



# Arihant's Securities Ltd

New No.30, Old No.138, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004  
Phone : 044 - 43434000 / 28444555 Fax : 044 - 43434030  
E-mail : arihantssecurities@gmail.com CIN : L65993TN1994PLC027783

08<sup>th</sup> September 2020

To,  
BSE Ltd  
Phiroze Jeejeebhoy Towers,  
Dalal Street , Mumbai -400001  
Through: BSE Listing centre

Dear Sir,

**SUB: Annual Report 2020 and cut-off date for e-voting - Reg  
Script Code: 531017**

This letter has reference to our Corporate announcement for Reg. 34 (1) Annual Report made on 08.09.2020 12:09:45 P.M through the Listing portal bearing Announcement/Acknowledgement ID: 2054452, we request you to kindly take on record the Announcement made hereunder, and ignore the earlier one filed in the above ID, Due to an typographical error in Annual Report

Hoping our request will be accepted, requesting you to kindly take the same on record and oblige

With reference to the above captioned subject and in compliance with Regulation 34 and Part A of Schedule III to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed herewith is the Annual Report of Arihant's Securities Limited for the financial year 2019-20 along with the Notice of the 26<sup>th</sup> Annual General Meeting to be held on September 30, 2020

In Compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rules framed thereunder and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. the Company has made arrangements with Central Depository Services (India) Limited (CDSL) to facilitate Remote e-voting/e-voting during the meeting, for the resolutions proposed to be passed at the 26<sup>th</sup> Annual General Meeting.

The Cut-off date for determining the eligibility of the Members to vote by remote e-voting or e-voting during the Annual General Meeting is Wednesday, September 23, 2020. The remote e-voting facility shall commence on September 27, 2020 at 9.00 A.M. (1ST) and shall end on September 29, 2020 at 5.00 P.M.(1ST).

This is for your information and record.

Yours Faithfully,

For ARIHANT'S SECURITIES LIMITED  
For, ARIHANT'S SECURITIES LIMITED

*Nishikant Mohanlal Choudhary*  
Managing Director.  
Nishikant Mohanlal Choudhary  
Managing Director  
DIN No: 02142746

**Twenty Sixth Annual Report**  
**2019 - 2020**



**ARIHANT'S SECURITIES LIMITED**

**BOARD OF DIRECTORS****Mr. Nishikant Mohanlal Choudhary**

Managing Director

**Mr. Narendra B Bhatt**

Independent Director

**Mrs. Mohana**

Independent Women Director

**COMPANY SECRETARY****Mrs. Nutika Jain****BANKERS**

Oriental Bank of Commerce Limited,

HDFC Bank Limited

Axis Bank Limited

**STATUTORY AUDITORS**

K. Nandhiswaran, FCA, Chartered Accountant,

40A, First Circular Road, Jawahar Nagar, Chennai 600084

**SECRETARIALAUDITORS**

M/s. ASJ &amp; Associates, Practicing Company Secretaries,

1D, Middle Block, Saptamallika Apts, 188,

Poonamallee High Road, Kilpauk Chennai-600010

**REGISTERED AND  
CORPORATE OFFICE**

138, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004.

Ph. : (044) 28444555, 43434000 Fax : (044) 43434030

E-mail id : arihantssecurities@gmail.com

CIN No. : L65993TN1994PLC027783

**REGISTRARS AND SHARE  
TRANSFER AGENTS**

Cameo Corporate Services Ltd,

'Subramanian Building', No.1, Club House Road, Chennai -

600002 Phone: 28460390-28460394 Fax: 28460129

E-mail: cameo@cameoindia.com

Website: www.cameoindia.com



## NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of the Members of **ARIHANT'S SECURITIES LIMITED** will be held on Wednesday, September 30, 2020 at 01:00 p.m. through Video Conferencing ("VC")/ Other Audio- Visual Means ("OAVM") to transact the following business

### **Ordinary Business:**

1. **TO RECEIVE, CONSIDER AND ADOPT THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020, THE BOARD'S REPORT AND AUDITOR'S REPORT THEREON**

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

**"RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon, be and are hereby considered and adopted."

2. **To appoint Mr.Nishikanth Mohanlal Choudhry (DIN: 02142746), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment as Director and whose office shall be subject to retire by rotation as per the Companies Act, 2013**

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

**"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder, Mr. Nishikanth Mohanlal Choudhry (DIN 02142746), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as the Director of the Company who continues to hold the position of Director."

### **Special Business:**

3. **Re-appointment of Ms. Mohana as an Independent Director of the Company**

*To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:*

**"RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the approval of the Members of the Company be and is hereby accorded for re-appointment of Ms. Mohana (DIN: 07239307), Non-Executive and Independent Director of the Company, Who is reappointed for second term for a period of 5 years w.e.f 30<sup>th</sup> September 2020 and who has submitted a declaration confirming the criteria of



Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations, and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non Executive Director of the Company, whose term shall not be subject to retirement by rotation.”

**RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised ‘Committee’ thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution”

**For and on behalf of the Board  
Arihant’s Securities Limited**

Sd/-

Date: 05.09.2020  
Place: Chennai

**Nishikant Mohanlal Choudhary**  
Managing Director  
DIN: 02142746

### **NOTES:**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 14/2020 dated April 8, 2020 and General Circular No. 17/2020 dated April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company will be held through VC / OAVM. Participation of members through VC / OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013.
2. The deemed venue for 26<sup>th</sup> Annual General Meeting shall be the registered office of the Company
3. Since this AGM is being held through VC / OAVM, pursuant to the MCA Circulars, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. Hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice. In pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting



4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy of its Board or Governing Body Resolution/Authorization etc., authorizing its representative to attend the AGM on its behalf and to vote through remote e-voting and e-voting during the AGM. The said Resolution/Authorization shall be sent to the Company's e-mail address at arihantssecurities@gmail.com.
5. The facility of joining the AGM through VC/OAVM will be opened 15 minutes before and will be open upto 15 minutes after the scheduled start time of the AGM, i.e. from 12:45 A.M. to 01:15 P.M. and will be available for atleast 1,000 members on a first-come first-served basis. This rule would however not apply to participation of shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key managerial personnel, auditors etc.
6. Institutional Investors, who are members of the Company are encouraged to attend and vote at the AGM of the Company.
7. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
8. The Company has been maintaining, inter alia, the Register of contracts or arrangements in which directors are interested under section 189 of the Act and the Register of Directors and Key Managerial Personnel and their shareholding under section 170 of the Act at its registered office. In accordance with the MCA circulars, the said registers shall be made accessible for inspection through electronic mode, which shall remain open and be accessible to any member during the continuance of the meeting
9. Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be made accessible for inspection through electronic mode on all working days, except Saturdays, during business hours up to the date of the Annual General Meeting
10. For ease of conduct, members who would like to ask questions/express their views on the items of the businesses to be transacted at the meeting can send their questions/comments in advance to the Company's designated email address at arihantssecurities@gmail.com. mentioning their name, demat account no./Folio no., etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting.
11. The Share Transfer Books of the Company shall remain closed from September 24, 2020 to September 30, 2020 (both days inclusive).
12. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / RTA
13. The Company or its Registrar and Share Transfer Agent, M/s. Cameo Corporate Services Limited ("Cameo") cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant.
14. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. In this regard, members can write to us at arihantssecurities@gmail.com.
15. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Cameo, for consolidation into a single folio



16. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Cameo for assistance in this regard. Securities and Exchange Board of India (“SEBI”) has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Accordingly, the Company/Cameo has stopped accepting any fresh lodgment of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the 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 / Cameo.  
SEBI vide circular dated April 20, 2018 has mandated the Company to collect copy of PAN and Bank account details from Members holding shares in physical form. Accordingly, individual letters are sent to those shareholders whose PAN and Bank account details are not available with the Company. Such shareholders are requested to provide the information at the earliest to the Company/RTA
18. In terms of section 101 and 136 of the Act, read together with the Rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial Statements, Boards’ Report etc. by electronic mode. Pursuant to the said provisions of the Act read with MCA Circulars, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report will also be available on the Company’s website at [www.arihantsecurities.com](http://www.arihantsecurities.com) and on the website of the Stock Exchange i.e. BSE Ltd. at [www.bseindia.com](http://www.bseindia.com)
19. Further, those members who have not registered their e-mail addresses and mobile nos. and in consequence could not be served the Annual Report and Notice of the AGM, may get themselves registered with our RTA by clicking the link: <https://investors.cameoindia.com> for obtaining the same
20. To support the ‘Green Initiative’, Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars, etc., from the Company electronically
21. Information and other instructions relating to e-voting are as under:

### **General Instructions:**

1. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA Circulars, the Company is pleased to provide e-voting facility to the members to cast their vote electronically on all the resolutions set forth in the Notice convening the 26<sup>th</sup> Annual General Meeting (“remote e-voting”).
2. The Company has engaged the services of Central Depository Services (India) Limited (“CDSL”) as the Agency to provide e-voting facility
3. The remote e-voting facility will be available during the following period



