

## 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 is 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 & CEO
3. Mr. Rushiraj Zaverbhai Patel, Executive Director & CFO
4. Mrs. Shivani Ketul Patel, Non Executive Independent Director
5. Mr. Prashant Chandraprakash Srivastav, Non Executive Independent Director
6. Mr. Jigar Umeshbhai Shah, Non Executive Director

### **COMMITTEES:**

#### **Audit Committee:**

1. Mr. Prashant Chandraprakash Srivastav, Chairman
2. Mrs. Shivani Ketul Patel, Member
3. Mr. Rushiraj Zaverbhai Patel, Member

#### **Stakeholders Relationship Committee:**

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

#### **Nomination and Remuneration Committee:**

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

#### **Internal Complaints Committee:**

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

### **CHIEF EXECUTIVE OFFICER:**

Mr. Sandip Vinodkumar Kamdar

### **CHIEF FINANCIAL OFFICER**

Mr. Rushiraj Zaverbhai Patel

### **COMPANY SECRETARY:**

Miss. Jigisha Bimalbhai Solanki

### **STATUTORY AUDITORS:**

NGST & Associate

### **BANKER OF THE COMPANY:**

State Bank of India  
Kotak Mahindra Bank

**LISTED AT:**

BSE Limited (On SME Platform)

Script code: 541401

**REGISTERED & TRANSFER AGENT:**

Karvy Computershare 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](mailto:einward.ris@karvy.com)

**REGISTERED OFFICE:**

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

**COMPANY CONTACT DETAILS:**

[www.arihantinstitute.com](http://www.arihantinstitute.com)



[cs@arihantinstitute.com](mailto:cs@arihantinstitute.com)



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

## NOTICE

NOTICE is hereby given that 12<sup>th</sup> Annual General Meeting of Arihant Institute Limited will be held on Friday, 31<sup>st</sup> December, 2019, at 05:00 P.M. at the registered office of the Company at 201-202, Ratna High Street, Naranpura Crossroad, 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 31<sup>st</sup> March, 2019, together with the Reports of the Board of Directors and Auditors thereon.

#### **Item No.: 2 Reappointment of Director:**

To re-appoint Mr. Jigar Umeshbhai Shah (DIN: 05328340) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, seeks re-appointment.

#### **Item No.: 3 Appointment of Auditor:**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**RESOLVED THAT** pursuant to the provisions of the section 139, 141, 142 and other applicable provisions of the Companies Act, 2013 and The Companies (Audit & Auditors) Rules 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. NGST & Associates, Chartered Accountants (Firm Registration Number: 135159W) be and are hereby appointed as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting (AGM) to the conclusion of next AGM on the remuneration as may be decided by any Director of the Company.

**RESOLVED FURTHER THAT** any director of the company be and is hereby authorized to do all the acts, deeds and things which are necessary to give effect of an appointment of aforesaid person as a statutory auditor of the Company.

#### ITEM NO. 4 REGULARISATION OF DIRECTORS


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


**“RESOLVED THAT** Mr Prashant Chandraprakash Srivastav(DIN : 02257146), Ms. Shivani Ketul Patel(DIN : 08033788) and Mr. Vinodbhai Chimanlal Shah(DIN: 08033798) who were appointed as Additional Directors with effect from January 5, 2018 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of the ensuing Annual General Meeting, and in respect of whom a notice has been received from a member in writing under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the Company.”

**“RESOLVED FURTHER THAT** the Directors of the Company be and are hereby authorized to do all needful acts, deeds, Matters and things to give effect to this resolution including filling of forms with ROC.”

FOR ARIHANT INSTITUTE LIMITED

DATE:08/12/2019  
PLACE: AHMEDABAD

  
SIGNATURE  
SANDIP KAMDAR  
CHIEF EXECUTIVE OFFICER  
& WHOLE TIME DIRECTOR  
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.

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 <sup>st</sup> 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 12<sup>th</sup> 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 21<sup>st</sup> September, 2019. I.e. those who are the members of the company as on 21<sup>st</sup> September, 2019 will be entitled to attend and vote in 12<sup>th</sup> AGM of the company.
7. The Register of Members and Share Transfer Books of the Company will be closed from 22<sup>nd</sup> September, 2019 to 29<sup>th</sup> September, 2019 and same will be re-opened from 30<sup>th</sup> September, 2019 onwards.
8. The route map showing directions to reach the venue of the 12<sup>th</sup> AGM 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,



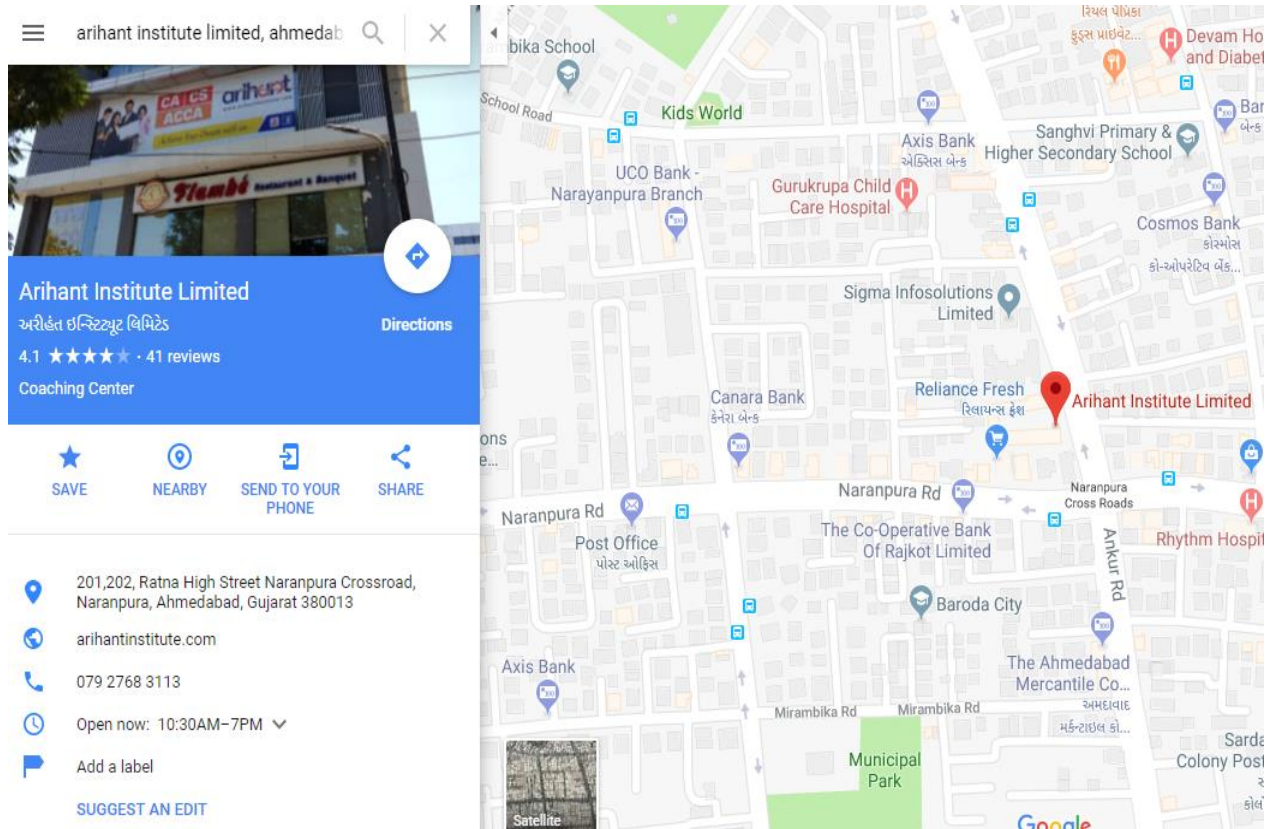
nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer 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 2018-19 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 2018-19 will also be available on the Company's website viz. [www.arihantinstitute.com](http://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 12<sup>TH</sup> ANNUAL GENERAL MEETING

