

**ARIHANT**

CLASSIC FINANCE LIMITED

Corp. Office: G-72, 1st Floor, Kirti Nagar, New Delhi -110 015

TEL.:45061917,FAX:45061922

E-mail:compliance4arihant@gmail.com CIN: L65910GJ1995PLC025312

To

The Head – Listing & Compliance
Metropolitan Stock Exchange of India Ltd. (MSEI)
Vibgyor Tower, 4th Floor, Plot No C-62,
G – Block, Opp. Trident Hotel
Bandra Kurla Complex, Bandra (E), Mumbai – 400098 (India)

Sub: Notice of 28th Annual General Meeting and Annual Report for the Financial Year 2022-23.

Kindly note that the 28th Annual General Meeting (“AGM”) of the Company is scheduled to be held on Monday, September 18, 2023 at 01:00 PM (IST) through Video Conference (“VC”) / Other Audio Visual Means (“OAVM”), in compliance with the applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with General Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020 and subsequent circulars issued in this regard, the latest being 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs (MCA), Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 issued by SEBI and other applicable circulars issued in this regard (collectively referred to as “Circulars”).

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice convening the 28th AGM and the Annual Report of the Company for the Financial Year (FY) 2022-23.

In accordance with the aforesaid circulars, the Notice convening the 28th AGM and the Annual Report of the Company for the FY 2022-23 is being sent to all the Members of the Company whose e-mail addresses are registered with the Company / Depository Participant(s).

The Notice convening the 28th AGM along with the Annual Report for the FY 2022-23 is also uploaded on the Company’s website at <https://arihantclassic.in/investor-relations.aspx>, website of National Securities Depository Limited at www.evoting.nsdl.com and on the website of Metropolitan Stock Exchange at <https://www.msei.in/>.

We request you to take the same on your record.

Thanking You.

Yours faithfully,

For ARIHANT CLASSIC FINANCE LIMITED

NIRAJ KUMAR

Designation: Company Secretary

PAN: DQIPK2552J

Encl.: a/a



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CLASSIC FINANCE LIMITED

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28TH ANNUAL REPORT 2022-23

CONTENTS

S. No	Particulars	Page No.
1.	Overview	1
2.	Corporate Information	2
3.	Notice of the Annual General Meeting	3-26
4.	Directors' Report	27-43
5.	Form No. AOC 2	44-45
6.	Form AOC-1	46-47
7.	Management Discussion & Analysis	48-50
8.	Form No. MR-3 Secretarial Audit Report	51-56
9.	Statement of disclosure of Remuneration under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	57-59
10.	Report on Corporate Governance	60-81
11.	MD / CFO Certification	82
12.	Certificate on Corporate Governance	83
13.	Certificate of Non-Disqualification of Directors (Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015)	84
14.	Declaration regarding Affirmation of compliance with the Code of Conduct	85
15.	Standalone Financial Statements	
	Auditors' Report	86-95
	Balance Sheet	96
	Statement of Profit & Loss & Statement of Changes in equity for the year ended March 31, 2023	97-98
	Cash Flow Statement	99
	Notes to Financial Statement	100-109
16.	Consolidate Financial Statement	
	Auditors' Report	110-120
	Balance Sheet	121
	Statement of Profit & Loss & Statement of Changes in equity for the year ended March 31, 2023	122-123
	Cash Flow Statement	124
	Notes to Financial Statement	125-134

OVERVIEW

Arihant Classic Finance Limited (ACFL) is public limited company incorporated on 3rd April 1995 with the Registrar of Companies, Ahmedabad. It is a Non-Banking Finance Company (NBFC) registered with Reserve Bank of India (RBI) as ND-SI (Non-Deposit taking systemically important) and is also listed on Metropolitan Stock Exchange of India Limited (MSE). The company is managed and carried by Mr. Jain. The company has earned huge profit by trading in securities and derivatives trading, investment, portfolio valuation, and other financial services.

Today the company boasts of efficient systems, skillfull employees and appropriate infrastructure by which trading of securities is held on big level. The company is not only trading in securities even have investment in many companies. Our Constant endeavor is to maximize business through optimization of the value chain, and meet the expectations of our Investors and shareholders.