- a. Commencement of remote e-voting : From 9.00 a.m. (IST) on September 27, 2020
- b. End of remote e-voting : Up to 5.00 p.m. (IST) on September 29, 2020
4. Once the vote is casted by the member, it cannot be subsequently changed or voted again. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by CDSL upon expiry of aforesaid period
5. The members who have casted their vote by remote e-voting facility may also attend the Meeting but shall not be entitled to vote again.
6. The facility for e-voting will also be made available during the AGM and the members, who could not cast their vote by remote e-voting facility, may cast their vote by e-voting during the AGM.
7. The voting rights of shareholders shall be in proportion to their shares in the paid up share capital of the Company as on September 23, 2020. Members holding shares either in physical form or dematerialized form, as on September 23, 2020 i.e. cut-off date, may cast their vote electronically. Any person who is not a member as on the cut- off date should treat this Notice for information purposes only
8. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as on September 23, 2020, may obtain the login Id and password by sending request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
9. The Board of Directors of the Company has appointed ASJ & Associates, Company Secretaries in practice (Membership No. 41678) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed to scrutinize the voting process.
10. At the Annual General Meeting, at the end of the discussion on the resolution on which the voting is to be held, the Chairman would announce that e-voting for all those members who are present but have not casted their votes electronically using the remote e-voting facility.
11. The Scrutinizer shall, immediately after the conclusion of voting at AGM, unblock the votes casted through e-voting facility, in the presence of at least two witnesses who are not in the employment of the Company. The Scrutinizer will submit a consolidated Scrutinizer's Report of the total votes casted in the favour of or against, if any, to the Chairman of the Company. The Chairman, or any other person authorized by him, shall declare the voting result forthwith.
12. The voting results along with the Scrutinizer's Report will be placed on the website of the Company and on the website of CDSL. The results will also be communicated to the Stock Exchange

**Step for e-voting**

1. The voting period begins at 9.00 a.m. (IST) on September 27, 2020 and ends at 5.00 p.m. (IST) on September 29, 2020. During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of September 23, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Shareholders who have already voted prior to the meeting date would not be entitled to vote again during the meeting.
3. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
4. Click on **Shareholders**
5. Now Enter your User ID

For CDSL	16 digits beneficiary ID
For NSDL 8	Character DP ID followed by 8 Digits Client ID
Members holding shares in Physical Form	Folio Number registered with the Company



6. Next enter the image verification as displayed and Click on Login
7. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used
8. If you are a first time user follow the steps given below:

PAN	<p>Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number, after the first two characters of the name in CAPITAL letters Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field</p>
Dividend Bank Details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login</p> <p>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field</p>

9. After entering these details appropriately, click on "SUBMIT" tab.
10. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
11. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice
12. Click on the EVSN of Arihant's Securities Limited on which you chose to vote
13. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution
14. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details
15. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote
16. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote
17. You can also take print of the votes casted by clicking on "Click here to print" option on the voting page.



18. If a demat account holder has forgotten the login password, then enter the User ID and the image verification code and click on forgot password & enter the details as prompted by the system
19. Shareholders can also use Mobile app. “m-Voting” for e-voting. m-Voting app is available on iOS, Android & Windows based mobile. Shareholders may log into m-Voting using their e-Voting credentials to vote for the Company resolution(s).
20. Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at the email address at [evoting.asj@gmail.com](mailto:evoting.asj@gmail.com) and to the Company at the email address at [arihantssecurities@gmail.com](mailto:arihantssecurities@gmail.com), if they have voted from individual tab & not uploaded same in the CDSL evoting system for the scrutinizer to verify the same.
21. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

### **Instructions for Members attending the AGM**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed
2. Shareholders are encouraged to join the Meeting through Laptops / iPads / Tablets for better experience
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches



5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 3 days prior to meeting mentioning their name, DP ID Client ID/folio number, email id, mobile number at arihantssecurities@gmail.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 3 days prior to meeting mentioning their name, DP ID Client ID/folio number, email id, mobile number at arihantssecurities@gmail.com. These queries will be replied to by the company suitably by email
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting

### **Voting at AGM through VC/ OAVM**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM
3. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting
4. Shareholders who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote during the AGM.

### **EXPLANATORY STATEMENT**

#### **(Pursuant to Section 102(1) of the Companies Act, 2013)**

As required under Section 102(1) of the Companies Act, 2013 (the 'Act'), the following explanatory statement sets out all the material facts relating to the business mentioned under Item Nos. 3 of the accompanying notice

#### **Item No.3**

At the Annual General Meeting (AGM) held on September 30, 2015, Ms. Mohana (DIN: 07239307), was appointed as a Non-Executive Independent Director of the Company for a first term of 5 consecutive years i.e. upto September 30, 2020

On the basis of report of performance evaluation of Ms. Mohana, the Nomination and Remuneration Committee (NRC) recommended to the Board that her continued association will immensely benefit the Company. Pursuant to the recommendation of NRC and report of performance evaluation and in order to reap benefits of her rich and varied experience, the Board at its meeting held on September 05, 2020 approved and recommended re-appointment of Ms. Mohana, as a Non-Executive Independent Director of the Company for a second term of five consecutive years with effect from 30th September, 2019 to 30th September, 2025 not liable to retire by rotation.

Ms. Mohana has given consent for the said re-appointment and she is not disqualified from being reappointed as a Director of the Company under Section 164 of the Companies Act, 2013 ("the Act"). Further, the Company has received declaration of independence from Ms. Mohana confirming that he meets



the criteria of independence as specified in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and also the Company has received notice in writing from a Member under Section 160 of the Act proposing candidature of Ms. Mohana for the office of Director of the Company.

Copy of the draft letter for appointment of Ms. Mohana as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during business hours on any working day upto the date of AGM

As required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards – 2, disclosures pertaining to the appointment of Director of the Company are provided in Annexure-1 to the Notice

The Board of Directors recommends the resolution at Item No. 2 of the Notice for the approval of members of the Company by way of Special Resolution.

Except Ms. Mohana, none of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice

**For and on behalf of the Board  
Arihant's Securities Limited**

Date: 05.09.2020

Place: Chennai

**NISHIKANT MOHANLAL CHOUDHARY**

MANAGING DIRECTOR

DIN: 02142746

**Additional information on Director seeking appointment/ re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings**

Name of the Director	Ms. Mohana
Age	28 Years
DIN	07239307
Category	Non-Executive and Independent Director
Date of first appointment on the Board as Director	30/09/2015
Qualification(s)	Graduate
Expertise in Specific Functional Area	Capital Market
Terms & conditions of re-appointment	As per Resolution mentioned in Item No. 3 of the Notice
Details of remuneration sought to be paid and remuneration last drawn.	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	None
Number of Board Meetings attended during the year	5
Directorships held in other public Companies, including listed Companies [excluding foreign	Nil



private Companies and deemed public Company] as on 31st March, 2020	
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees of other Public Companies as on 31st March, 2020	Nil
Number of shares held in the Company as on 31st March, 2020	Nil

**Additional information on Director seeking appointment/ re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings**

Name of the Director	Mr.Nishikanth Mohanlal Choudhry
Age	59 Years
DIN	02142746
Category	Managing Director
Date of first appointment on the Board as Director	03/09/1994
Qualification(s)	BA
Expertise in Specific Functional Area	Corporate
Terms & conditions of re-appointment	As per Resolution mentioned in Item No. 2 of the Notice
Details of remuneration sought to be paid and remuneration last drawn.	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	None
Number of Board Meetings attended during the year	5
Directorships held in other public Companies, including listed Companies [excluding foreign private Companies and deemed public Company] as on 31st March, 2020	Nil
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees of other Public Companies as on 31st March, 2020	Nil
Number of shares held in the Company as on 31st March, 2020	Nil

**BOARD'S REPORT**

To

The Members,

Your Directors have great pleasure in presenting the TWENTY SIXTH Annual Report together with the Audited Accounts of your Company for the Financial Year ended 31.03.2020.

**FINANCIAL HIGHLIGHTS:**

The financial results of the company compared to the previous year are summarized as under:

(Rs. In Lakhs)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Revenue from operation	11.14	40.07
Other income	-	-
Gross income	11.14	40.07
Profit/(loss) before Financial cost, Depreciation and Tax	-5.94	15.23
Less: Financial Cost	-	-
Profit/(loss) before Depreciation and Tax	-5.94	15.23
Less: Depreciation	-	-
Profit/(loss) before Tax & Exceptional/ Extraordinary items	-5.94	15.23
Less: Exceptional/ Extraordinary items	-	-
Profit / (Loss) before Tax	-5.94	15.23
Less: Tax Expense	-	1.34
Profit/ (Loss) after tax for the year	-5.94	13.88
EPS	-0.12	0.28

**COVID-19 PANDEMIC AND ITS IMPACT**

World Health Organization (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 23, 2020 and the Company temporarily suspended the operations in all the units in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has impacted the normal business operations of the Company. The financial impact of the same will be there on the financials in the next few quarters

**MATERIAL CHANGES AND COMMITMENTS:**

There have been no material changes & Commitments, which have occurred between the end of the financial year of the company to which the balance sheet relates and the date of the report affecting the financial position of the company.

**RESERVES:**

The company does not propose to carry any amount to reserves during the financial year.



## **DIVIDEND:**

The Board of Directors of your company, after considering holistically the relevant circumstances and the loss for the year, has decided, not to recommend any dividend for the year under review.

