,814,026 |
| VI. | Exceptional items | | - | - |
| VII. | Profit before extraordinary items and tax (V - VI) | | 390,766 | 1,814,026 |
| VIII. | Extraordinary Items | | | |
| IX. | Profit before tax (VII- VIII) | | 390,766 | 1,814,026 |
| X | Tax expense: | | | |
| | (1) Current tax | | 78,000 | 300,000 |
| | (2) Deferred tax | | (40,563) | (146,221) |
| XI | Profit (Loss) for the period from continuing operations (VII-VIII) | | 353,329 | 1,660,247 |
| XV | Profit (Loss) for the period (XI + XIV) | | 353,329 | 1,660,247 |
| XII | Earnings per equity share: | | | |
| | (1) Basic | | 0.03 | 0.19 |
| | (2) Diluted | | 0.03 | 0.19 |

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

FOR NGST & ASSOCIATES
Chartered Accountants FRN: 135159W

FOR AND ON BEHALF OF ARIHANT INSTITUTE LIMITED

SD/-
BHUPENDRA GANDHI
PARTNER
MEMBERSHIP NO: 12296

SD/-
SANDEEP KAMDAR
WTD & CEO
DIN: 00043214

SD/-
VINOD CHIMANLAL SHAH
CHAIRMAN & NON
EXECUTIVE DIRECTOR
DIN: 00043214

DATE: 27.07.2020
PLACE: AHMEDABAD

DATE: 27.07.2020
PLACE: AHMEDABAD

| ARIHANT INSTITUTE LIMITED | | |
|---|--------------------|---------------------|
| CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020 | | |
| All amounts in rupees unless otherwise stated | | |
| Particulars | 2019-20 | 2018-19 |
| A. Cash Flow from operating activities | | |
| Profit before taxation | 390,766 | 1,814,026 |
| Adjustments for : | - | - |
| Depreciation | 1,329,045 | 1,186,656 |
| (Profit) / Loss on sale of Fixed Assets | - | - |
| Financial Expenses | 20,993 | 50,646 |
| Interest Income | - | - |
| Operating profit before working capital changes | 1,740,804 | 3,051,329 |
| Movements in Working Capital : | | |
| (Increase)/Decrease in Sundry Debtors | (3,332,950) | (12,663,560) |
| (Increase)/Decrease in Inventories | 142,213 | (192,722) |
| Increase/(Decrease) in Trade Payables | 552,258 | (5,215,971) |
| Increase/(Decrease) in Current Liability | (3,133,763) | 2,570,382 |
| (Increase)/Decrease in Loans and Advances | 1,877,472 | 2,814,184 |
| (Increase)/Decrease in Other Non-current assets | - | (11,994,455) |
| Cash (used in) / generated from operations | (2,153,966) | (21,630,813) |
| Direct taxes paid (net of refunds) | (78,000) | (300,000) |
| Net cash (used in) / generated from operating activities (A) | (2,231,966) | (21,930,813) |
| B. Cash flows from investing activities | | |
| Purchase of fixed assets | (6,205,236) | (17,614,779) |
| (Increase)/Decrease in Loans and Advances - long | 6,605,026 | (31,104,900) |
| Dividends received | - | - |
| Interest received | - | - |
| Net cash used in investing activities (B) | 399,790 | (48,719,679) |
| C. Cash flows from financing activities | | |
| Increase/(Decrease) in Share Capital | - | 75,000,000 |
| Increase/(Decrease) in Long Term Borrowing | | |

| | | |
|--|-------------------------------------|-------------------------------------|
| Increase/(Decrease) in Secured Loan - CC loan | 839,670 | (3,215,074) |
| Financial Expenses | - | - |
| | (20,993) | (50,646) |
| Net cash from financing activities (C) | 818,677 | 71,734,280 |
| Net increase in cash and cash equivalents D=(A + B + C) | (1,013,499) | 1,083,787 |
| Cash and cash equivalents at the beginning of the year | 1,366,314 | 282,526 |
| Cash and cash equivalents at the end of the year | 352,816 | 1,366,314 |
| Components of cash and cash equivalents | As at March 31, 2020 | As at March 31, 2019 |
| Cash on hand | 241,298 | 195,113 |
| With Scheduled Banks | | |
| - in Current Account | 111,518 | 1,171,198 |
| - in Term Deposit Accounts | - | - |
| Total | 352,816 | 1,366,314 |