### Registered Office:

201-202, Ratna High Street,  
Naranpura Cross Road,  
Naranpura, Ahmedabad-380013.



## DIRECTOR'S REPORT

To,  
**THE MEMBERS,**  
**ARIHANT INSTITUTE LIMITED**  
**CIN: L80301GJ2007PLC050413**

Your Directors are pleased to present herewith the **12<sup>TH</sup> ANNUAL REPORT** together with the Audited Financial Statements and Auditors' report thereon for the year ended 31<sup>st</sup> March, 2019.

### FINANCIAL RESULTS/ STATE OF COMPANY AFFAIRS:

The Financial Results of the Company for the year ended on 31<sup>st</sup> March, 2019 are as follows:-

Particulars	(Amt. in Rs.)	
	Year 2018-2019	Year 2017-2018
<b>Gross Income</b>	<b>1,74,74,661/-</b>	<b>1,82,04,971/-</b>
Profit / (loss) Before Depreciation, Amortization and Taxation	1,44,73,978/-	1,45,90,711/-
Depreciation and Amortization	1,186,656/-	17,38,429/-
<b>Profit / (Loss) before Taxation</b>	<b>18,14,026/-</b>	<b>18,75,832/-</b>
<b>Extra Ordinary Item</b>	<b>0.00/-</b>	<b>0.00/-</b>
Provision for taxation - For Current Tax	3,00,000/-	4,75,000/-
Provision for taxation - For Deferred Tax	(1,46,221)/-	(3,44,298)/-
MAT credit Entitlement	0.00/-	0.00/-
<b>Profit / (Loss) after Taxation</b>	<b>16,60,247/-</b>	<b>17,45,130/-</b>
<b>Appropriations:</b> Proposed Dividend	0.00/-	0.00/-

### 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 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 31<sup>st</sup> March, 2019.

**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. 3,398,902/- and at the close of year was Rs. 210,316/-

**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 on a going concern basis;
- (e) 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:**

During the year under review on 5<sup>th</sup> May, 2018, 94,05,006 Equity Shares of Rs.10/- each has been listed on the BSE SME (Small and Medium Exchange).

**USE OF SALE PROCEEDS:**

This Issue is being undertaken to meet the objects, as set forth herein, and to realize the benefits of listing of our Equity Shares on Stock Exchanges, which in our opinion would enhance our Company's visibility, brand name and enable us to avail of future growth opportunities. The other Objects of the Issue also include creating a public trading market for the Equity Shares of our Company by listing them on BSE SME Platform.

The Proceeds from the Issue are proposed to be utilized by our Company for the following objects:

1. Training Centre Expansion
2. Technical Infrastructure -Servers & Studio, Portal and Content Development
4. Branding and Marketing
5. Corporate Office Restructuring

6. General corporate purpose
7. IPO related expense

*(Collectively referred as the “objects”)*

The main objects clause of our Memorandum enables our Company to undertake its existing activities and these activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association.

## FUND REQUIREMENTS

Breakup of the total fund requirement for the Project work in progress is set forth below:

**(Amt in Rs.)**

Sr. No.	Particulars	Amount	In % age
1	Training Centre Expansion	4,18,28,094	55.77%
2	Technical Infrastructure-Servers, Studio & Content	1,16,96,000	15.59%
3	Corporate Office – Furniture & Equipments	47,50,000	6.33%
4	Branding & Marketing	71,58,116	9.54%
5	General Corporate Purpose	58,17,790	7.76%
6	SME IPO Expenses	37,50,000	5.00%
	<b>TOTAL</b>	<b>7,50,00,000</b>	<b>100.00%</b>

The fund requirements mentioned above are based on internal management estimates of our Company and the Lead Manager do not have any opinion on the justification for the same with regards to its exact requirement or appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, cost of commodities and interest or exchange rate fluctuations. The figures are relied on the documentary evidences provided by the Company, up to the extent available. Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the issue proceeds as stated above, our Company may re-allocate the issue proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the issue proceeds or cost overruns, our management may explore a range of options including utilizing our internal accruals or seeking debt financing.

However, due to economic slowdown and change in the preference pattern of the customer, management has made change in business strategy after consultation with board and approval in the board meeting. Management has decided to utilize IPO proceeds, as suggested by

Board Members, towards repayment of debt, creditors liability, statutory obligation, advance against purchase of technology, advance against rental property and working capital requirement.

Management at forthcoming board meeting and AGM, shall take necessary approval from directors and shareholders. Post approval from shareholders and management shall be intimated to Stock Exchange and ROC for necessary change. Management shall take necessary steps to assure that effects of change objects shall be reflected in the financials of the company and wherever required.

#### **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 2018-19 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](http://www.arihantinstitute.com).