## **PARTICULARS OF SUBSIDIARY COMPANY, ASSOCIATE COMPANY AND JOINT VENTURE COMPANY**

The Company is neither a holding company nor it is a subsidiary of any other company as at March 31, 2020. The Company has no associate company or joint venture company as on March 31, 2020.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Current Board Composition:

<b>Name</b>	<b>Designation</b>
Ravikant Choudhry*	Non-Executive Chairman
Nishikanth Mohanlal Choudhary	Managing Director
Narendra Balvantraai Bhatt	Independent Director
Mohana	Independent Director

\* Shri Ravikant Choudhry, Director ceased to be the Director on the Board with effect from 27.05.2020 due to his demise. The Directors place on record his invaluable contributions towards the company and express their deep condolences for his sad demise.

## **Board of Directors:**

Composition and Category

As on 31 March, 2020, the Board of the Company consists of Four (4) directors. The Board has an optimum combination of Executive and Non-Executive Directors. The composition of the Board is in conformity with SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 with reference to number of Executive and Non-Executive Directors.

The Executive Director is involved in the day to day management of the Company and Non-Executive Directors including the Independent Director bring external and wider perspective and independence to the decision making.

Mr. Nishikanth Mohanlal Choudhary, Managing Director of the Company works under the direction, control and supervision of the Board of Directors. The Board of Directors meet regularly to discuss, appraise and approve matters relating to company's strategy, plans, budgets, financials and operations.

The details of the composition, nature of Directorship and the directorships held in companies by the Directors of the Company as on 31 March, 2020 are detailed below:



Name of Director	Nature of Directorship	No. of Directorship excluding Directorship in our Company*	Chairmanship/Membership in the Committees by Board of Directors of Company**	
			Committee Chairman	Committee Member
Mr. Ravikanth Choudhry	Non-executive Chairman	1	Nil	2
Mr. Nishikanth Mohanlal Choudhary	Managing Director	Nil	Nil	NIL
Mr. Narendra B Bhatt	Non-executive Independent Director	Nil	1	1
Mrs. Mohana	Non-executive Independent Director	Nil	1	1

\* For the purpose of Directorship / committee membership, all private companies and section 8 companies have not been considered.

\*\* Only Chairmanship / membership of audit committee and stakeholders relationship committee have been considered.

### **INDEPENDENT DIRECTORS AND FAMILIRISATION PROGRAMME**

In terms of the provisions of Section 149(7) of the Companies Act, 2013, all the Independent Directors of the Company have furnished a declaration to the Company stating that they fulfill the criteria of Independent Director as prescribed under Section 149(6) of the Companies Act, 2013 and are not being disqualified to act as an Independent Director.

In compliance with Regulation 25 of the SEBI Listing Regulations, the Board has adopted a policy on familiarization programme for Independent Directors of the Company. The policy familiarizes the Independent Directors with the nature of industry in which the Company operates business model of the Company, their roles, rights and responsibilities in the Company.

#### **Board Agenda:**

Meetings are governed by a structured Agenda and a Board member may bring up any matter for consideration of the meeting in consultation with the Chairman. The detailed agenda and relevant information is sent to every director at least 7 working days in advance for each meeting, facilitating effective discussion and decision making. An indicative list of the information usually placed before the Board is as under:

- Annual Budgets and updates thereon.
- Capital expenditure proposals if any and review of their implementation.



- Quarterly, Half yearly and Annual Results.
- Business performance and steps for improvement.
- Legal proceedings involving the Company.
- Minutes of meetings of Audit Committee, Remuneration Committee and Shareholders Committee.
- Materially important show cause notices, non-compliances, if any, etc.

**Board Meeting:**

During the financial year ended 31<sup>st</sup> March 2020 Five (5) Board Meetings were held. The dates on which the Board Meetings were held are 30.05.2019, 14.08.2019, 14.11.2019, 25.12.2019 and 10.02.2020

Details of attendance at the Board meetings and the last Annual General Meeting:

Name of Director	Board Meetings Attended	Attendance in Last AGM
Mr. Ravikant Choudhry	5	Yes
Mr. Nishikanth Mohanlal Choudhary	5	Yes
Mr. Narendra B Bhatt	5	Yes
Mrs. Mohana	5	Yes

**BOARD COMMITTEES**

In compliance to the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has various Committees of the Board. Details of scope, constitution, terms of reference, numbers of meetings held during the year under review along with attendance of Committee Members therein are as mentioned below

**(A) AUDIT COMMITTEE:****(i) Composition**

The Audit Committee of the Board comprises three directors, namely Mrs. Mohana, the Chairman, Mr. Ravikant Choudhry and, Mr. Narendra B Bhatt Members. The composition of Audit Committee meets the requirement of Section 177 of the Companies Act, 2013 Members of the Audit Committee have requisite financial and management expertise.

**(ii) Terms of reference**

- Recommendation for appointment, remuneration and term of appointment of the auditors of the Company.
- Discussion and review of periodic audit reports and discussion with external Auditors about the scope of audit including the observations of Auditors.
- Review and monitor the auditor's independence and performance
- Overseeing Financial Reporting Process
- Reviewing periodic financial results, financial statements and auditors' report thereon.
- Evaluation of internal financial controls and risk management systems.
- Valuation of undertakings or assets of the Company.

**(iii) Attendance**

The committee met 4 times during the period on the following dates:

30.05.2019, 14.08.2019, 14.11.2019 and 10.02.2020

Name of Director	Audit Committee Meetings Attended
Mrs. Mohana	4
Mr. Ravikant Choudhry	4
Mr. Narendra B Bhatt	4

**(iv) RECOMMENDATION OF AUDIT COMMITTEE**

During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

**(B) SHAREHOLDERS RELATIONSHIP COMMITTEE**

Shareholders Relationship Committee in line with Section 178 (5) of the Companies Act, 2013 is headed by Mr. Narendra B Bhatt Independent Director, Mr. Ravikant Choudhry, Non-executive Director, and Mrs. Mohana, as members.

The Committee monitors redressal of complaints received from shareholders/investors with respect to transfer of shares, non-receipt of dividend, non-receipt of Annual Report etc. The Committee also take note on number of transfers processed, issue of fresh share certificates, dematerialization of share certificates, report about top shareholders, share holding pattern etc.

No Compliant received for this financial year, No instrument of transfers was pending on 31st March, 2020.

During the year the Committee was met 3 times 26.04.2019, 06.06.2019 and 31.03.2020, and all members attended the meeting.

**(C) NOMINATION AND REMUNERATION COMMITTEE**

The Company has a Remuneration Committee consists of Chairman Mr. Narendra B Bhatt Independent Director, Mrs. Mohana, Independent Director, and , Mr. Ravikant Choudhry, Director as members.

During the year the Committee was met 2 times 25.12.2019 and 10.02.2020, and all members attended the meeting.

The company has a Managing Director and there was no payment to him as he has foregone his remuneration for the year in view of low profits made by the company. No remuneration has been paid to any directors of the company.

**(D) SHARE TRANSFER COMMITTEE**

With an understanding to provide quick responses for request of transfer, transmission etc., from the Shareholders, the Board of Directors of the Company constituted a sub-committee in the style of "Share Transfer Committee".

Share Transfer Committee is headed by Mr. Ravikant Choudhry Non-executive Director, Mrs. Mohana, Independent Director and Mr. Narendra Balvantra Bhatt, Independent Director.



## **Terms of Reference in brief:**

Transfer, Transmission and Transposition of shares.  
Consolidation and Split of share certificates.

Share Transfer Committee meeting met 3 times 26.04.2019, 06.06.2019 and 31.03.2020 and all members attended the meeting.

## **BOARD EVALUATION**

The Board of Directors of the Company has carried out the annual evaluation of its own performance as well as the evaluation of the working of its Committees and individual Directors. This exercise was carried out through structured questionnaires formulated by the Nomination & Remuneration Committee. The questionnaires are circulated to all the directors to seek their response on the evaluation. The evaluation framework provides for performance parameters and possible paths for improvements.

The performance evaluation of the Non-Independent Directors, Chairman and the Board as a whole were carried out by the Independent Directors.

The Directors have expressed their satisfaction with the evaluation process and its results.

## **KEY MANAGERIAL PERSONNEL**

The following Directors/Officials of the Company have been designated as Key Managerial Personnel (KMP) of the Company by the Board of Directors in terms of provisions of Section 203 of the Companies Act, 2013 and the SEBI Listing Regulations:

- |                                     |                           |
|-------------------------------------|---------------------------|
| 1. Mr. Nishikant Mohanlal Choudhary | : Managing Director       |
| 2. Mr. Nagarajan                    | : Chief Financial Officer |
| 3. Mrs. Nutika Jain                 | : Company Secretary       |

## **REMUNERATION POLICY OF THE COMPANY**

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under Section 178(3) of the Companies Act, 2013, can be viewed on the Company's website [www.arihantssecurities.com](http://www.arihantssecurities.com). There has been no change in the policy since the last financial year.

## **VIGIL MECHANISM:**

The Company has established a vigil mechanism and oversees through the committee the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of co employees and the Company.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals which impact the going concern status and future operations of the Company.