Notes:

- 1) The figures in brackets represent outflows.
- 2) Previous periods' figures have been regrouped / reclassified, wherever necessary, to confirm to current year
- 3) The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard-3 on

FOR NGST & ASSOCIATES
Chartered Accountants
FRN: 135159W

FOR AND ON BEHALF OF
ARIHANT INSTITUTE LIMITED

SD/-
BHUPENDRA GANDHI
PARTNER
MEMBERSHIP NO: 12296

SD/-
SANDEEP KAMDAR
WTD & CEO
DIN: 00043214

SD/-
VINOD CHIMANLAL SHAH
CHAIRMAN & NON
EXECUTIVE DIRECTOR
DIN: 00043214

DATE: 27.07.2020
PLACE: AHMEDABAD

DATE: 27.07.2020
PLACE: AHMEDABAD

ARIHANT INSTITUTE LIMITED
Notes forming part of financial statements

Schedule 1
Share capital

| <u>Share Capital</u> | 2019-20 | | 2018-19 | |
|--|-----------|------------|-----------|------------|
| | Number | Amount | Number | Amount |
| <u>Authorised</u> | | | | |
| Equity Shares of Rs. 10/- each | 9,500,000 | 95,000,000 | 9,500,000 | 95,000,000 |
| <u>Issued</u> | | | | |
| Equity Shares of Rs. 10/-each | 9,405,006 | 94,050,060 | 9,405,006 | 94,050,060 |
| <u>Subscribed & Paid up</u> | | | | |
| Equity Shares of Rs.10/- each fully paid | 9,405,006 | 94,050,060 | 9,405,006 | 94,050,060 |
| | - | - | - | - |
| Total | 9,405,006 | 94,050,060 | 9,405,006 | 94,050,060 |

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

| Particulars | 2019-20 | | 2018-19 | |
|---|-----------|------------|-----------|------------|
| | Number | Amount | Number | Amount |
| Shares outstanding at the beginning of the year | 9,405,006 | 94,050,060 | 6,905,006 | 69,050,060 |
| Shares Issued during the year | - | - | 2,500,000 | 25,000,000 |
| Shares Converted from Pref to Equity Shares | - | - | - | - |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 9,405,006 | 94,050,060 | 9,405,006 | 94,050,060 |

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

| Name of Shareholder | 2019-20 | | 2018-19 | |
|---------------------------|--------------------|--------------|--------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| SANDEEP V KAMDAR | 761,115 | 8.09% | 1,551,115 | 16.49% |
| VINODBHAI K KAMDAR | 648,000 | 6.89% | 1,080,000 | 11.48% |
| ANJALI S KAMDAR | 670,000 | 7.12% | 1,120,000 | 11.91% |
| MADHUBEN V KAMDAR | 1,325,000 | 14.09% | 1,325,000 | 14.09% |
| VIKAS JAIN | 200,000 | 2.13% | 200,000 | 2.13% |
| | 3,604,115 | 38.32% | 5,276,115 | 56.10% |

Schedule 2
Reserves and surplus

| | 2019-20 | 2018-19 |
|---|---------------------|---------------------|
| a. Surplus in Statement of Profit and Loss | | |
| Opening balance | (20,577,754) | (22,238,001) |
| (+) Net Profit/(Net Loss) For the current year | 353,329 | 1,660,247 |
| (+) Transfer from Reserves | - | - |
| (-) Proposed Dividends | - | - |
| (-) Bonus Issued | - | - |
| (-) Transfer to Reserves | - | - |
| Closing Balance | (20,224,425) | (20,577,754) |
| Share Premium | | |
| Opening balance | 62,949,940 | 12,949,940 |
| Add: Equity Shares Issued at premium during year | - | 50,000,000 |
| Total | 42,725,515 | 42,372,186 |

**Schedule 3
Long Term Borrowings**

| | 2019-20 | 2018-19 |
|---|------------------|----------------|
| 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 | 1,049,986 | 210,316 |
| | 1,049,986 | 210,316 |
| Total | 1,049,986 | 210,316 |