The Independent directors have submitted their disclosure to the Board that they fulfil 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.

#### **CHANGES IN CAPITAL STRUCTURE:**

During the year under review, there was no change in the authorized share capital of your Company which stands as Rs. 9,50,00,000/- (Rupees Nine Crore Fifty Lacs) divided into 95,00,000 (Ninety-five Lacs) Equity Shares of Rs. 10/- each. During the year under review, 25,00,000 Equity Shares of Rs. 10/- each at the premium of Rs. 20/- per share has been issued by the company under an Initial Public Offer dated 31<sup>st</sup> May, 2018. The paid up share capital stands as Rs. 94,050,060 as on 31<sup>st</sup> March 2019.

#### **MATERIAL CHANGES AFFECTING FINANCIAL POSITION OF THE COMPANY:**

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statement relate and on the date of this 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:****1. INDUCTION OF DIRECTORS AND KMP:**

During the year under review, Mr. Sandip Vinodkumar Kamdar was appointed as an Additional Director (Designated as Whole Time Director) and Chief Executive Officer of the company w.e.f. 31/08/2018 and to hold office up to the date of the ensuing Annual General Meeting. Necessary Resolution has been proposed for his appointment as a director of the company for an approval of the members of the company.

During the year under review, w.e.f 8<sup>th</sup> June, 2018, Mrs. Falguni Dhrumil Shah has resigned from the post of Company Secretary and Compliance Officer of the company. The Board places appreciation for the services rendered by her during their tenure with the Company.

Miss. Jigisha Bimalbhai Solanki is appointed as a Company Secretary & Compliance Officer of the Company on 11<sup>th</sup> June, 2018. On 30/09/2018, Miss. Jigisha Bimalbhai Solanki has resigned from the post of Company Secretary and Compliance Officer of the company. The Board places appreciation for the services rendered by her during their tenure with the Company.

During the year under review, on 04<sup>th</sup> January, 2019, Miss. Nisha Kushwaha has been appointed as a Company Secretary and Compliance Officer of the Company After the closure of the financial year but before the date of reporting on 01<sup>st</sup> May, 2019 Miss. Nisha Kushwaha has resigned from the post of Company Secretary and Compliance Officer of the company. The Board places appreciation for the services rendered by her during their tenure with the Company.

**2. CHANGE IN DESIGNATION OF DIRECTORS:**

During the year under review, there was no change in the designation of any of the directors of the company.

**3. CESSATION:**

Mr. Kashyap Trivedi (DIN: 01931400) has resigned from the post of Whole Time Director & Chief Executive Officer (CEO) of the company due his pre-occupancy of business dated 16<sup>th</sup> July 2018. The Board places appreciation for the services rendered by him during their tenure with the Company.

After the closure of the financial year but before the reporting period Mr. Jigar Umeshbhai Shah (DIN:05328340) and Mr. Rushiraz Zaverhai Patel (DIN:08017580) directors of the company has filed their respective Form DIR-11 dated 25/05/2019 and 02/08/2019 intimating their resignations from the company.

**DETAILS OF BOARD MEETINGS:**

During the year under review, the Board of Directors met 7 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:**

As on 31<sup>st</sup> March, 2019, 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.***

**EXTRACTS OF ANNUAL RETURN:**

Extract of the Annual Return for the financial year ended under review in the prescribed form MGT - 9, pursuant to provisions of Section 92(3) of the Companies Act, 2013 is annexed to this report as ***Annexure- 3.***

**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.

**STATUTORY AUDITORS:**

Your company has been listed on BSE SME Platform w.e.f 5<sup>th</sup> June, 2018. As per the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed company have to conduct audit from the auditor holding the certificate of Peer Review Auditor. As M/s. A. J. Parekh & Associates does not holding the certificate of Peer Review Auditor, they placed before the board a resignation letter dated 21<sup>st</sup> August, 2018 stating that they will not be able to do audit from the financial year 2018-19 onwards and they will hold office upto the date of issue of Audit Report for the financial year 2017-18 only.

To fill up such casual vacancy aroused on the place of Statutory Auditor of the Company, on the recommendation of an Audit Committee, the board of Directors on their meeting dated 31<sup>st</sup> August, 2018, appointed M/s. NGST & Associates, Chartered Accountants, (FRN:135159W) holding the certificate of Peer Review Auditor, as a Statutory Auditor of the company.

Pursuant to provision of Section 139(8) of the Companies Act, 2013 and rules made thereunder from time to time, the board is entitled to fill up the casual vacancy but if such casual vacancy is a



a result of the resignation of an auditor, such appointment shall also be approved by the company at a general meeting convened within three months of the recommendation of the Board and he shall hold the office till the conclusion of the next annual general meeting.

The Directors recommend to the members of the company to give an approval for an appointment of M/s. NGST & Associates and reappoint them for the period of Five Year from 2018-19 to 2022-23.

#### **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.

As on the financial year ended on 31<sup>st</sup> March, 2019, your company is falling under the requirement of Section 204 of the Companies Act, 2013 so the requirement to do Secretarial Audit is applicable for the financial year 2018-19.

#### **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 2018-19, 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 2018-19 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.

#### **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-4** 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-5**.

#### **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/>.

#### **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 2018-19 and no complaint is outstanding as on 31<sup>st</sup> March, 2019.

**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	2018-2019	2017-2018
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.

FOR ARIHANT INSTITUTE LIMITED

DATE:08/12/2019  
PLACE: AHMEDABAD

  
SIGNATURE  
SANDIP / VINODKUMAR  
KAMDAR  
CHIEF EXECUTIVE OFFICER  
& WHOLE TIME DIRECTOR  
DIN: 00043214

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



**ANNEXURE : 1**

**DATES OF BOARD MEETINGS**

<b>S.NO.</b>	<b>DATE OF MEETING</b>	<b>NO OF DIRECTORS ATTENDED THE MEETING</b>	<b>% ATTENDANCE</b>
01.	16/05/2018	07	100
02.	31/05/2018	07	100
03.	08/06/2018	07	100
04.	11/06/2018	07	100
05.	16/07/2018	07	100
06.	31/08/2018	08	100
07.	10/10/2018	08	100
08.	14/12/2018	08	100
09.	04/01/2019	08	100
10.	11/03/2019	08	100