## **DEPOSITS:**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

## **PARTICULARS OF LOANS, INVESTMENT, GUARANTEE AND SECURITY U/S 186(4) OF THE COMPANIES ACT, 2013**

The Company has not given any loans or made investment or provided any guarantee/ security during the Financial year under review. The Company has not given any guarantees other than bank guarantees in the normal course of business to meet contractual obligations.

## **LISTING:**

The Equity Shares of the Company are listed at the Bombay Stock Exchange. The Annual Listing Fees for the financial year 2019-2020 has been paid to Bombay Stock Exchange.

## **DECLARATION OF INDEPENDENT DIRECTORS:**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of Companies Act, 2013 and the relevant rules.

## **AUDITORS:**

Mr. K. Nandhiswaran (Membership No. 207644), Chartered Accountants, Chennai is the Statutory Auditor of the Company and they hold office till the conclusion of 30<sup>th</sup> Annual General Meeting to be held in the calendar year 2024. There were no qualification, reservation or adverse remark in the Auditor's Report for the financial year ended on March 31, 2020

## **AUDITORS REPORT:**

There are no reservations, qualifications or adverse remarks contained in the Auditors Report.

## **SECRETARIAL AUDIT REPORT:**

Pursuant to provisions under Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed M/s. ASJ & Associates, Practicing Company Secretaries to undertake Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report is attached and forms part of this report.

## **EXTRACT OF ANNUAL RETURN**

An extract of Annual Return in Form MGT-9 as on March 31, 2020 is attached and forms part of this Report.

## **RELATED PARTY TRANSACTIONS**

All Related Party Transactions that were entered into during the financial year were on arm's length basis, in the ordinary course of business and were in the compliance with the applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There were no materially significant Related Party Transactions made by the company during the year that would have required



Shareholder approval under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There were transactions during the year and the particulars of contracts or arrangements with related parties in Form AOC-2 are annexed and forms part of this report.

### **CORPORATE GOVERNANCE:**

Regulation 15(2) (a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 states that COMPLIANCE WITH THE CORPORATE GOVERNANCE PROVISIONS AS SPECIFIED IN REGULATION 27 SHALL NOT BE APPLICABLE IN RESPECT OF LISTED ENTITY:

- a) Having PAID UP EQUITY SHARE CAPITAL NOT EXCEEDING Rupees TEN CRORE AND
- b) NET-WORTH NOT EXCEEDING Rupees TWENTY FIVE CRORES, as on the last day of previous financial year.

Since the Paid Up Equity Capital of the Company is only Rs. 5,00,00,000 (Rupees Five Crore only) and Net Worth is Rs. 5,12,87,928 (Five Crore Twelve Lakh Eighty Seven Thousand Nine Hundred and Twenty Eight Only), the company is not required to submit Corporate Governance along with Directors' Report.

However your Board of Directors assure the members that the Company continues to maintain highest Standards of Integrity, transparency in operations, excellence in service to all shareholders and strong Corporate Governance Standards.

The Board of Directors assures that the Corporate Governance Standards as stipulated in the Companies Act, 2013 have been fully complied with.

### **CORPORATE SOCIAL RESPONSIBILITY:**

The provisions of the Companies Act, 2013 on Corporate Social Responsibility are not applicable to the company.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The Company is a financial services company. Therefore, its operations do not account for energy consumptions. Accordingly, Rules 3 (A) and (B) of the Companies (Accounts) Rules, 2014 concerning conservation of energy and technology absorption respectively are not applicable to the Company. However, the Company is taking all possible measures to conserve energy. The management keeps itself abreast of the technological advancements in the industry.

**THERE ARE NO INFLOW AND OUTFLOW OF FOREIGN EXCHANGE DURING THE YEAR UNDER REVIEW.**

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

During the year under review, no complaints were received pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.



## **MANAGEMENT DISCUSSION AND ANALYSIS:**

### **a) Overview, Industry Structure, Development and Outlook**

Our Company is concentrating mostly on Trading in Shares and also on Loan financing. The growth of the Industry had faced very critical times due to depreciation in the Indian rupee and partly due to political reasons. So the Stock markets and other financial sectors had gone through very tough times and had to content with the stagnation. The price rise and other national and International factors have also contributed to the stagnated growth of the Indian Capital Markets. Under the above circumstances, our Company's performance for the year ended was moderate.

The present outlook in the Capital Markets seems to be encouraging when compared to the previous year environment and the Company is expected to do well in the coming years.

### **b) Business performance and Segment Reporting**

The company is presently operating in two identifiable business segments viz., Share Segment and Loan Segment. It operates in one geographical segment; services in India only. The particulars of segment wise revenue, results and capital employed are furnished separately.

### **c) Internal Control System and its adequacy**

The system of internal control has been established to provide reasonable assurance of safeguarding assets and maintenance of proper Accounting records and its accuracy. The business risks and its control procedures are reviewed frequently. Systems audit is also conducted regularly to review the systems with respect to Security and its adequacy. Reports are prepared and circulated to Senior Management and action taken to strengthen controls where necessary.

### **d) Risk Management**

Risk evaluation and management is an ongoing process in the company

### **e) Human resources and Industrial relations**

Your company continues to have cordial relations with its employees

### **f) Cautionary Statement:**

Statements in the Management discussion and analysis describing the company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting demand/supply and prices conditions in the domestic and overseas markets in which the company operates/ going to operate, changes in government regulations, tax laws and other statutes and other incidental factors.

## **COMPLIANCE WITH RBI PRUDENTIAL NORMS:**

The company has complied with the prudential norms on income recognition, accounting standards, assets classification, provisioning for bad and doubtful debts as applicable to it in in terms of Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 for the year ended on 31 March 2020.



## **COMPANY'S VISION AND PHILOSOPHY ON THE CODE OF GOVERNANCE:**

The vision of Arihant's Securities Limited is to be a financially sound, profitable, growth oriented and technology friendly Company committed to building values and maximizing gains for all its stakeholders, for those doing business with it, and for others associated with it. In its pursuit to attain its goals, the Company is laying maximum emphasis on the effective system of Corporate Governance particularly with a view to improve its image, efficiency, effectiveness, and integrity in all its dealings. The Company's Corporate Governance philosophy is to be ethical in its conduct of its business, to constantly strive to grow with profits, and to enhance shareholders value to the maximum extent. The Corporate Governance policies of your Company recognize the accountability of the Board Of Directors vis-à-vis all its constituents viz. Borrowers, Shareholders, Employees, Government & other Regulatory Authorities, and others dealing with it and doing business with it.

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

As per Section 134(3)(c) of the Companies Act, 2013 the Board of Directors hereby confirm the following statement:

- (i) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2020 and of the profit and loss of the company for that period;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the directors had prepared the annual accounts on a going concern basis; and
- (v) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- (vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **ACKNOWLEDGEMENT:**

Your directors wish to place on record their deep appreciation of the dedication and commitment of employees to the growth of your company during the year. Your directors also express their sincere gratitude to the customers, bankers, consultants, Auditors and the shareholders for their continued patronage and cooperation.

For and on behalf of the Board  
Arihant's Securities Limited

Date: 05.09.2020  
Place: Chennai

Narendra Balvantrai Bhatt  
Director  
DIN: 06964939

Nishikant Mohanlal Choudhary  
Managing Director  
DIN: 02142746



Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED 31-03-2020

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

**REGISTRATION AND OTHER DETAILS:**

i.	<b>CIN</b>	<b>L65993TN1994PLC027783</b>
ii.	Registration Date	13/06/1994
iii.	Name of the Company	ARIHANT'S SECURITIES 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	138, DR. Radhakrishnan Salai, Mylapore, Chennai - 600 004.
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited #1, Subramaniam Building, Club House Road, Mount Road, Chennai – 600002. Contact NO – 044-28460390

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

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Dealing in financial markets on behalf of others (Stock Broking) and related activities.	64910	100%

**II. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
NIL					



**III. 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 1 <sup>st</sup> April 2019)				No. of Shares held at the end of the year (as on 31 <sup>st</sup> March 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
1) Indian									
a) Individual/ HUF	2054401	19500	2073901	41.48	2073901	-	2073901	41.48	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub total (A ) (1):-	2054401	19500	2073901	41.48	2073901	-	2073901	41.48	-
2) Foreign									
g) NRIs- Individuals	-	-	-	-	-	-	-	-	-
h) Other- Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-



<b>h) Foreign Venture Capital Funds</b>	-	-	-	-	-	-	-	-	
<b>i) Others (specify)</b>	-	-	-	-	-	-	-	-	
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	
<b>2. Non Institutions</b>									
<b>a) Bodies Corp.</b>	846900	77000	923900	18.48	843400	77000	920400	18.40	-0.07
<b>(i) Indian</b>									
<b>(ii) Overseas</b>									
<b>b) Individuals</b>									
<b>(i) Individual shareholder s holding nominal share capital upto Rs. 1 lakh</b>	346553	599314	945867	18.91	365054	584314	949368	18.99	0.07
<b>(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh</b>	609465	443150	1052615	21.05	854465	198150	1052615	21.05	-
<b>c) Others</b>									
<b>Clearing Members</b>	-	-	-	-	-	-	-	-	-
<b>HUF</b>	3717	0	3717	0.074	3716	0	3716	0.074	-
<b>NRI</b>									
<b>Sub-total (B)(2)</b>	1806635	1119464	2926099	58.52	2066635	859464	2926099	58.52	-
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	1806635	1119464	2926099	58.52	2066635	859464	2926099	58.52	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	3861036	1138964	5000000	100	4140536	859464	5000000	100	0.00