Indian markets, though in the nascent stage offer one of the most exciting and rewarding investment opportunities among the emerging market economies. Hence, as financial awareness deepens and more sophisticated instruments enter the Indian markets, investors need to tread the path cautiously.

At Arihant Classic Finance Limited, we empower our clients through analysis at the RIGHT TIME so that they can buy RIGHT STOCKS at RIGHT PRICE.

Trading in Equities & Derivatives with Arihant truly empowers you to REWARD YOUR INVESTMENTS. We ensure you have a superlative trading experience through our –

- Highly process driven and diligent approach
- Powerful research and analytics
- One of the ‘best-in-class’ dealing rooms.

CORPORATE INFORMATION

THE BOARD:

- | | |
|--------------------------------|------------------------------------|
| ❖ Mayur Jain, | Chairman & Non-Executive Director |
| ❖ Tina Hasmukh Mutha, | Managing Director |
| ❖ Madhu Doshi, | Non-Executive Director |
| ❖ Jatin Kakkar, | Non-Executive Independent Director |
| ❖ Vikram Kishore Mutha, | Non-Executive Independent Director |
| ❖ Mohit Chaturvedi, | Non-Executive Independent Director |

COMPANY SECRETARY

Niraj Kumar

CHIEF FINANCIAL OFFICER

Ankita Kothari

AUDITOR (S)

M/s. NJG & Co.
708, New Delhi House
27, Barakhamba Road, New Delhi – 110001

REGISTERED OFFICE:

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

CIN, WEBSITE ADDRESS AND EMAIL

L65910GJ1995PLC025312
<http://arihantclassic.in/>
compliance4arihant@gmail.com

CORPORATE OFFICE

G-72, First Floor, Kirti Nagar Delhi-110015

SHARE REGISTRAR AGENT

M/s Alankit Assignments Limited

Alankit House , 4E/2 Jhandewalan Extension
New Delhi – 110055

Contact Person: Mr. Virender Sharma

e-mail id: virenders@alankit.com

NOTICE

Notice is hereby given that the 28th Annual General Meeting of the Members of **Arihant Classic Finance Limited** is scheduled to be held on Monday, 18th Day of September 2023 at 01:00 P.M. through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM') facility to transact the following:

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Standalone and Consolidated Audited Balance Sheet as at 31st March, 2023, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended 31st March, 2023, notes to Financial Statements, Board's Report and Auditor's Report thereon.**
2. **To appoint a director in place of Mrs. Madhu Doshi (DIN: 00626336), who is liable to retire by rotation and being eligible, offers himself for re-appointment.**

SPECIAL BUSINESS:

3. **To approve the re-appointment of Mr. Jatin Kakkar (DIN: 08196611), as an Independent Non-Executive Director of the Company**

To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof for the time being in force), Regulations 16(1)(b), 17, 25(2A) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR 2015") and the Articles of Association of the Company and on the recommendation of the Nomination & Remuneration Committee and the Board of Directors, **Mr. Jatin Kakkar (DIN: 08196611)**, who has submitted a declaration that he meets the criteria for independence as provided in the Act and SEBI LODR 2015, be and is hereby re-appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation, for a second consecutive term with effect from August 30, 2023 till August 29 2028.

RESOLVED FURTHER THAT the Board of Directors including the Nomination and Remuneration Committee thereof and/ or the Company Secretary, be and are hereby authorized

to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

4. To approve the re-appointment of Mr. Vikram Kishore Mutha (DIN: 08288324), as an Independent Non-Executive Director of the Company

To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof for the time being in force), Regulations 16(1)(b), 17, 25(2A) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR 2015”) and the Articles of Association of the Company and on the recommendation of the Nomination & Remuneration Committee and the Board of Directors, **Mr. Vikram Kishore Mutha (DIN: 08288324)**, who has submitted a declaration that he meets the criteria for independence as provided in the Act and SEBI LODR 2015, be and is hereby re-appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation, for a second consecutive term with effect from January 3, 2024 till January 02 2029.