**ANNEXURE : 2**

**COMMITTEE MEETINGS**

**AUDIT COMMITTEE MEETINGS:**

<b>S.NO.</b>	<b>DATE OF MEETING</b>	<b>NO OF MEMBERS ATTENDED THE MEETING</b>	<b>% ATTENDENCE</b>
01.	15/05/2018	03	100
02.	05/08/2018	03	100
03.	11/11/2018	03	100
04.	05/01/2019	03	100

**NOMINATION AND REMUNERATION COMMITTEE MEETINGS:**

<b>S.NO.</b>	<b>DATE OF MEETING</b>	<b>NO OF MEMBERS ATTENDED THE MEETING</b>	<b>% ATTENDENCE</b>
01.	18/05/2018	03	100
02.	08/08/2018	03	100
03.	05/11/2018	03	100
04.	06/01/2019	03	100

**STAKEHOLDERS/ INVESTORS GRIEVANCE COMMITTEE MEETINGS:**

<b>S.NO.</b>	<b>DATE OF MEETING</b>	<b>NO OF MEMBERS ATTENDED THE MEETING</b>	<b>% ATTENDENCE</b>
01.	19/05/2018	03	100
02.	19/08/2018	03	100

**INTERNAL COMPLAINTS COMMITTEE MEETINGS:**

<b>S.NO.</b>	<b>DATE OF MEETING</b>	<b>NO OF MEMBERS ATTENDED THE MEETING</b>	<b>% ATTENDENCE</b>
01.	19/05/2018	03	100

**Form No. MGT – 9****EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31<sup>st</sup> March, 2019**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	L80301GJ2007PLC050413
ii)	Registration Date	30/03/2007
iii)	Name of the Company	ARIHANT INSTITUTE LIMITED
iv)	Category / Sub-Category of the Company	Company limited by shares / Indian Non-Government Company
v)	Address of the Registered office and contact details	201,202, Ratna High Street, Naranpura Crossroad, Naranpura Ahmedabad-380013
vi)	Whether listed company	YES
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	"Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032 Tel. No.: 040-67162222 Fax No.: +91 23001153 E-mail: einward.ris@karvy.com"

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Teaching services/ Academic tutoring services	85491	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

S. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
--	--	--	--	--	--



#### IV.SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i)Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01-04-2018)				No. of Shares held at the end of the year (as on 31-03-2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
(1) Indian									
a) Individual / HUIF	5076115	--	5076115	73.51%	7444115	--	7412115	79.15%	--
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt (s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp	--	---	---	---	--	----	----	----	--
e) Banks / FI's	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
<b>Sub Total (A) (1)</b>	5076115	--	5076115	73.51%	7444115	---	7444115	79.15%	-
(2) Foreign	--	--	--	--	--	--	--	--	--
a) NRI - Individuals	--	--	--	--	--	--	--	--	--
b) Other - Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corporate	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other	--	--	--	--	--	--	--	--	--
<b>Sub Total (A) (2)</b>	--	--	--	--	--	--	--	--	--
<b>Total Shareholding of Promoter (A)=(A)(1) + (A)(2)</b>	5076115	---	5076115	73.51%	7444115	---	7444115	79.15%	--
<b>B. PUBLIC SHAREHOLDING</b>									
<b>1. Institutions</b>									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	---	---	---	--	---	----	---	--

c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt (s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Fund	--	--	--	--	--	--	--	--	--
i) Others	--	--	--	--	--	--	--	--	--
<b>Sub Total (B) (1)</b>	--	----	----	---	--	---	----	--	--
<b>2. Non Institutions</b>									
a) Bodies Corporate	--	-	-	---	--	---	---	--	--
i) Indian	17500	--	17500	0.25%	149500	--	149500	0.158%	--
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual Shareholders holding nominal share capital up to Rs.1 Lakh	70000	---	70000	1.01%	70000	--	70000	0.74%	--
ii) Individual Shareholders holding nominal share capital in excess of Rs.1 Lakh	1661391	--	1661391	24.06%	1661391	--	1661391	17.66%	--
c) Others LIMITED LIABILITY PARTNERSHIP	80000	--	80000	1.16%	80000	--	80000	0.85%	--
<b>Sub Total (B) (2)</b>									
	<b>1828891</b>	--	<b>1828891</b>	<b>26.49%</b>	<b>1960891</b>	---	<b>1960891</b>	<b>20.84%</b>	--
<b>Total Public Shareholding (B) = (B)(1) + (B) (2)</b>	--	-	-	-	--	-	-	-	--
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>	--	--	--	--	--	--	--	--	--
<b>GRAND TOTAL (A+B+C)</b>	<b>6905006</b>	--	<b>6905006</b>	<b>100%</b>	<b>9405006</b>	--	<b>9405006</b>	<b>100%</b>	--

(ii) **Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	ANJALI KAMDAR	11,20,000	16.22%	--	11,20,000	11.90%	--	--
2	SANDEEP V KAMDAR	1,551,115	22.46%	--	1,551,115	16.49%	--	--
3	VINODBHAI K KAMDAR	1,080,000	15.64%	--	1,080,000	11.48%	--	--
4	MADHUBEN V KAMDAR	1,325,000	19.19%	--	1,325,000	14.08%	--	--
5	VIKAS JAIN	200,000	2.9%	--	200,000	2.12%	--	--
	<b>TOTAL</b>	<b>5276115</b>	<b>76.41</b>	<b>--</b>	<b>5276115</b>	<b>56.07</b>	<b>--</b>	<b>--</b>

(iii) **Change in Promoters' Shareholding (Please specify, if there is no change) – No Change**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the Company
(i)	ANJALI KAMDAR				
	At the beginning of the year	1120000	16.22%	1120000	16.22%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				

	At the End of the year	1120000	11.90%	1120000	11.90%
(ii)	SANDEEP V KAMDAR				
	At the beginning of the year	1,551,115	22.46%	1551115	22.46%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	1,551,115	16.49%	1551115	16.49%
(iii)	VINODBHAI K KAMDAR				
	At the beginning of the year	1,080,000	15.64%	1,080,000	15.64%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	1,080,000	11.48%	1,080,000	11.48%
(iv)	MADHUBEN V KAMDAR				
	At the beginning of the year	1,325,000	19.19%	1,325,000	19.19%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	1,325,000	14.08%	1,325,000	14.08%
(v)	VIKAS JAIN				
	At the beginning of the year	200,000	2.90%	200,000	2.90%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	200,000	2.12%	200,000	2.12%