**ii.Shareholding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (1 <sup>st</sup> April 2019)			Shareholding at the end of the year (31 <sup>st</sup> March 2020)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbe red to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbe red to total shares	
1.	Ravikant Choudhry	1596900	31.94	-	1596900	31.94	-	-
2.	ASL Capital Holdings Pvt Ltd	159100	3.18	-	159100	3.18	-	-
3.	Kavita Nahar	1500	0.03	-	1500	0.03	-	-
4.	Rajshri Choudhary	237707	4.75	-	237707	4.75	-	-
5.	Arihant Stock Brokers Pvt Ltd	78694	1.57	-	78694	1.57	-	-

**iii.Change in Promoters' Shareholding ( please specify, if there is no change**

Sr. 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
<b>1.</b>	<b>Ravikant Choudhry</b>				
	At the beginning of the year	1596900	31.94	1596900	31.94
	Date wise Increase / Decrease in shareholding during the year	No Change			
	At the End of the year			1596900	31.94
<b>2.</b>	<b>ASL Capital Holdings Pvt Ltd</b>				
	At the beginning of the year	159100	3.18	159100	3.18
	Date wise Increase / Decrease in shareholding during the year	No Change			
	At the End of the year			159100	3.18
<b>3.</b>	<b>Kavita Nahar</b>				
	At the beginning of the year	1500	0.03	1500	0.03
	Date wise Increase / Decrease in shareholding during the year	No Change			
	At the End of the year			1500	0.03



<b>4.</b>	Rajshri Choudhary				
	At the beginning of the year	237707	4.75	237707	4.75
	Date wise Increase / Decrease in shareholding during the year	No Change			
	At the End of the year			237707	4.75
<b>5.</b>	Arihant Stock Brokers Pvt Ltd				
	At the beginning of the year	78694	1.57	78694	1.57
	Date wise Increase / Decrease in shareholding during the year	No Change			
	At the End of the year			78694	1.57

**iii.Shareholding pattern of Top 10 Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs.**

S.N o.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1.	Khivraj Holdings Pvt Ltd	572500	11.4500	572500	11.4500
2.	Shanthi R Pathak	220900	4.4180	220900	4.4180
3.	Meena Sakariya	173682	3.4736	173682	3.4736
4.	Jeevi Bai	119815	2.3963	119815	2.3963
5.	Rajendra Kumar Chordia P	100000	2.0000	100000	2.0000
6.	Raj Finlease Limited	100000	2.0000	100000	2.0000
7.	Rajendra Modi Jt1:Pratiba Modi	78150	1.5630	78150	1.5630
8.	Heeraa Financial Services Limited	75300	1.5060	75300	1.5060
09.	Castle Traders Limited	50000	1.000	50000	1.000

**iv.Shareholding of Directors and Key Managerial Personnel**

S.N o.	Shareholders Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1.	Ravikant Choudhry	1596900	31.94	1596900	31.94



**IV. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	-	-	-	-
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not				
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>	-	-	-	-
- Addition				
- Reduction				
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>	-	-	-	-
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	-	-	-	-

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

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
<b>1.</b>	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					
	Stock Option	-	-	-	-	-
	Sweat Equity	-	-	-	-	-
	Commission	-	-	-	-	-
	- as % of profit					
	- others, specify...					
	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
-	Ceiling as per the Act	-	-	-	-	-



**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	<u>Independent Directors</u> · Fee for attending board committee meetings · Commission · Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
	<u>Other Non-Executive Directors</u> · 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
<b>1.</b>	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	=	=	=	=
<b>2.</b>	Stock Option	=	=	=	=
<b>3.</b>	Sweat Equity	=	=	=	=
<b>4.</b>	Commission - as % of profit - others, specify...	=	=	=	=
<b>5.</b>	Others, please specify	=	=	=	=
<b>6.</b>	Total	=	=	=	=



**VI. 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)
A. Company					
<b>Penalty</b>	-	-	-	-	-
<b>Punishment</b>	-	-	-	-	-
<b>Compounding</b>	-	-	-	-	-
B. Directors					
<b>Penalty</b>	-	-	-	-	-
<b>Punishment</b>	-	-	-	-	-
<b>Compounding</b>	-	-	-	-	-
C. Other Officers In Default					
<b>Penalty</b>	-	-	-	-	-
<b>Punishment</b>	-	-	-	-	-
<b>Compounding</b>	-	-	-	-	-

For and on behalf of the Board  
Arihant's Securities Limited

Date: 05.09.2020  
Place: Chennai

Narendra Balvantrai Bhatt  
Director  
DIN: 06964939

Nishikant Mohanlal Choudhary  
Managing Director  
DIN: 02142746



**FORM NO. AOC.2**

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

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

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

- (a) Name(s) of the related party and nature of relationship:
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts/arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date(s) of approval by the Board:
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

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

(a) Name(s) of the related party and nature of relationship	(b) Nature of Contracts / arrangements / transactions	(c) Duration of the Contracts /arrangements /transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any	(e) Date(s) of approval by the Board if any	(f) Amount paid as advances, if any
ASL Capital Holdings Private Limited- Common Director	Purchases – Rs.7,564,631/- Sales – Rs.370,666 /-	Purchase and sale is made under regular basis and they are transaction entered in the ordinary course of business.	Purchase and sale is the ordinary course of business, there is no specific terms of transaction.	As this is done under regular basis specific approval of Board is not required and the transaction is done under arm's length price.	Nil

For and on behalf of the Board  
Arihant's Securities Limited

Date: 05.09.2020  
Place: Chennai

Narendra Balvantrai Bhatt  
Director  
DIN: 06964939

Nishikant Mohanlal Choudhary  
Managing Director  
DIN: 02142746



**FORM MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

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

To,  
The Members  
**ARIHANT'S SECURITIES LIMITED**  
138, Dr.Radhakrishnan Salai, Mylapore, Chennai 600004

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Arihant's Securities Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- i) 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;
- 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, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018<sup>1</sup>;
  - d) The Securities and Exchange Board of India ((Share Based Employee Benefits) Regulations, 2014;<sup>2</sup>
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;<sup>3</sup>

<sup>1</sup> Not applicable to the Company during the year, as the Company has not issued securities

<sup>2</sup> Not applicable to the Company, as the Company does not have any Employee stock option scheme.

<sup>3</sup> Not applicable to the Company, as the Company does not have any debts listed



- 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;<sup>4</sup> and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;<sup>5</sup>

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent, at least seven days before the meeting, in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board of Directors were unanimous and no dissenting views have been recorded.

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

**We further report that** during the audit period there were no events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above were undertaken/done by the Company.

This Report is to be read along with Annexure A of even date which forms integral part of this Report.

**For ASJ & Associates, Company Secretaries**

Place: Chennai  
Date: 05.09.2020

**Abishek Jain**  
Practicing Company Secretary  
ACS 41678; CP 15508  
UDIN:A041678B000667116

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<sup>4</sup> Not applicable to the Company, as there was no delisting done during the year.

<sup>5</sup>Not applicable to the Company, as there was no buy-back by the Company during the year.



***Annexure A***

To,

The Members  
**ARIHANT'S SECURITIES LIMITED**  
138, Dr.Radhakrishnan Salai  
Mylapore, Chennai 600004

Our secretarial audit report of even date is to be read along with this letter.

- a. Maintenance of secretarial and other records is the responsibility of the management of the Company. Our responsibility is to express an opinion on the relevant records based on our audit.
- b. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the relevant records and compliances. The verification was done on test basis to verify that correct facts are reflected in secretarial and other relevant records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- c. We have not verified the correctness and appropriateness of financial and tax records and books of accounts of the Company.
- d. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
- e. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of the procedures on test/sample basis.
- f. 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.

**For ASJ & Associates, Company Secretaries**

Place: Chennai  
Date: 05.09.2020

**Abishek Jain**  
Practicing Company Secretary  
ACS 41678; CP 15508  
UDIN:A041678B000667116



**INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

**REGISTRATION NO. OF THE COMPANY: 18-27783**

**NOMINAL CAPITAL: ₹ 6,00,00,000/-**

**TO**

**THE MEMBERS OF ARIHANT'S SECURITIES LIMITED  
CHENNAI**

1. We have examined the relevant records of M/s. **ARIHANT'S SECURITIES LIMITED** for the purpose of certifying compliance of the conditions of Corporate Governance Exchanges for the financial year ended on 31<sup>st</sup> March, 2020, as stipulated in regulations 17-27, clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

**Management's Responsibility for compliance with the conditions of Listing Regulations:**

2. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

**Auditor's Responsibility:**

3. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March, 2020.
5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion:**

7. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place: Chennai**  
**Date: 31st July 2020**

**K NANDHISWARAN FCA**  
**Membership No. : 207644**



## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ARIHANT'S SECURITIES LIMITED

We have audited the accompanying financial statements of **M/s. Arihant's Securities Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating of the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

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



- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2020;
- ii. in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**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 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 written representations received from the directors as on 31 March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during year is in accordance with the provision of section 197 of the Act.
  - h. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 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 contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**Place: Chennai**  
**Date: 31<sup>st</sup> July, 2020**

**K NANDHISWARAN FCA**  
**Membership No: 207644**



**ANNEXURE A TO INDEPENDENT AUDITORS' REPORT**  
**(Referred to in paragraph 7 of our report of even date under the caption "Report on Other Legal and Regulatory Requirements")**

The Annexure A referred to in our report to the members of Arihant's Securities Limited ("the Company") for the year ended 31<sup>st</sup> March, 2020. We report that:

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.  
  