RESOLVED FURTHER THAT the Board of Directors including the Nomination and Remuneration Committee thereof and/ or the Company Secretary, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

5. To approve the re-appointment of Mr. Mohit Chaturvedi (DIN: 08299460), as an Independent Non-Executive Director of the Company

To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof for the time being in force), Regulations 16(1)(b), 17, 25(2A) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR 2015”) and the Articles of Association of the Company and on the recommendation of the Nomination

& Remuneration Committee and the Board of Directors, **Mr. Mohit Chaturvedi (DIN: 08299460)**, who has submitted a declaration that he meets the criteria for independence as provided in the Act and SEBI LODR 2015, be and is hereby re-appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation, for a second consecutive term with effect from January 1, 2024 till December 31, 2028.

RESOLVED FURTHER THAT the Board of Directors including the Nomination and Remuneration Committee thereof and/ or the Company Secretary, be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

6. To approve Material Related Party Transactions of the Company.

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“**Listing Regulations**”), the applicable provisions of the Companies Act, 2013 (“**Act**”) read with rules made thereunder, other applicable laws statutory provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company’s Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions and basis the approval of the Audit Committee and recommendation of the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded for entering into transaction (whether by way of an individual transaction or transactions taken together or series of transactions or tranches or otherwise) with Mrs. Madhu Doshi, Director & Shareholder of the Company, a related party in terms of Regulation 2(1)(zb) of the Listing Regulations, for transfer/ sale of its investment for “3,02,000” (Three Lakh Two Thousand) Equity Shares of Dipika Polymers Private Limited, an associate company of the Company”, to Mrs. Madhu Doshi for Rs. 3,80,52,000/- (Three Crore Eighty Lakhs Fifty- Two Thousand only), as set out in the Explanatory Statement annexed to the Notice convening this Meeting and, on such terms, and conditions as may be mutually agreed between the parties, such that the maximum value of the transactions with Mrs. Madhu Doshi, in the aggregate, does not exceed 4 Crores (Rupees Four Crores only) during the financial year 2023-24.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as ‘Board’ which term shall be deemed to include the Audit Committee of the Board and any duly constituted committee empowered to exercise its powers including powers conferred under

this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary contract(s), arrangement(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company, to delegate all or any of its powers conferred under this resolution to any Director or Key Managerial Personnel or any officer / executive of the Company and to resolve all such issues, questions, difficulties or doubts whatsoever that may arise in this regard and all action(s) taken by the Company in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects.”

BY ORDER OF THE BOARD
For Arihant Classic Finance Limited

Date: 19.08.2023
Place: Delhi

Director
Mayur Jain
(DIN: 00626354)

NOTES:

- i. The Ministry of Corporate Affairs (MCA) allowed conducting Annual General Meeting (“AGM”) through Video Conferencing (“VC”) or Other Audio-Visual Means (“OAVM”) and dispensed physical presence of the Members at a common venue. Accordingly, MCA issued General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020 and Circular no. 02/2021 dated January 13, 2021 and Circular No.02/2022 dated 05th May, 2022* (collectively “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 on May 13, 2022*(collectively “SEBI Circulars”), have permitted companies to conduct AGM through VC or other audio visual means, subject to compliance of various conditions mentioned therein. In compliance with the aforesaid MCA Circulars and SEBI Circulars and the applicable provisions of Companies Act, 2013 and rules made thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 28thAGM of the Company is being convened and conducted through VC’.
- ii. The Company has appointed National Securities Depository Limited (“NSDL”), to provide VC/OAVM facility for the Annual General Meeting (AGM) and the attendant enablers for conducting of the AGM.
- iii. Pursuant to the provisions of the Act, a member entitled to attend and vote at the e-AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- iv. Corporate shareholders (i.e., other than individuals/HUF, NRI, etc.) are required to send a scanned copy (pdf/jpg format) of its board or governing body's resolution/authorization, etc., authorizing their representative to attend the e-AGM on its behalf and to vote through remote e-voting. The said resolution/authorization shall be sent to the scrutinizer by email through its registered email address to compliance4arihant@gmail.com with a copy marked to csronisoni@gmail.com.