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRS):**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Increase / Decrease	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the Company
1.	Hetal N Shah HUF	90000	1.30	--	--	--	90000	1.30
2.	Shreni Ankit Mehta	88889	1.29%	--	--	--	53900	0.67
3.	Rajesh S Mehta HUF	85000	1.23%	--	--	--	53900	0.67
4.	Manan R Patel	82833	1.20	--	--	--	53900	0.67
5.	Goodness Consultancy LLP	80000	1.16	--	--	--	53900	0.67
6.	Rajesh Mehta	80000	1.16%	--	--	--	44900	0.56
7.	Rajmi Mehta	75000	1.09%	--	--	--	35900	0.45
8.	Rajan Shah	66667	0.97%	--	--	--	26900	0.36
9.	Sanjay S. Shah	66667	0.97%	--	--	--	26900	0.36
10.	Premal Mahendrabhai Shukla	50000	0.72%	--	---	---	50000	0.72%
11.	Shilpa Doshi	49000	0.71%	---	---	--	49000	0.71%
12.	Anil Sanghavi	49000	0.71%	---	---	--	49000	0.71%

(v) **Shareholding of Directors and Key Managerial Personnel:**

Sl. No.		Shareholding at the beginning of the year		Date	Increase / Decrease	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the Company
<b>A</b>	<b>Directors</b>							
1	SANDIP VINODKUMAR KAMDAR	--	---	--	--	--	---	---
2	PRASHANT CHANDRAPRAKASH SRIVASTAV	-	---	--	--	--	-	---
3	JIGAR UMESHBHAI SHAH	---	---	--	--	--	---	---
4	RUSHIRAJ ZAVERBHAI PATEL		--	--	--	--	---	--

5	SHIVANI KETUL PATEL	--	--	--	--	--	--	--
6.	VINODBHAI CHIMANLAL SHAH	-		--	--	--	-	--

## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	26488	3398902	--	3425390
i) Principal Amount	-	-	--	
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	26488	3398902	--	3425390
Change in Indebtedness during the financial year	--	--	--	--
Addition	--		--	
Reduction	(26488)	(3188586)	--	(3215074)
Net Change	(26488)	(3188586)	--	(3215074)
Indebtedness at the end of the financial year	--	---	--	---
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	0.00	210316	--	210316

## VI. REMUNERATION OF DIRECTORS AND KEY MANGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		MR. SANDIP VINODKUMAR KAMDAR	MR. RUSHIRAJ PATEL	---	---	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	450000	60000			510000
2.	Stock Option					
3.	Sweat Equity					
4.	Commission					
	as % of profit					
	others, specify.....					
5.	Others, please specify					
	Total (A)	450000	60000			510000
	Ceiling as per the Act					

### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		---	---	---	---	
	3. Independent Directors • Fee for attending board committee meetings • Commission • Others, please specify					
	Total (1)					
	4. Other Non-Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify					

	Total (2)					
	Total (B) = (1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify.....				
5.	Others, please specify				
	Total				

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**


Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment /Compounding Fees imposed	Authority / (RD /NCLT COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>B. DIRECTORS</b>					



Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

**FOR ARIHANT INSTITUTE LIMITED**

**DATE:08/12/2019**  
**PLACE: AHMEDABAD**

  
SIGNATURE  
SANDIP KAMDAR  
VINODKUMAR  
CHIEF EXECUTIVE OFFICER  
& WHOLE TIME DIRECTOR  
DIN: 00043214

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

# Amit Dharmani & Associates

## Company Secretaries

Reg. Off: 213, 2nd Floor, Mahakal Terrace, Freeganj, Ujjain (M.P.) - 456010

Tel No. 0734- 3591322 Cell: 8827738332

Email: amitkumardharmani@gmail.com/csamitdharmani@gmail.com

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2019

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

### Secretarial Auditor's Report

To,

The Members,

ARIHANT INSTITUTE LIMITED

201,202, RATNA HIGH STREET, NARANPURA CROSSROAD,

NARANPURA AHMEDABAD GJ 380013 IN

We 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') for financial year from April 01, 2018 to March 31, 2019 (hereinafter referred to as "**the Audit Period**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, and as per the explanations given to us and the representations made by the Management of the Company, we hereby report that in our opinion, the Company had, during the Audit Period generally complied with the statutory provisions listed hereunder and also that the Company had proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed during the Audit Period and other records made available to us and maintained by the Company and as shown to us during our audit and according to the provisions of the following laws:

The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;(Not Applicable)

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a)The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b)The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992/The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c)The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d)The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not Applicable to the Company during the Audit Period)

(e)The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period)

(f)The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g)The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period) and

(h)The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit Period)

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

(i) Secretarial Standards (SS) issued by the Institute of Company Secretaries of India. These standards were applicable with effect from July 01, 2015. However the Company had generally observed the Secretarial Standards.

(ii) The Listing Agreements entered into by the Company with Stock Exchanges read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(iii) During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that--

During the year under review, the Company has issued and made on allotment of equity shares to Public by Initial Public Offer of equity shares. The Company has obtained the necessary listing permission from Bombay Stock Exchange for listing of Equity Share on BSE-SME plate form.

During the year under review, 25,00,000 Equity Shares of Rs. 10/- each at the premium of Rs. 20/- per share has been issued by the company under an Initial Public Offer dated 31st May,2018. The paid up share capital stands as Rs.94,050,060 as on 31st March 2019.

We further report that--

The Company has listed on SME platform of Bombay Stock Exchange on 05th June, 2018.

During the Audit Period and as per the explanation and clarification given to us and the representations made by the management, the Company had generally complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above, except to the extent as mentioned below:

1. During the year under review, status of the Company is change from unlisted to listed entity, however the CIN of the company is shown of the Unlisted entity on mca.
2. The Company has not updated the website.
3. The Din of Ms. Shivani Ketul Patel (DIN: 08033788) and Mr. Vinodbhai Chimanlal Shah (DIN: 08033798) has been deactivated on mca due to non filing of Dir-3 Kyc.
4. During the year under review, the Company has not complied few provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**We further report that:**

1. The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings / debenture holdings and directorships in other companies and interests in other entities;
2. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
3. The Company has obtained all necessary approvals under the various provisions of the Act; and
4. There was no prosecution initiated during the year under review under the Companies Act and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers though some forms were uploaded with late filing fees .