(c) The company has immovable property.
- ii. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. No material discrepancy was noticed on physical verification of shares by the management as compared to book records.
- iii. The Company has not granted any loans, secured or unsecured, to/from companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- iv. The company has not provided any loans, investments, guarantees or securities covered under Sections 185 and 186 of the Act.
- v. The Company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013.
- vi. The Company is not required to maintain the Cost Record under sub-section (1) of Section 148 of the Act, hence reporting under clause 3(vi) of the Order is not applicable.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company is regular in depositing with appropriate authorities undisputed statutory dues in respect of Tax deducted at source and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of above were in arrears, as at 31<sup>st</sup> March 2020 for a period of more than six months from the date they became payable.  
  
(b) According to the information and explanations given to us, there are no dues of Provident Fund, Tax deducted at source, Excise Duty, Service Tax, Customs Duty, Employees State Insurance Fund and Cess which have not been deposited with appropriate authorities on account of any dispute.
- viii. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or dues to debenture holders.
- ix. According to the information and explanations given to us, the Company has not raised any money by way of public offerings.



- x. Based on the audit procedures performed and the information and explanations given to us and during the course of our examination of the books and records of the company, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.
- xi. According to the information and explanations given to us, the provision of Section 197 read with Schedule V of the Act is not applicable to the company and hence reporting under clause 3(xi) of the Order is not applicable to the Company.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Act are not applicable.
- xvi. According to the information and explanations given to us, the company is registered under section 45-IA of the Reserve Bank of India Act, 1934, as Non-Banking Financial Company.

**Place: Chennai**  
**Date: 31<sup>st</sup> July, 2020**

**K NANDHISWARAN FCA**  
**Membership No: 207644**



## **Annexure – B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **M/s. Arihant's Securities Limited** ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

A company's internal financial control over financial reporting includes those policies and procedures that



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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Place: Chennai**

**Date: 31<sup>st</sup> July, 2020**

**K NANDHISWARAN FCA**

**Membership No: 207644**



To  
The Board of Directors  
Arihant's Securities Limited

1. We have audited the accompanying financial statements of **M/s. Arihant's Securities Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information and issued our Audit opinion dated 31<sup>st</sup> July 2020 thereon. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit. Our Audit was conducted in the manner specified in paragraph 2 of the Audit Report.

2. As required by the "Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016", issued by the Reserve Bank of India ("the Bank" or RBI) and /amended from time to time ("the Directions"), and based on our audit referred to in paragraph 1 above and based on the information and explanations given to us which to the best of our knowledge and belief were necessary for this purpose, we report hereunder on the matters specified in paragraph 3 of the Directions:

- a. The Company is engaged in the business of Non-Banking Financial Institution ('NBFI') as defined in section 45-I(a) of the Reserve Bank of India Act, 1934 ('the Act') during the year ended 31<sup>st</sup> March, 2020 and it has obtained Certificate of Registration No. : 07.00211 dated 1<sup>st</sup> April, 1998 from Reserve Bank of India;
- b. Based on the asset/income pattern as on March 31, 2020 determined by the Management in accordance with the audited financial statements for the year ended as on that date, and with reference to paragraph 15 of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, the Company is entitled to continue to hold such Certificate of Registration;
- c. Based on the criteria set forth by the Bank in Circular No. DNBS.PD. CC No. 85 / 03.02.089 /2006-07 dated December 6, 2006 for classification of NBFCs, the Company has been correctly classified as Investment Company as defined in Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998 with reference to the business carried on by it during the financial year ended March 31, 2020;
- d. The Board of Directors in their meeting held on July 31, 2020 has passed a resolution for non-acceptance of any public deposits without prior approval of Reserve Bank of India in writing;
- e. The Company has not accepted any public deposits during the year ended March 31, 2020;
- f. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 for the year ended March 31, 2020;

**Place: Chennai**  
**Date: 31<sup>st</sup> July, 2020**

**K NANDHISWARAN FCA**  
**Membership No: 207644**


**BALANCE SHEET AS AT 31ST MARCH 2020**

Particulars	Note No.	2,020	2,019
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	50,000,000	50,000,000
(b) Reserves and Surplus	2	1,287,886	1,881,665
<b>(2) Non-Current Liabilities</b>			
(a) Long term provisions	3	2,485,992	2,355,692
<b>(3) Current Liabilities</b>			
(a) Trade payables	4	437,334	-
(b) Short-term provisions	5	611,464	939,560
<b>Total</b>		<b>54,822,676</b>	<b>55,176,917</b>
<b>II.Assets</b>			
<b>(1) Non-current assets</b>			
<i>(a) Fixed assets</i>			
Tangible assets	6	1,556,690	1,556,690
(b) Non-current investments	7	900,000	900,000
(c) Deferred tax assets (net)	8	5,964	6,006
(d) Long term loans and advances	9	3,301,178	3,160,018
<b>(2) Current assets</b>			
(a) Current investments	10	48,667,435	41,418,780
(c) Cash and cash equivalents	11	337,409	8,027,423
(d) Short-term loans and advances	12	54,000	108,000
<b>Total</b>		<b>54,822,676</b>	<b>55,176,917</b>

Significant Accounting Policies and Notes on Accounts forming part of financial statements

Vide our report even date  
Sd/-

K.Nandhiswaran FCA

Chartered Accountant

Membership No. : 207644

Place: Chennai

Date: 31.07.2020

For and on behalf of the Board of Directors

Managing Director  
Nishikanth Choudhary

Director  
Narendra Balvantrai Bhatt

Nutika Jain  
Company Secretary

Nagarajan  
Chief financial officer



## Profit and Loss statement for the year ended 31st March,

Particulars	Note No	2,020	2,019
I. Revenue from operations	13	1,114,131	4,007,519
II. Other Income		-	-
<b>III. Total Revenue</b>	<b>(I +II)</b>	<b>1,114,131</b>	<b>4,007,519</b>
<u>IV. Expenses:</u>			
Employee benefit expense	14	377,039	958,588
Financial costs	15	651	2,526
Other operating expenses	16	1,330,179	1,568,078
Depreciation and amortization expense		-	-
<b>IV.Total Expenses</b>		<b>1,707,869</b>	<b>2,529,192</b>
V. Profit/(Loss) before exceptional and extraordinary items and tax	<b>(III - IV)</b>	<b>(593,738)</b>	<b>1,478,327</b>
VI. Exceptional Items		-	-
VII. Profit/(Loss) before extraordinary items and tax	<b>(V-VI)</b>	<b>(593,738)</b>	<b>1,478,327</b>
VIII. Extraordinary Items		-	-
IX. Profit before tax	<b>(VII - VIII)</b>	<b>(593,738)</b>	<b>1,478,327</b>
X. Tax expense:			
(1) Current tax		42	
(2) Deferred tax			
XI. Profit(Loss) from the period from continuing operations	<b>(IX-X)</b>	<b>(593,779)</b>	<b>1,478,327</b>
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations	<b>(XII-XIII)</b>	<b>-</b>	<b>-</b>
XV. Profit/(Loss) for the period	<b>(XI+XIV)</b>	<b>(593,779)</b>	<b>1,478,327</b>
XVI. Earning per equity share:			
(1) Basic		(0.12)	0.30
(2) Diluted		(0.12)	0.30

Significant Accounting Policies and  
Notes on Accounts forming part of  
financial statements  
Vide our report even date  
Sd/-  
K.Nandhiswaran FCA  
Chartered Accountant  
Membership No. : 207644  
Place: Chennai  
Date: 31.07.2020

For and on behalf of the Board of Directors

Managing Director  
Nishikanth Choudhary

Director  
Narendra Balvantrai Bhatt

Nutika Jain  
Company Secretary

Nagarajan  
Chief financial officer


**CASH FLOW STATEMENT**

	<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
		`	`
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before Tax and Extraordinary items	(5,93,779)	13,88,959
	Adjustments for :		
	Add : Provisions	-	-
	Add : Depreciation	-	-
		(5,93,779)	13,88,959
	Less : Other Income	-	-
	Operating Profit before working capital changes	(5,93,779)	13,88,959
	Adjustments for :		
	Add : Decrease in Current Assets	54,000	45,03,959
		(5,39,779)	58,92,918
	Add : Increase in Current Liabilities	5,67,634	4,86,266
		27,854	63,79,184
	Less : Increase in Current Asset	72,48,656	
		(72,20,801)	63,79,184
	Less : Decrease in Current Liabilities	3,28,096	
	Cash generated from Operations	(75,48,897)	63,79,184
	Add : Other Income		
	Net Cash from Operating Activities	(75,48,897)	63,79,184
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase/Sale of Fixed Assets		
	Purchase/Sale of Investments	-	-
	Net Cash used for Investing Activities	-	-
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Issue of Share Capital	-	-
	Secured or Unsecured Loans taken	(1,41,118)	19,522
	Net Cash from Financing Activities	(1,41,118)	19,522
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(76,90,015)	63,98,706
	Cash & Cash Equivalents as at 01.04.2019	80,27,424	16,28,718
	Cash & Cash Equivalents as at 31.03.2020	3,37,409	80,27,424

“As per our Report Attached”

For and on behalf of the Board of Directors

K.Nandhiswaran FCA  
Chartered Accountant  
Membership No. : 207644  
Place: Chennai  
Date: 31.07.2020

Managing Director  
Nishikanth Choudhary  
  
Nutika Jain  
Company Secretary

Director  
Narendra Balvantrai Bhatt  
  
Chief financial officer  
Nagarajan



## Significant Accounting Policies and Notes to accounts:

### Significant Accounting Policies:

1. Basis of Preparation of Financial Statements:

The financial statements are prepared under the historical cost convention from the books of accounts maintained on accrual basis, in conformity with the accounting principles generally accepted in India and comply with the accounting standards issued by the council of the Institute of Chartered Accountants of India as referred to in section 133 of the Companies Act, 2013.