- v. The deemed venue for 28the-AGM shall be the Registered Office of the Company.
- vi. Pursuant to the provisions of the MCA and SEBI Circulars for conducting AGM through VC/OAVM:
- Members can attend the Meeting using the remote e-voting login credentials provided to them to connect to Video conference as the process mentioned below.
 - Pursuant to section 105 of the Companies Act, 2013 (“the Act”), a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since, this AGM is being held pursuant to the MCA and SEBI Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
 - Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through remote e-voting or e-voting during the Meeting.
 - In case of joint holders attending the AGM through VC/OAVM, only such joint holder who is higher in the order of names will be entitled to do the e-Voting.
- vii. The facility of joining the e-AGM through VC/OAVM will be opened 15 minutes before and will be open upto 15 minutes after the scheduled start time of the e-AGM.
- viii. Members are requested to notify change in their address, if any, immediately to the R&T Agent of the Company.
- ix. The attendance of the Members (members logins) attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- x. The Company has appointed **M/s. Roni & Associates**, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.
- xi. Pursuant to Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and in line with the MCA Circulars, the Notice calling the AGM and Annual Report has been uploaded on the website of the Company at <https://arihantclassic.in/investor-relations.aspx?type=91>, website of Stock Exchange at <https://www.msei.in/> and on the website of NSDL at www.evoting.nsdl.com. The notice of the 28th AGM along with the Annual Report 2022-23

are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories.

- xii. Members who have not registered their e-mail address are requested to register the same in respect of shares held in electronic form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, **Alankit Assignments Limited**, Alankit House, 4E/2 Jhandewalan Extension, New Delhi – 110055.
- xiii. In accordance with the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions.
- xiv. SEBI has mandated the submission of the 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 Participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA.
- xv. In case of any queries regarding the Annual Report, the Members may write to compliance4arihant@gmail.com to receive an email response.
- xvi. Pursuant to the requirement of Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and respective provisions of Secretarial Standard-2, the brief profile/particulars of the Directors of the Company seeking their appointment or re-appointment at the Annual General Meeting (AGM) is annexed hereto.
- xvii. The Explanatory Statement pursuant to Section 102 of the Companies Act 2013 ('Act') setting out details/ material facts relating to the proposed special business(es) under Item Nos. 3 to 6 of the Notice is annexed hereto.
- xviii. The Company has been maintaining, inter alia, the following statutory registers at its Registered Office - Ahmedabad:
 - i. Register of contracts or arrangements in which directors are interested under Section 189 of the Act.
 - ii. Register of Directors and Key Managerial Personnel and their shareholding under Section 170 of the Act.

In accordance with the MCA circulars, the said registers shall be made accessible during the AGM for inspection, through electronic mode and the Shareholders can view the statutory registers of the Company after log in to <https://www.evoting.nsdl.com> and clicking the button next to Thumb symbol.

- xix. As the 28th AGM is being held through electronic means, the route map is not annexed to this Notice.
- xx. **Voting through electronic means:** Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing remote e-voting facility to enable the Members to cast their votes electronically on all the resolutions set forth in the Notice convening the 28th AGM. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facilities.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -

The remote e-voting period begins on Thursday 14th September, 2023 at 9:00 A.M. and ends on Sunday 17th September, 2023 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e., 11th September, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 11th September, 2023.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<p>Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p>

	<p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 20px;">   </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<p>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password.</p> <p>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>

Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.

A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

Password details for shareholders other than Individual shareholders are given below:

If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

How to retrieve your 'initial password'?

If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

Now, you will have to click on "Login" button.

After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join Annual General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join Annual General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and Annual General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the Annual General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csronisoni@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mhatre at evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to (compliance4arihant@gmail.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to (compliance4arihant@gmail.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

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 Members/ shareholders, who will be 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 in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members 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/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (compliance4arihant@gmail.com). The same will be replied by the company suitably.
6. Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at compliance4arihant@gmail.com between 15th September, 2023 (9.00 a.m. IST) and 17th

September, 2023 (5.00 p.m. IST). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

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

**Date: 19.08.2023
Place: Delhi**

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND THE LISTING REGULATIONS

Item No 1.