**We further report that**

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

During the year under review, Mr. Sandip Vinodkumar Kamdar was appointed as an Additional Director (Designated as Whole Time Director) and Chief Executive Officer of the company w.e.f. 31/08/2018 and to hold office up to the date of the ensuing Annual General Meeting. Necessary Resolution has been proposed for his appointment as a director of the company for an approval of the members of the company.

During the year under review, w.e.f 8th June, 2018, Mrs. Falguni Dhruvil Shah has resigned from the post of Company Secretary and Compliance Officer of the company. The Board places appreciation for the services rendered by her during their tenure with the Company.

Miss. Jigisha Bimalbhai Solanki is appointed as a Company Secretary & Compliance Officer of the Company on 11th June, 2018. On 30/09/2018, Miss. Jigisha Bimalbhai Solanki has resigned from the post of Company Secretary and Compliance Officer of the company. The Board places appreciation for the services rendered by her during their tenure with the Company.

During the year under review, on 04th January, 2019, Miss. Nisha Kushwaha has been appointed as a Company Secretary and Compliance Officer of the Company After the closure of the financial year but before the date of reporting on 01st May,2019 Miss. Nisha Kushwaha has resigned from the post of Company Secretary and Compliance Officer of the company.

Mr. Kashyap Trivedi (DIN: 01931400) has resigned from the post of Whole Time Director & Chief Executive Officer (CEO) of the company due his pre-occupancy of business dated 16th July 2018. The Board places appreciation for the services rendered by him during their tenure with the Company.

After the closure of the financial year but before the reporting period Mr. Jigar Umeshbhai Shah (DIN: 05328340) and Mr. Rushiraz Zavernhai Patel (DIN: 08017580) directors of the company has filed their respective Form DIR-11 dated 25/05/2019 and 02/08/2019 intimating their resignations from the company.

Adequate notice were given to directors to schedule the Board Meetings, committee meetings and agenda along with the detailed notes on agenda were also sent in advance of seven days, however 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.

Decisions at the Board Meetings were taken unanimously.

We further report that as per the explanations given to us and the representations made by the management and relied upon by us, 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.

**Place: Ujjain**  
**Date: 08<sup>th</sup> December, 2019**

**For Amit Dharmani & Associates**  
**Company Secretaries**

**Amit Dharmani**  
**Proprietor**  
**ACS: 41833**  
**COP: 18179**

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

# **Amit Dharmani & Associates**

## **Company Secretaries**

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Reg. Off: 213, 2nd Floor, Mahakal Terrace, Freeganj, Ujjain (M.P.) - 456010  
Tel No. 0734- 3591322 Cell: 8827738332  
Email: amitkumardharmani@gmail.com/csamitdharmani@gmail.com

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**ANNEXURE – A**  
**(To the Secretarial Audit Report of Arihant Institute Limited for the financial year ended March 31, 2019)**

To,  
The Members,  
ARIHANT INSTITUTE LIMITED  
201,202, RATNA HIGH STREET, NARANPURA CROSSROAD,  
NARANPURA AHMEDABAD GJ 380013 IN

Our Secretarial Audit Report for the financial year 31<sup>st</sup> March, 2019 is to be read along with this letter.

**Management's Responsibility:-**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility:-**

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer:-**

5. 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.
6. We have not verified the correctness and appropriateness of financial records and books of account of the Company.

**Place: Ujjain**  
**Date: 08<sup>th</sup> December, 2019**

**For Amit Dharmani & Associates**  
**Company Secretaries**

**Amit Dharmani**  
**Proprietor**  
**ACS: 41833**  
**COP: 18179**



**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 31<sup>st</sup> March 2019, 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, 2019, 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**

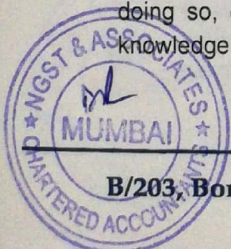
Key audit matters are those matters that, in our professional judgment, were of most significance. in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, We have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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation 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.

**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 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 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019, 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.

Place: Mumbai  
Date: 29<sup>th</sup> May 2019



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

*Bhupendra S*

Bhupendra S Gandhi  
Partner  
Membership no.: 122296



**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 31<sup>st</sup> March, 2019, 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, 2019 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 given 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.

Place: Mumbai  
Date: 29<sup>th</sup> May 2019



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

*Bhupendra S Gandhi*

Bhupendra S Gandhi  
Partner

Membership no.: 122296

**ARIHANT INSTITUTE LIMITED**  
Balance Sheet as at 31<sup>st</sup> March, 2019

Particulars	Sch No.	As at 31st March, 2019	As at 31st March, 2018
1	2	3	4
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	94,050,060	69,050,060
(b) Reserves and surplus	2	42,372,186	(9,288,061)
<b>2 Share application money pending allotment</b>		-	-
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	3	210,316	3,425,390
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long-term provisions		-	-
<b>4 Current liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables		954,978	6,170,949
(c) Other current liabilities	4	9,908,858	7,638,476
(d) Short-term provisions	5	775,000	475,000
<b>TOTAL</b>		<b>148,271,397</b>	<b>77,471,814</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	6	45,548,460	29,120,337
(b) Non-current investments			-
(c) Deferred tax assets (net)	7	856,607	710,386
(d) Long-term loans and advances	8	43,359,696	12,254,796
(e) Other non-current assets		11,994,455	-
<b>2 Current assets</b>			
(a) Current investments	9	680,134	487,412
(b) Inventories	10	39,988,085	27,324,525
(c) Trade receivables	11	1,366,311	282,526
(d) Cash and cash equivalents	12	4,477,649	7,291,833
(e) Short-term loans and advances			-
<b>TOTAL</b>		<b>148,271,397</b>	<b>77,471,814</b>

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

FOR NGST & ASSOCIATES  
Chartered Accountants  
FRNo: 135159W  
*Bhupendra G*  
BHUPENDRA GANDHI  
PARTNER  
Mem. No. : 122296