2. Fixed Assets:

Fixed Assets are stated at their historical cost less depreciation. All costs related to the acquisition and installation of Fixed Assets are capitalized including directly attributable financing costs relating to borrowed funds and costs of bringing the asset to working condition for its intended use.

3. Depreciation:

Depreciation is provided as per Schedule II of the Companies Act, 2013.

4. Investments:

Long term investments are stated at cost, Provision for diminution in value of long term investments is made only if there is a decline other than temporary in the opinion of the management.

5. Shares & Securities:

Shares & Securities are stated at Cost or Market Price whichever is less.

6. Financial Statements are prepared based on Indian Accounting Standards

7. Taxes on Income:

Current income tax expense represents the tax on income payable determined according to the provisions of the Income Tax Act, 1961.

Deferred Tax Expense / Benefit is recognized on timing differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets consisting of unabsorbed depreciation and carry forward of losses are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available to realize these assets.

8. Earnings per Share:

The Basic earnings per share is computed by dividing the net profit after tax for the period by the weighted average number of Equity Shares outstanding during the period. Diluted earnings per share, if any is computed using the weighted average number of equity number of equity shares



and dilutive potential equity shares outstanding during the period except when the results are anti-dilutive.

9. Impairment of Assets:

Except otherwise than the Financial Assets, Inventories and Deferred Tax Asset, the Carrying Amounts of all the Assets are reviewed at each balance sheet date to determine any indications of impairment. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The Impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

10. Provision, Contingent Liabilities and Contingent Assets:

Contingent Liabilities, if any, are disclosed by way of Notes to accounts. Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Provision is made in the accounts in respect of those contingencies which are likely to materialize into liabilities after the year end, till the approval of accounts by the Board of Directors and which have material effect on the position stated in the balance Sheet.

11. Prior Period Items and Changes in Accounting Policies:

According to the information and explanations given to us and in the opinion of the management, there are no prior period items significantly affecting the Net Profit or Loss for the current period or later periods. And also there is no change in the Accounting Policies used by the management in the preparation of Financial Statements.


**Notes to and forming part of Balance Sheet as at 31<sup>st</sup> March 2020**

Note : 1 Share Capital

(Amount in ₹)

Particulars	31.03.2020	31.03.2019
<b><u>AUTHORIZED CAPITAL</u></b>		
60,00,000 Equity Shares of Rs. 10/- each.	60,000,000	60,000,000
	60,000,000	60,000,000
<b><u>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</u></b>		
50,00,000 Equity Shares of Rs. 10/- each, Fully Paid up	50,000,000	50,000,000
<b>Total</b>	50,000,000	50,000,000
<b>1(a) Reconciliation of Nos. Of Shares</b>		
Number of Equity Shares at the beginning	5,000,000	5,000,000
Add:- Number of Shares Issued	-	-
Number of Equity Shares at the end	5,000,000	5,000,000
<b>1(b) Below are the name of the shareholders holding more than 5% of Shares</b>		
<b>Name of Shareholder</b>	<b>No. of Share Holding</b>	<b>Percentage of Holding</b>
Ravikant Choudhry	1,422,400	28.45
Khivraj Auto & Investments Private Limited	572,500	11.45

1(c) There is no Shares allotted as fully paid up without payment being received in cash during preceding five years

Note: 2 Reserve and Surplus

(Amount in ₹)

Particulars	31.03.2020	31.03.2019
General Reserve	2,500,000	2,500,000
Special Reserve	3,426,961	3,426,961
<b><u>Surplus (Profit &amp; Loss Account):</u></b>		
As per last Balance sheet	(4,045,295)	(5,156,463)
Add: Profit/(loss) during the year	(593,779)	1,388,959
Amount transferred to Reserve	(4,639,075)	(3,767,504)
Less: Amount transferred to Special Reserve	-	277,792
<b>Total</b>	<b>1,287,886</b>	<b>1,881,665</b>



## Notes to and forming part of Balance Sheet as at 31<sup>st</sup> March 2020

Note : 3 Long Term Borrowings (Amount in ₹)

Particulars	31.03.2020	31.03.2019
Other Loans & Advances		
Provision for Tax	2,485,992	2,355,692
<b>Total</b>	<b>2,485,992</b>	<b>2,355,692</b>

Note : 4 Trade Payables: (Amount in ₹)

Particulars	31.03.2020	31.03.2019
Others	437,334	-
<b>Total</b>	<b>437,334</b>	<b>-</b>

Note : 5 Short Term Provisions (Amount in ₹)

Particulars	31.03.2020	31.03.2019
<b>Provision For Expenses</b>		
Provision for expenses	611,464	805,250
<b>Others</b>		
Provision for tax	-	134,310
<b>Total</b>	<b>611,464</b>	<b>939,560</b>

Note: 6 Fixed Assets									
Description	Gross Block at cost				Depreciation			Net Block	
	As on 01.04.2019	Additions	Deduction	As on 31.3.2020	As on 01.04.2019	For the year	As on 31.3.2020	As on 31.3.2020	As on 31.3.2019
Land	1,556,690	-	-	1,556,690	-	-	-	1,556,690	1,556,690
Total	1,556,690	-	-	1,556,690	-	-	-	1,556,690	1,556,690
Previous year	1,556,690	-	-	1,556,690	-	-	-	1,556,690	1,556,690

Note : 7 Non Current Investment (Amount in ₹)

Particulars	31.03.2020	31.03.2019
Investment in Property*	9,00,000	9,00,000
<b>Total</b>	<b>9,00,000</b>	<b>9,00,000</b>

\* Investments ₹ 9,00,000/- represents Land at Sriperumbudur



Note : 8 Deferred Tax Assets (Net)

(Amount in ₹)

Particulars	31.03.2020	31.03.2019
Deferred Tax Asset	5,964	6,006
<b>Total</b>	<b>5,964</b>	<b>6,006</b>

The major components of deferred tax assets and deferred tax liabilities arising out of timing differences are as under:

Particulars	31.03.2020	31.03.2019
Deferred Tax Asset:		
a. Provision for Investments / Non Performing Assets, etc.,	-	-
b. Income deferment on Non Performing Assets	-	-
c. Depreciation	(42)	(58)
d. Other Timing Differences	-	-
Deferred Tax Liability:		
a. Depreciation	-	-
b. Others	-	-
<b>Total</b>	<b>(42)</b>	<b>(58)</b>

Note: 9 Long Term Loans and Advances

(Amount in ₹)

Particulars	31.03.2020	31.03.2019
<b>Other Loans &amp; Advances</b>		
i) Advances	1,89,188	4,09,250
ii) Advance Tax , TDS & Others	31,11,990	27,50,768
	33,01,178	31,60,018
<b>Total</b>	<b>3,01,178</b>	<b>31,60,018</b>

Advances represents ₹. 4,09 250/- towards Property advance

Note : 10 Current Investment

(Amount in ₹)

Particulars	31.03.2020	31.03.2019
Investment in Equity	4,86,67,435	4,14,18,780
Others	-	-
<b>Total</b>	<b>4,86,67,435</b>	<b>4,14,18,780</b>

Note: 11 Cash & Cash Equivalent

(Amount in ₹)

Particulars	31.03.2020	31.03.2019
Bank Balance	3,37,409	80,27,423
<b>Total</b>	<b>3,37,409</b>	<b>80,27,423</b>

The Company maintains Nil Cash balance

Note :12 Short Terms Loans and advances

(Amount in ₹)

Particulars	31.03.2020	31.03.2019
Others*	54,000	1,08,000
<b>Total</b>	<b>54,000</b>	<b>1,08,000</b>

\* Others represents current year Advance Tax


**Notes to and forming part of Balance Sheet as at 31<sup>st</sup> March 2020**

(Amount in ₹)

## Note: 13 Revenue from Operations

<b>Particulars</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
Income from Long Term Capital Gain	86,121	(45,80,708)
Income from Short Term Capital Gain	-	77,62,975
Dividend Income	10,28,011	8,25,251
Income from future and options	-	-
<b>Total</b>	<b>11,14,131</b>	<b>40,07,519</b>