Mr. Jatin Kakkar was appointed as an Independent Non-Executive Director to hold office for a term of 5 (five) years commencing from August 30, 2018 to August 29, 2023, by the members of the Company at the Annual General Meeting held on September 29, 2018. The Board of Directors of the Company on the basis of the recommendation of the Nomination and Remuneration Committee of the Company after taking into account the Business knowledge, Acumen, Experience and the substantial contribution made by Mr. Jatin Kakkar from time to time during his tenure as an Independent Director and on the basis of Mr. Kakkar's performance evaluation, at its meeting held on August 11, 2023 has recommended, the re-appointment of Mr. Jatin Kakkar (DIN: 08196611) as an Independent Non-Executive Director of the Company, not liable to retire by rotation, to hold office for a second consecutive term w.e.f. August 30, 2023 till August 29 2028 to the members for their approval by way of a Special Resolution, in terms of the Act and SEBI (LODR) 2015. In the opinion of the Board, Mr. Kakkar fulfils the criteria/ conditions specified under the Act and SEBI (LODR) 2015 for his re-appointment as an Independent Director of the Company and is not debarred from holding the office of Director pursuant to any SEBI order or any other such statutory authority and is independent to the management of the Company. The Company has also received a notice from the members under Section 160 of the Act proposing the candidature of Mr. Jatin Kakkar for the office of Director of the Company. Mr. Jatin Kakkar is the member and also Chairperson of Audit Committee & Nomination and Remuneration Committee of the Board. The Company had received from him requisite consent, intimation and a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act and regulation 16(1)(b) of the SEBI (LODR) 2015.

Further, Mr. Kakkar has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Non-Executive Director of the Company. Mr. Kakkar is not disqualified from being appointed as a Director in terms of Section 164 of the Act. Mr. Kakkar has confirmed that he is in compliance with Rules 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. The terms and conditions of appointment of Mr. Kakkar as an Independent Non-Executive Director, would be available for inspection to the members and the copy of the draft letter for appointment will be available on the website of the Company at <https://arihantclassic.in>. Mr. Kakkar does not hold by himself or for any other person on a beneficial basis, any equity shares in the Company. Except Mr. Jatin Kakkar, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested, either directly or indirectly, in the proposed resolution. Further, Mr. Jatin Kakkar is not related to any Director of the Company.

Item No 2.

Mr. Vikram Kishore Mutha was appointed as an Independent Non-Executive Director to hold office for a term of 5 (five) years commencing from January 3, 2019 to January 3, 2024, by the members of the Company at the Annual General Meeting held on September 28, 2019. The Board of Directors of the Company on the basis of the recommendation of the Nomination and Remuneration Committee of the Company after taking into account the Business knowledge, Acumen, Experience and the substantial contribution made by Mr. Vikram Kishore Mutha from time to time during his tenure as an Independent Director and on the basis of Mr. Mutha's performance evaluation, at its meeting held on August 19, 2023 has recommended, the re-appointment of Mr. Vikram Kishore Mutha (DIN: 08288324) as an Independent Non-Executive Director of the Company, not liable to retire by rotation, to hold office for a second consecutive term w.e.f. January 3, 2024 till January 02 2029 to the members for their approval by way of a Special Resolution, in terms of the Act and SEBI (LODR) 2015. In the opinion of the Board, Mr. Mutha fulfils the criteria/ conditions specified under the Act and SEBI (LODR) 2015 for his re-appointment as an Independent Director of the Company and is not debarred from holding the office of Director pursuant to any SEBI order or any other such statutory authority and is independent to the management of the Company. The Company has also received a notice from the members under Section 160 of the Act proposing the candidature of Mr. **Vikram Kishore Mutha** for the office of Director of the Company. The Company had received from him requisite consent, intimation and a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act and regulation 16(1)(b) of the SEBI (LODR) 2015.

Further, Mr. Mutha has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Non-Executive Director of the Company. Mr. Mutha is not disqualified from being appointed as a Director in terms of Section 164 of the Act. Mr. Mutha has confirmed that he is in compliance with Rules 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. The terms and conditions of appointment of Mr. Mutha as an Independent Non-Executive Director, would be available for inspection to the members and the copy of the draft letter for appointment will be available on the website of the Company at <https://arihantclassic.in>. Mr. Mutha does not hold by himself or for any other person on a beneficial basis, any equity shares in the Company. Except Mr. Vikram Kishore Mutha, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested, either directly or indirectly, in the proposed resolution. Further, Mr. Vikram Kishore Mutha is not related to any Director of the Company.