**Schedule 4
Other Current Liabilities**

| | 2019-20 | 2018-19 |
|------------------------------|-----------|-----------|
| Statutory Liabilities | | |
| Service Tax Liability | - | 3,491,086 |
| GST payable | 3,425,231 | 3,232,753 |
| TDS | 3,199,777 | 3,113,082 |

| | | |
|--------------|------------------|------------------|
| PF | 64,164 | 64,164 |
| PROF. TAX | 7,922 | 7,772 |
| Total | 6,697,094 | 9,908,858 |

**Schedule 5
Short Term Provisions**

| | 2019-20 | 2018-19 |
|--------------|----------------|----------------|
| - | | |
| Taxation | 853,000 | 775,000 |
| Total | 853,000 | 775,000 |

**Schedule 8
Long Term Loans and Advances**

| | 2019-20 | 2018-19 |
|------------------------------------|---------|---------|
| a. Security Deposits | | |
| Secured, considered good | | - |
| Unsecured, considered good | - | |
| | - | - |
| b. Other loans and advances | | |
| Secured, considered good | - | - |

| <u>Unsecured, considered good</u> | | |
|--|-------------------|-------------------|
| Adv for premises Purchases | 11,500,000 | 11,500,000 |
| Franchisee Deposits | | |
| - Manan Shah | 15,000 | 15,000 |
| - Shreeji Classess | 1,940,600 | 1,940,600 |
| - Planet Vidhya | 1,912,500 | 1,912,500 |
| - Gayatri Classess | 1,902,524 | 1,902,524 |
| - M. J. Computers | 1,909,160 | 1,909,160 |
| Rent Deposit | 453,600 | 519,912 |
| Advance for rental property | 17,121,286 | 23,660,000 |
| Advance for property | - | - |
| | 36,754,670 | 43,359,696 |
| | - | - |
| | 36,754,670 | 43,359,696 |

**Schedule 7
Deferred Tax Assets**

| | 2019-20 | 2018-19 |
|----------------------------|----------------|----------------|
| Opening Balance | 856,607 | 710,386 |
| Add: DTA during the period | 40,563 | 146,221 |
| | 897,170 | 856,607 |
| | 897,170 | 856,607 |

**Schedule 9
Inventories**

| | 2019-20 | 2018-19 |
|------------------------------------|----------------|----------------|
| a. Stock-in-trade (Valued at cost) | 537,918 | 680,134 |
| | 537,918 | 680,134 |
| Total | 537,918 | 680,134 |

**Schedule 10
Trade Receivables**

| | 2019-20 | 2018-19 |
|--|-------------------|-------------------|
| Trade receivables outstanding for a period less than six months from the date they are due for payment. Considerd good | 5,157,822 | 8,542,745 |
| | 5,157,822 | 8,542,745 |
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment and Considered good | 38,163,213 | 31,445,340 |
| | 38,163,213 | 31,445,340 |
| Total | 43,321,035 | 39,988,085 |

**Schedule 11
Cash and cash equivalents**

| | 2019-20 | 2018-19 |
|------------------------------|----------------|------------------|
| a. Balances with banks | | |
| Balance with Scheduled Banks | 111,518 | 1,171,198 |
| b. Cash on hand | 241,298 | 195,113 |
| | 352,816 | 1,366,311 |

Schedule 12
Short-term loans and advances
 Unsecured, considered good

| | 2019-20 | 2018-19 |
|---|------------------|------------------|
| Prepaid Expenses & others | 603,554 | 603,554 |
| <u>Deposit for Lease Premises & Others</u> | | |
| Advance to Faculties | 694,959 | 694,959 |
| Other Deposits | 112,061 | 87,061 |
| Advances | 615,988 | 2,349,679 |
| Balance with Government Department (Incl. Ad Tax and TDS) | 573,615 | 742,396 |
| | 2,600,177 | 4,477,649 |

Schedule 13
Revenue from operations

| Particulars | 2019-20 | 2018-19 |
|---|------------------|-------------------|
| Sale of services-Coaching, E learning & Franchisee center | 5,667,018 | 17,474,661 |
| Total | 5,667,018 | 17,474,661 |