*V*  
x \_\_\_\_\_  
SANDIP VINODKUMAR KAMDAR  
WHOLE TIME DIRECTOR & CEO  
DIN NO:00043214

For and on behalf of  
ARIHANT INSTITUTE LIMITED

*V*  
x \_\_\_\_\_  
VINODBHAI CHIMANBHAI SHAH  
NON-EXECUTIVE DIRECTOR & CHAIRMAN  
DIN NO:08033798

Place : AHMEDABAD  
Date : 29/05/2019

Place : AHMEDABAD  
Date : 29/05/2019



**ARIHANT INSTITUTE LIMITED**  
Profit and loss statement for the year ended 31<sup>st</sup> March, 2019

Particulars	Refer Note No.	31st March, 2019	31st March, 2018
I. Revenue from operations	14	17,474,661	18,204,971
II. Other income	15	-	-
<b>III. Total Revenue (I + II)</b>		<b>17,474,661</b>	<b>18,204,971</b>
IV. Expenses:			
Cost of materials sold and service provided	16	6,046,148	1,692,202
Employee benefits expense	17	3,971,721	4,905,258
Finance costs	18	50,646	322,204
Depreciation and amortization expense	7	1,186,656	1,738,429
Other expenses	19	4,405,462	7,671,047
Total expenses		<b>15,660,635</b>	<b>16,329,139</b>
<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>1,814,026</b>	<b>1,875,832</b>
VI. Exceptional items		-	-
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>1,814,026</b>	<b>1,875,832</b>
VIII. Extraordinary Items			
<b>IX. Profit before tax (VII- VIII)</b>		<b>1,814,026</b>	<b>1,875,832</b>
X Tax expense:			
(1) Current tax		300,000	475,000
(2) Deferred tax		(146,221)	(344,298)
<b>XI Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>1,660,247</b>	<b>1,745,130</b>
<b>XV Profit (Loss) for the period (XI + XIV)</b>		<b>1,660,247</b>	<b>1,745,130</b>
XII Earnings per equity share:			
(1) Basic		0.19	0.18
(2) Diluted		0.19	0.20

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

FOR NGST & ASSOCIATES  
Chartered Accountants  
FRN: 135159W  
*Bhupendra Gandhi*  
BHUPENDRA GANDHI  
PARTNER  
Mem. No. : 122296



For and on behalf of  
ARIHANT INSTITUTE LIMITED

x *Sandip Vinodkumar Kamdar*  
SANDIP VINODKUMAR KAMDAR  
WHOLE TIME DIRECTOR & CEO  
DIN NO:00043214

x *Vinodbhai Chimanbhai Shah*  
VINODBHAI CHIMANBHAI SHAH  
NON-EXECUTIVE DIRECTOR & CHAIRMAN  
DIN NO:08033798

Place : AHMEDABAD  
Date : 29/05/2019

Place: AHMEDABAD  
Date : 29/05/2019



Schedule 14 Revenue from operations		
Particulars	2018-19	2017-18
Sale of services-Coaching, E learning & Franchisee center	17,474,661	18,204,971
<b>Total</b>	<b>17,474,661</b>	<b>18,204,971</b>

Schedule 15 Other income		
Particulars	2018-19	2017-18
Dividend Income	-	-
Other non-operating income (net of expenses directly attributable to such income)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Schedule 16 Cost of materials sold & used & Services		
Particulars	2018-19	2017-18
Opening Stock	487,412	540,296
Purchase	949,607	744,236
	1,437,019	1,284,532
Closing Stock	680,134	487,412
Cost of Services - Professors	5,289,264	895,082
<b>Total</b>	<b>6,046,148</b>	<b>1,692,202</b>

Schedule 17 Employee Benefits Expense		
	2018-19	2017-18
(a) Salaries and incentives	3,901,221	4,864,509
(b) Contributions to -		
Provident fund & Superannuation scheme	-	18,720
(c) Staff welfare expenses	70,500	22,029
<b>Total</b>	<b>3,971,721</b>	<b>4,905,258</b>

Schedule 18 Finance costs		
Particulars	2018-19	2017-18
Interest expense	-	200,041
Other financial charges	50,646	122,163
<b>Total</b>	<b>50,646</b>	<b>322,204</b>

Schedule 19 Other expenses		
Particulars	2018-19	2017-18
Advertisement Expenses	795,663	156,500
Audit Fees	34,200	34,200
Office Expenses / Miscellaneous Expenses	188,160	481,720
Legal & Professional Fees	130,983	-
Post, Telephone & Telegram Expenses	200,369	196,554
Travelling, Conveyance and Vehicle Expenses	25,454	42,164
Power and fuel	374,453	688,194
Rent, Rates & Taxes	2,410,688	5,754,194
Repairs & Maintenance	122,216	17,419
Security Expenses	11,899	143,229
Insurance	111,377	156,873
<b>Total</b>	<b>4,405,462</b>	<b>7,671,047</b>



ARIHANT INSTITUTE LIMITED

Notes forming part of financial statements

Note 6

**FIXED ASSETS FOR THE PERIOD ENDED 31-3-2019**

Sr. No.	Particulars of Assets	GROSS BLOCK (AT COST)				DEPRECIATION			NET BLOCK		
		Opening Bal. as on 01-04-18	Addition during the period	Deduction during the period	Total as on 31-03-19	Balance as on 01-04-18	For the period	Deduction during period	Total as on 31-03-19	As on 31-03-19	As on 31.3.2018
	<b>TANGIBLE ASSETS :</b>										
1.	Plant & Machinery	6,888,084	311,916	-	7,200,000	2,909,971	477,082	-	3,387,053	3,812,947	3,978,113
2.	Vehicles	966,909	-	-	966,909	474,381	120,864	-	595,245	371,664	492,528
3	Furniture	4,870,103	1,171,104	-	6,041,207	2,238,905	581,426	-	2,820,331	3,220,876	2,631,198
4	COMPUTER	6,708,687	12,881	-	6,721,568	6,708,687	3,235	-	6,711,922	9,646	-
5	Recorded Content	22,018,498	-	-	22,018,498	-	-	-	-	22,018,498	22,018,498
	<b>INTANGIBLE ASSET :</b>										
6	Trademark	-	40,500	-	40,500	-	4,050	-	4,050	36,450	-
7	Capital Work In Progress	-	16,078,378	-	16,078,378	-	-	-	-	16,078,378	-
	<b>TOTAL :-</b>	<b>41,452,281</b>	<b>17,614,779</b>	<b>-</b>	<b>59,067,060</b>	<b>12,331,944</b>	<b>1,186,656</b>	<b>-</b>	<b>13,518,600</b>	<b>45,548,460</b>	<b>29,120,337</b>
	<b>P.Y. :-</b>	<b>41,452,281</b>	<b>-</b>	<b>-</b>	<b>41,452,281</b>	<b>10,593,515</b>	<b>1,738,429</b>	<b>-</b>	<b>12,331,944</b>	<b>29,120,337</b>	<b>30,858,766</b>