1. Revenue from purchase and sale of shares by the Share Segment of the company are recorded on cash basis.

2. Dividends are recorded when the right to receive payment is established.

## Note: 14 Employment Benefit Expenses

(Amount in ₹)

<b>Particulars</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
Salaries Paid	3,77,039	9,58,588
<b>Total</b>	<b>3,77,039</b>	<b>9,58,588</b>

## Note: 15 Financial Cost

<b>Particulars</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
Bank Charges	651	2526
<b>Total</b>	<b>650.96</b>	<b>2526</b>

## Note: 16 Other Operating Expenses

(Amount in ₹)

<b>Particulars</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
Annual Listing Fees	4,64,648	2,95,000
Advertisement Expense	38,940	31,364
Audit Fees	25,000	45,000
Professional Fees	1,64,500	45,000
Travelling & Conveyance	83,297	2,83,159
Repairs & Maintenances	19,338	2,06,300
Printing and Stationery	67,619	76,775
Share Segment Expenses	40,309	1,32,153
Subscription	17,670	29,550
Rates & Taxes *	3,16,439	32,943
Miscellaneous Expense	92,419	3,90,835
<b>Total [ A + B ]</b>	<b>13,30,179</b>	<b>15,68,078</b>

\* Rates &amp; Taxes includes the Penalty of Rs. 108560 paid to Bombay Stock Exchange for Non appointment of Company Secretary.



Note: 17 (Continued)

Auditor Renumeration		(Amount in ₹)
Particulars	31.03.2020	31.03.2019
Auditor's Fees	25,000	30,000
Out of Pocket expense	-	15,000
<b>Total</b>	<b>25,000</b>	<b>45,000</b>

- 18 There is no Earning and Expenditure in Foreign Currency during the year
- 19 Contingent Liability : Income Tax Demand for the A Y 2012-13 to the tune of Rs. 19,17,040/-, filing of appeal being pending due to Lockdown situations out of COVID-19 impact.
- 20 According to the information and explanations given to us, no impairment of assets is necessary.

## Related Party Disclosure

- 21 According to Accounting Standard 18 on "Related Parties Disclosures", their names, relationship and transactions are as follows;

Name of Party	Nature of Relationship
ASL Capital Holding Private Limited	Common Director
Ravikant Choudhry	Chairman - key Management Personnel
Nishikant Choudhry	Managing Director - key Management Personnel

List of related party transactions during the year:

		(Amount in ₹)
Transactions	Associate	KMP
1. Purchases	75,64,631	-
2. Sales	3,70,666	-
3. Balance as 31.03.2020 (Cr)	-	-
4. Bad Debts	-	-

- 22 1. Earnings Per Share: (Amount in ₹)
- | Particulars   | 31.03.2020   | 31.03.2019  |
|---|--------------|-------------|
| a. Profit/(Loss) for the year                               | (5,93,779)   | 13,88,959   |
| b. No. of Equity Shares of Face Value of ₹. 10/-Outstanding | 50,00,000    | 50,00,000   |
| c. Basic and Diluted Earnings per share (a/b) (₹.)          | <b>-0.12</b> | <b>0.28</b> |
- 23 There are no loans and advances/ Investments in its own shares by the company, their subsidiaries, associates, etc.,  
There are no loans and advances in the nature of loans where there is no repayment schedule or repayment beyond seven years


**Notes to and forming part of Balance Sheet as at 31<sup>st</sup> March 2020**

Note 24:

**REPORTING OF SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED**

(Amount in ₹)

S.No	Particulars	Audited	
		Year ended 31.03.2020	Year ended 31.03.2019
<b>1</b>	<b>Segment Revenue</b>		
	a. Loans	-	-
	b. Trading of Shares	86,121	34,04,556
	c. Others	10,28,011	-
	<b>Total</b>	11,14,131	34,04,556
	Less: Intersegment revenue	-	-
	<b>Net Sales / Income from Operations</b>	11,14,131	34,04,556
<b>2</b>	<b>Segment Results</b>		
	Profit(+)/Loss(-) before Tax and Interest from each segment		
	a. Loans	-	-
	b. Trading of Shares	86,121	34,04,556
	c. Others	10,28,011	-
	<b>Total</b>	11,14,131	34,04,556
	Less: (i) Interest	-	-
	(ii) Other Unallocable expenditure net of Unallocable Income	17,07,869	12,79,004
	<b>Total Profit before Tax</b>	(5,93,738)	21,25,552
<b>3</b>	<b>Capital Employed</b>		
	(Segment Assets - Segment Liabilities)		
	a. Loans	-	-
	b. Trading of Shares	4,86,67,435	4,14,18,780
	c. Others	-	-
	<b>Total</b>	4,86,67,435	4,14,18,780

**NOTES:**

1. The above audited financial results were taken on record at the Board Meeting of the Company held on 31st July 2020
2. Status of Investor Complaints for the quarter ended 31.03.2020

Particulars	3 months ended 31/03/2020
Pending As At 01.01.2020	Nil
Received during the quarter	Nil
Disposed of during the quarter	Nil
Pending As At 31.03.2020	Nil



Note: 25 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Note: 26 As required in terms of paragraph 13 of Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms(Reserve Bank) Directions, 2007

S No.	Particulars	Amount Outstanding	Amount Overdue
<b>LIABILITIES :</b>			
I	Loans and Advances availed by the Non-banking financial Company inclusive of interest accrued thereon but not paid		
	a) Debentures : Secured	-	-
	Unsecured	-	-
	(other than falling within the meaning of public deposit)		
	b) Deferred Credits	-	-
	c) Term Loans	-	-
	d) Inter-Corporate loans and borrowings	-	-
	e) Commercial Paper	-	-
	f) Other loans (Specify nature)	-	-
<b>ASSETS :</b>		<b>Amount Outstanding</b>	
II	Break Up of Loans and Advances including bills receivable (other than those included in (4) below)		
	a) Secured	-	
	b) Unsecured	-	
III	Break Up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	i) Lease assets including lease rentals under Debtors:		
	a) Financial lease	-	
	b) Operating lease	-	
	ii) Stock on hire including hire charges under Debtors :		
	a) Assets on hire	-	
	b) Repossessed Assets	-	
	iii) Other Loans counting towards AFC activities		
	a) Loans where assets have been repossessed	-	
	b) Loans other than (a) above	-	



## Notes to and forming part of Balance Sheet as at 31<sup>st</sup> March 2020

### Note : 26 (Continued)

#### IV Break Up of Investments

##### Current Investments

##### 1. Quoted:

i) Shares: a) Equity	3,92,95,435
b) Preference	-
ii) Debentures and Bonds	-
iii) Units of Mutual Fund	-
iv) Government Securities	-
v) Others	-

##### 1. Unquoted:

i) Shares: a) Equity	93,72,000
b) Preference	-
ii) Debentures and Bonds	-
iii) Units of Mutual Fund	-
iv) Government Securities	-
v) Others	-

##### Long Term Investments

##### 1. Quoted:

i) Shares: a) Equity	-
b) Preference	-
ii) Debentures and Bonds	-
iii) Units of Mutual Fund	-
iv) Government Securities	-
v) Others	-

##### 1. Unquoted:

i) Shares: a) Equity	-
b) Preference	-
ii) Debentures and Bonds	-
iii) Units of Mutual Fund	-
iv) Government Securities	-
v) Others - Land at Sriperumbudur	9,00,000

#### V Borrower group-wise classification of assets financed

as in (2) and (3) above :

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties**			
a) Subsidiaries	-	-	-



b) Companies in the same group	-	-	-
c) Other Related parties	-	-	-
2. Other than Related parties	-	-	-
<b>Total</b>	-	-	-

VI Investor group-wise classification of all investments  
(Current and Long Term) in shares and securities  
(both quoted and unquoted)

Category	Market Value/ Fair Value / NAV	Book Value (Net of Prov)
1. Related Parties **		
a) Subsidiaries	-	-
b) Companies in the same group	-	-
c) Other Related parties *	53,72,000	53,72,000
d) Other than Related parties	4,26,66,470	4,32,95,435
<b>Total</b>	4,80,38,470	4,86,67,435

\* Other Related parties represent the unquoted shares, market value of unquoted share not predicted.

\*\* As per Accounting Standard of ICAI

VII Other Information	<b>Amount</b>
i) Gross Non-Performing Assets :	
a) Related Parties	-
b) Other than Related Parties	-
i) Net Non-Performing Assets :	
a) Related Parties	-
b) Other than Related Parties	-
iii) Assets acquired in satisfaction of debt	-

**Notes**

1. As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
2. Provisioning norms shall be applicable as prescribed in the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007
3. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt.



However, market value in respect of quoted investments and break up/fair value/Net Asset Value in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (4) above.

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“As per our Report Attached”

For and on behalf of the Board of Directors

K.Nandhiswaran FCA  
Chartered Accountant  
Membership No. : 207644  
Place: Chennai  
Date: 31.07.2020

Managing Director  
Nishikanth Choudhary  
  
Nutika Jain  
Company Secretary

Director  
Narendra Balvantrai Bhatt  
  
Chief financial officer  
Nagarajan