**Schedule 14
Other income**

| Particulars | 2019-20 | 2018-19 |
|---|----------------|----------------|
| Dividend Income | - | - |
| Other non-operating income (net of expenses directly attributable to such income) | - | - |
| Total | - | - |

**Schedule 15
Cost of materials sold & used & Services**

| Particulars | 2019-20 | 2018-19 |
|-------------------------------|------------------|------------------|
| Opening Stock | 680,134 | 487,412 |
| Purchase | - | 949,607 |
| | 680,134 | 1,437,019 |
| Closing Stock | 537,918 | 680,134 |
| Cost of Services - Professers | 863,295 | 5,289,264 |
| Total | 1,005,511 | 6,046,148 |

**Schedule 16
Employee Benefits Expense**

| | 2019-20 | 2018-19 |
|--|------------------|------------------|
| (a) Salaries and incentives | 1,200,000 | 3,901,221 |
| (b) Contributions to - | | |
| Provident fund & Superannuation scheme | - | - |
| (c) Staff welfare expenses | 29,464 | 70,500 |
| Total | 1,229,464 | 3,971,721 |

**Schedule 17
Finance costs**

| Particulars | 2019-20 | 2018-19 |
|-------------------------|----------------|----------------|
| Interest expense | - | - |
| Other financial charges | 20,993 | 50,646 |
| | | |
| Total | 20,993 | 50,646 |

**Schedule 18
Other expenses**

| Particulars | 2019-20 | 2018-19 |
|---|------------------|------------------|
| Advertisement Expenses | - | 795,663 |
| Audit Fees | - | 34,200 |
| Office Expenses / Miscellaneous Expenses | 95,261 | 188,160 |
| Legal & Professional Fees | - | 130,983 |
| Post, Telephone & Telegram Expenses | 42,394 | 200,369 |
| Travelling, Conveyance and Vehicle Expenses | 119,759 | 25,454 |
| Power and fuel | 131,070 | 374,453 |
| Rent, Rates & Taxes | 814,800 | 2,410,688 |
| Repairs & Maintenance | 487,955 | 122,216 |
| Security Expenses | - | 11,899 |
| Insurance | - | 111,377 |
| Total | 1,691,239 | 4,405,462 |

| Note 6 | | | | | | | | | | | |
|--|-----------------------|----------------------------|----------------------------|-----------------------------|----------------------|------------------------|----------------|-------------------------|----------------------|----------------|-----------------|
| FIXED ASSETS FOR THE PERIOD ENDED 31-3-2020 | | | | | | | | | | | |
| Sr. | Particulars of Assets | GROSS BLOCK [AT COST] | | | | DEPRECIATION | | | | NET BLOCK | |
| No. | | Opening Bal.as on 01-04-19 | Addition during the period | Deduction during the period | Total as on 31-03-20 | Balance as on 01-04-19 | For the period | Deduction during period | Total as on 31-03-20 | As on 31-03-20 | As on 31.3.2019 |
| TANGIBLE ASSETS : | | | | | | | | | | | |
| 1. | Plant & Machinery | 7,200,000 | - | - | 7,200,000 | 3,387,053 | 480,000 | - | 3,867,053 | 3,332,947 | 3,812,947 |
| 2. | Vehicles | 966,909 | - | - | 966,909 | 595,245 | 120,864 | - | 716,109 | 250,800 | 371,664 |
| 3 | Furniture | 6,041,207 | - | - | 6,041,207 | 2,820,331 | 721,231 | - | 3,541,562 | 2,499,645 | 3,220,876 |
| 4 | COMPUTER | 6,721,568 | 1,454,596 | - | 8,176,164 | 6,711,922 | 6,950 | - | 6,718,872 | 1,457,292 | 9,646 |
| 5 | Recorded Content | 22,018,498 | - | - | 22,018,498 | - | - | - | - | 22,018,498 | 22,018,498 |
| | INTANGIBLE | | | | | | | | | | |

| ASSET :- | | | | | | | | | | | |
|-----------------|--------------------------|-------------------|-------------------|----------|-------------------|-------------------|------------------|----------|-------------------|-------------------|-------------------|
| 6 | Trademark | 40,500 | - | - | 40,500 | 4,050 | - | - | 4,050 | 36,450 | 36,450 |
| 7 | Capital Work In Progress | 16,078,378 | 4,750,640 | - | 20,829,018 | - | - | - | - | 20,829,018 | 16,078,378 |
| TOTAL :- | | 59,067,060 | 6,205,236 | - | 65,272,296 | 13,664,828 | 1,329,045 | - | 14,847,645 | 50,424,651 | 45,548,460 |
| P.Y. :- | | 41,452,281 | 17,614,779 | - | 59,067,060 | 12,331,944 | 1,186,656 | - | 13,518,600 | 45,548,460 | 29,120,337 |