**ARIHANT INSTITUTE LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

All amounts in rupees unless otherwise stated

Particulars	2018-19	2017-18
<b>A. Cash Flow from operating activities</b>		
Profit before taxation	1,814,026	1,875,832
<b>Adjustments for :</b>		
Depreciation	1,186,656	1,738,429
(Profit) / Loss on sale of Fixed Assets	-	-
Financial Expenses	50,646	322,204
Interest Income	-	-
<b>Operating profit before working capital changes</b>	<b>3,051,329</b>	<b>3,936,464</b>
<b>Movements in Working Capital :</b>		
(Increase)/Decrease in Sundry Debtors	(12,663,560)	(10,324,101)
(Increase)/Decrease in Inventories	(192,722)	52,884
Increase/(Decrease) in Trade Payables	(5,215,971)	1,385,722
Increase/(Decrease) in Current Liability	2,570,382	1,074,994
(Increase)/Decrease in Loans and Advances	2,814,184	2,627,857
(Increase)/Decrease in Other Non current assets	(11,994,455)	-
Cash (used in) / generated from operations	(21,630,813)	(1,246,180)
Direct taxes paid (net of refunds)	(300,000)	(475,000)
<b>Net cash (used in) / generated from operating activities (A)</b>	<b>(21,930,813)</b>	<b>(1,721,180)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets	(17,614,779)	-
(Increase)/Decrease in Loans and Advances - long	(31,104,900)	(12,194,796)
Dividends received	-	-
Interest received	-	-
<b>Net cash used in investing activities (B)</b>	<b>(48,719,679)</b>	<b>(12,194,796)</b>
<b>C. Cash flows from financing activities</b>		
Increase/(Decrease) in Share Capital	75,000,000	22,000,000
Increase/(Decrease) in Long Term Borrowing	(3,215,074)	(4,674,786)
Increase/(Decrease) in Secured Loan - CC loan	-	(3,118,679)
Financial Expenses	(50,646)	(322,204)
<b>Net cash from financing activities (C)</b>	<b>71,734,279</b>	<b>13,884,331</b>
<b>Net increase in cash and cash equivalents D=(A + B + C)</b>	<b>1,083,787</b>	<b>(31,645)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>282,526</b>	<b>314,170</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,366,314</b>	<b>282,526</b>
<b>Components of cash and cash equivalents</b>	<b>As at</b>	<b>As at</b>
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Cash on hand	195,113	64,481
With Scheduled Banks	-	-
- in Current Account	1,171,198	218,045
- in Term Deposit Accounts	-	-
<b>Total</b>	<b>1,366,314</b>	<b>282,526</b>

**Notes:**

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

As per our report of even date  
FOR NGST & ASSOCIATES  
Chartered Accountants  
FRNo: 135159W

For and on behalf of  
ARIHANT INSTITUTE LTD


  
 X SANDIP VINODKUMAR KAMDAR X VINODBHAI CHIMANBHAI SHAH  
 WHOLE TIME DIRECTOR & CEO NON-EXECUTIVE DIRECTOR & CHAIRMAN  
 DIN NO:00043214 DIN NO:08033798

**BHUPENDRA GANDHI**  
PARTNER  
Mem. No. : 122296

Place : AHMEDABAD  
Date : 29/05/2019

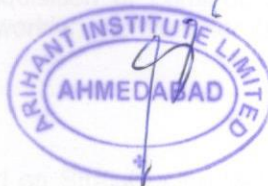
Place: Ahmedabad  
Date : 29/05/2019



ARIHANT INSTITUTE PRIVATE LIMITED

DEFERRED TAX COMPUTATION

Sr. No.	Particulars	Rs.
1	Depreciation AS PER BOOKS AS AT 31-3-19	1,186,656
2	Depreciaton AS PER INCOME TAX ACT 31-3-19	713,448
	Difference	473,208
	Tax Rate	30.90%
	(DTL) /DTA TO BE PROVIDED FOR THE YEAR	146,221



**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.

**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019**

- (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 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
a)	Weighted average number of equity Shares of Rs.10/- each		
	a) Number of shares at the Beginning of the year	69,05,006	60,00,000
	ii) Number of shares at the End of the year	94,05,006	69,05,006

	Weighted average number of Equity Shares – Basic	88,22,814	68,30,006
	Weighted average number of Equity Shares – Diluted	88,22,814	68,30,006
b)	Net Profit/ (Loss) after tax available for Equity share-holders	16,60,247	17,45,130
c)	- Basic Earnings per Equity Share (in Rupees)	0.19	0.26
	- Diluted Earning per Equity Share (in Rupees)	0.19	0.26

**2) Related Party Disclosure:**

**Key Managerial Personal –**

- (i) Sandip Vinodkumar Kamdar
- (ii) Vinodbhai Chimanbhai 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.	Name	Nature of payment	Amount
1	Sandip Vinodkumar Kamdar	Director's Remuneration	4,50,000
2	Rushiraj Patel	Director's Remuneration	60,000
3	Anjali Sandip Kamdar	Salary	2,50,000
4	Madhuben Kamdar	Salary	1,50,000
5	Vinod Kamdar	Salary	1,50,000
	<b>Unsecured Loan Payable at the end of year</b>		
1	Sandip Vinodkumar Kamdar	Loan payable	83,580
2	Anjali Sandip Kamdar	Loan payable	36,856
3	Madhuben Kamdar	Loan payable	58,081
4	Vinod Kamdar	Loan payable	31,799

**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) During the year company has issued 25,00,00 equity shares through IPO at premium of Rs. 20 each share. The company has informed that there was no deviation in the utilization of proceeds as stated in the objects of prospectus of the public issue and explanatory statement of the EGM notice.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019

6) 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**

**Bhupendra Gandhi**


**Partner  
Mem. No. 122296**

Place: Mumbai

Dated: 29<sup>th</sup> May, 2019.

**For and on behalf of Board of Directors**

  
**Sandip Vinodkumar Kamdar  
Whole Time Director & CEO** -

  
**Vinodbhai Chimanbhai Shah  
Non-Executive Director** -