FOR NGST & ASSOCIATES
Chartered Accountants FRN: 135159W

SD/-
BHUPENDRA GANDHI
PARTNER
MEMBERSHIP NO: 12296
DATE: 27.07.2020
PLACE: AHMEDABAD

FOR AND ON BEHALF OF
ARIHANT INSTITUTE LIMITED

SD/-
SANDEEP KAMDAR
WTD & CEO
DIN: 00043214
DATE: 27.07.2020
PLACE: AHMEDABAD

SD/-
VINOD CHIMANLAL SHAH
CHAIRMAN & NON EXECUTIVE DIRECTOR
DIN: 00043214

ARIHANT INSTITUTE LIMITED**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020****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 recognised when significant risk and reward is transferred to Customers.

Interest income is recognised 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.

1. 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.
2. Non-monetary items outstanding at the balance sheet date are reported using the exchange rate at the date of the transactions.

8. Employee Benefits

- (i) As certified by the management, the company has no liability under the Provident Fund & Super-annuation Fund.
- (ii) 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.
- (iii) 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) A provision is recognised 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.
- b) 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)

| Sl. No | Description | 31 st March 2020 | 31 st March 2019 |
|--------|-------------|--------------------------------|--------------------------------|
| . | | | |

| | | | |
|----|---|-----------|-----------|
| a) | Weighted average number of equity Shares of Rs.10/- each | | |
| | a) Number of shares at the Beginning of the year | 94,05,006 | 69,05,006 |
| | 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 | 88,22,814 |
| | Weighted average number of Equity Shares – Diluted | 94,05,006 | 88,22,814 |
| | | | |
| b) | Net Profit/ (Loss) after tax available for Equity share-holders | 3,53,329 | 16,60,247 |
| | | | |
| c) | - Basic Earnings per Equity Share (in Rupees) | 0.03 | 0.19 |
| | - Diluted Earning per Equity Share (in Rupees) | 0.03 | 0.19 |

2) Related Party Disclosure:

Key Managerial Personal:

- i. Sandip Vinodkumar Kamdar
- ii. Rushiraj Patel (resigned w.e.f. 02.08.2019)
- iii. Jigar Umeshbhai Shah (resigned w.e.f. 25.05.2019)
- iv. Shivani Ketul Patel
- v. Vinodbhai Chimantlal Shah

Relatives of Key Managerial Personal –

- i. Anjali Sandip Kamdar
- ii. Madhuben Vinodbhai Kamdar
- iii. Vinodbhai K Kamdar

Transactions with related parties as under:

| Sr. No. | Related Party | Nature of payment | Amount |
|---------|--|-------------------|--------------------------|
| 1 | Directors and their relatives | Remuneration | 12,00,000 (10,60,000) |
| | Unsecured Loan Payable at the end of year | | |
| 1 | Directors and their relatives | Loan payable | 10,49,986 (2,10,316) |

3) Expenditure in Foreign Currency on account of

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

4) Earning in Foreign Currency on Account of

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

5) Previous year figures have been regrouped and reclassified to conform with current year's presentation and classification.

As per Annexed Report of Even Date.

For NGST & Associates
Chartered Accountants
Firm Reg. No. 135159W

For and on behalf of Board of Directors
OF ARIHANT INSTITUTE LIMITED

SD/-
Bhupendra Gandhi

Partner
Mem. No. 122296
Place: Mumbai
Dated: 27/07/2020

SD/-
Sandip Vinodkumar Kamdar – Whole
Time Director & CEO

SD/-
VINOD CHIMANLAL SHAH
CHAIRMAN & NON EXECUTIVE
DIRECTOR
DIN: 08033798



FORM NO. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

ARIHANT INSTITUTE LIMITED

Registered Office: 201,202, Ratna High Street, Naranpura Crossroad,
Naranpura Ahmedabad-380013

CIN: L80301GJ2007PLC050413 **E-Mail Id:** cs@arihantinstitute.com

Contact No.: 079-27683114 Website: www.arihantinstitute.com

| | |
|-----------------------|--|
| Name of Member | |
| Registered Address: | |
| E-mail id: | |
| Folio No./ Client Id: | |

I/ We being the member of Arihant Institute Limited, holding _____ shares, hereby appoints:

Name:

Email Id:

1.

.....

Address:

.....

.....

Signature:

.....

Or failing him/her,

Name:

Email Id:

.....

.....

Address:

.....

.....

Signature:

.....

.....

.....

Or failing him/her,

Name: Email Id:

Address:

..... Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 13th Annual General Meeting of Arihunt Institute Limited will be held on Thursday, 31st December, 2020, at 04:00 P.M. at C-404, Kautilya Royale Flat Opp. Ladli Showroom, Vijaynagar Road, Naranpura, Ahmedabad-380013, and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Resolution | Vote | |
|---------------------------|---|------|---------|
| | | For | Against |
| Ordinary Business: | | | |
| 1. | Adoption of the Audited Financial Statements of the Company for the financial year ended on 31 st March, 2020, together with the Reports of the Board of Directors and Auditors thereon. | | |
| 2. | To re-appoint Mr. Sandip Vinodkumar Kamdar (DIN: 00043214) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, seeks re-appointment. | | |

Signed this day of..... 2020

Affix
revenue
stamp

Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, before the commencement of the Meeting.



ARIHANT INSTITUTE LIMITED

Registered Office: 201,202, Ratna High Street, Naranpura Crossroad,
Naranpura Ahmedabad-380013

CIN: L80301GJ2007PLC050413 **E-Mail Id:** cs@arihantinstitute.com

Contact No.: 079-27683114 **Website:** www.arihantinstitute.com

ATTENDENCE SLIP

(To be presented at the entrance)

13TH ANNUAL GENERAL MEETING OF ARIHANT INSTITUTE LIMITED

To be held on Thursday, 31st December, 2020, at 04:00 P.M. at C-404,

Kautilya Royale Flat Opp. Ladli Showroom, Vijaynagar Road,

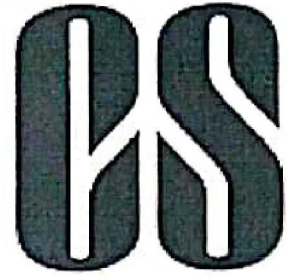
Naranpura, Ahmedabad-380013

| | | |
|--|---------------------------|--------------------------|
| Folio No. _____ — | DP ID No. _____ — | Client ID No. _____ — |
| Name of the Member: _____ _____ | Signature: _____ _____ | |
| Name of the Proxy holder: _____ _____ | Signature: _____ _____ | |

I hereby record my presence at the 13th Annual General Meeting of the Company held 13th Annual General Meeting of Arihant Institute Limited held on Thursday, 31st December, 2020, at 04:00 P.M. at C-404, Kautilya Royale Flat Opp. Ladli Showroom, Vijaynagar Road, Naranpura, Ahmedabad-380013.

1. Only Member/Proxy holder can attend the Meeting.
2. Member/Proxy holder should bring his/her copy of the Integrated Report for reference at the Meeting.

Jitendra Parmar
Practicing Company Secretary
E-mail. : csjitendraparmar@gmail.com



FORM NO. MR-3
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members of
Arihant Institute Limited
201,202, Ratna High Street,
Naranpura Crossroad, Naranpura,
Ahmedabad - 380 013

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Arihant Institute Limited** (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of **Arihant Institute Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Arihant Institute Limited** ("the Company") for the Financial Year ended on 31st March, 2020, according to the provisions of:-

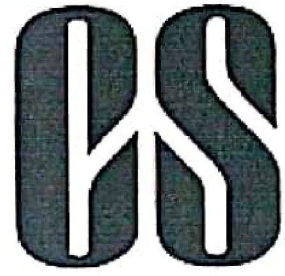
1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the Audit Period).

2, Divadandi Society, Near JivrajPark, Vejalpur, Ahmedabad - 380015

Mo. : +91 9408 555 517



Jitendra Parmar
Practicing Company Secretary
E-mail. : csjitendraparmar@gmail.com



5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period).
 - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period).
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

I have also examined compliance with the Secretarial Standards issued by The Institute of Company Secretaries of India;

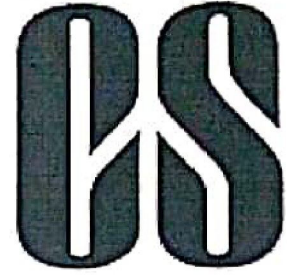
During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except:

- Company has not filed Non-applicability of Corporate Governance for the quarter ended 31st March, 2019, 30th June, 2019, 30th September, 2019 and 31st December, 2019 as per Regulation 15 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
- Company has not submitted Reconciliation of Share Capital Audit Report for the quarter ended 30th September, 2019 to the stock exchange as per Regulation 76 of The SEBI (Depository and Participant) Regulations, 2018.*
- Regulation 74(5) of the Securities and Exchange Board India (Depository and Participant) Regulations, 2018 for the Quarter ended 31st March, 2019, 30th June, 2019 and 30th September, 2019 was not filed by the Company.*
- Compliance Certificate for the Half year ended 30th September, 2019 was not submitted to the Stock Exchange as per Regulation 7(3) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
- Voting Results of the AGM for the Financial Year 2018-19 is not submitted to the stock exchange.*



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Jitendra Parmar
Practicing Company Secretary
E-mail. : csjitendraparmar@gmail.com



6. *Company has not submitted book closure intimation to the stock exchange as per Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015*
7. *Company has not filled:*
 - *E-form DPT-3 for the Financial Year ended 31st March, 2019 as per Rule 16 of the Companies (Acceptance of Deposits) Rules, 2014.*
 - *E-form MGT-14 for approval of financial statement and the Board's report for the Financial Year ended 31st March, 2019 and for appointment of internal auditors and secretarial auditor as per Section 179(3) read with Rule 8 of Companies (Meetings of Board and its Powers) Rules, 2014.*
 - *E-form MGT-15 for report on Annual General Meeting as per Section 121(1) of the Companies Act, 2013.*
 - *E-form DIR-12 for Regularization of Directors.*
8. *Website of the Company is not found.*
9. *Independent Directors of the Company are not registered with the Independent Director's Databank in pursuant with the Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019.*
10. *Proof of sending notice as per section 101 of the Companies Act, 2013 was not found.*
11. *Signing of audited financial statements as per the provisions of section 134 of the Act and report of directors is as per sub - sections (3), (4) and (5) thereof except signature of Company Secretary and Chief Financial Officer.*
12. *Voting through Electronic Means as per section 108 of the Companies Act, 2013 was not provided to the members of the Company for the Annual General Meeting of the Company held on 31st December, 2019.*

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

Adequate notice is given to all directors to schedule 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.

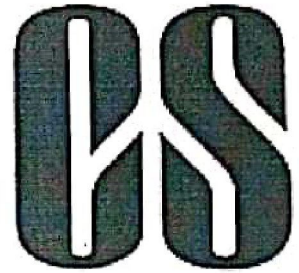
Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.



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Jitendra Parmar
Practicing Company Secretary

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I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.



Jitendra Parmar
(Company Secretary)

FCS: 11336

COP: 15863

UDIN:F011336C000984770

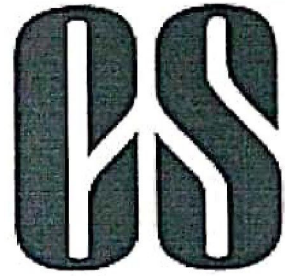
Date: 22nd September, 2021

Place: Ahmedabad

This report is to be read with our letter of even date which is annexed as Annexure - 1 and forms an integral part of this report.

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Jitendra Parmar
Practicing Company Secretary
E-mail. : csjitendraparmar@gmail.com



Annexure -1'

To,
The Members
Arihant Institute Limited
Ahmedabad

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.



Jitendra Parmar
(Company Secretary)

FCS: 11336

COP: 15863

UDIN:F011336C000984770

Date: 22nd September, 2021
Place: Ahmedabad

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