Item No 3.

Mr. Mohit Chaturvedi was appointed as an Independent Non-Executive Director to hold office for a term of 5 (five) years commencing from January 1, 2019 to January 01, 2024, by the members of the Company at the Annual General Meeting held on September 28, 2019. The Board of Directors of the Company on the basis of the recommendation of the Nomination and Remuneration Committee of the Company after taking into account the Business knowledge, Acumen, Experience and the substantial contribution made by Mr. Mohit Chaturvedi from time to time during his tenure as an Independent Director and on the basis of Mr. Chaturvedi's performance evaluation, at its meeting held on August 19, 2023 has recommended, the re-appointment of Mr. Mohit Chaturvedi (DIN: 08299460) as an Independent Non-Executive Director of the Company, not liable to retire by rotation, to hold office for a second consecutive term w.e.f. January 1, 2024 till December 31, 2028 to the members for their approval by way of a Special Resolution, in terms of the Act and SEBI (LODR) 2015. In the opinion of the Board, Mr. Chaturvedi fulfils the criteria/ conditions specified under the Act and SEBI (LODR) 2015 for his re-appointment as an Independent Director of the Company and is not debarred from holding the office of Director pursuant to any SEBI order or any other such statutory authority and is independent to the management of the Company. The Company has also received a notice from the members under Section 160 of the Act proposing the candidature of Mr. Chaturvedi for the office of Director of the Company. Mr. Chaturvedi is the member of Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee of the Board. The Company had received from him requisite consent, intimation and a declaration that he meets the criteria of independence as provided under Section 149(6) of the Act and regulation 16(1)(b) of the SEBI (LODR) 2015.

Further, Mr. Chaturvedi has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Non-Executive Director of the Company. Mr. Chaturvedi is not disqualified from being appointed as a Director in terms of Section 164 of the Act. Mr. Chaturvedi has confirmed that he is in compliance with Rules 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. The terms and conditions of appointment of Mr. Chaturvedi as an Independent Non-Executive Director, would be available for inspection to the members and the copy of the draft letter for appointment will be available on the website of the Company at <https://arihantclassic.in>. Mr. Chaturvedi does not hold by himself or for any other person on a beneficial basis, any equity shares in the Company. Except Mr. Chaturvedi, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested, either directly or indirectly, in the proposed resolution. Further, Mr. Chaturvedi is not related to any Director of the Company.

Item No. 4

Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') read with the Company's Policy on Related Party Transactions provides that entering into material transactions with a related party which, either individually or taken together with previous transaction(s) during a financial year, exceed 1,000 Crores or 10% of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower, requires approval of the Members of the Company.

The annual consolidated turnover of the Company for the financial year 2022-23 is INR 276.17 Lakhs. Accordingly, any transaction(s) by the Company with its related party exceeding INR 27 Lakhs (10% of the Company's annual consolidated turnover) shall be considered as material transaction and hence, the approval of the Members will be required for the same. It is therefore proposed to obtain the Members approval for the transaction which will be entered into by the Company with Mrs. Madhu Doshi, related party in terms of Regulation 2(1) (zb) of the Listing Regulations.

Accordingly, the Board of Directors of the Company ('the Board') at the meeting held on 23rd May, 2023, on the recommendation of the Audit Committee, recommended for the approval of the Members, entering into material related party transaction other than ordinary course of business and not on arm's length basis with Mrs. Madhu Doshi during the financial year 2023-24, as set out in the Resolution.

Other details of the transactions, pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22nd November, 2021, are given hereunder:

Sl. No.	Particulars	Details of contracts / arrangements / transactions
1.	Name of the related party	Mrs. Madhu Doshi
2.	Nature of relationship	Mrs. Madhu Doshi is the promoter and Non-Executive Director & Shareholder of the Company.
3.	Nature and material terms of the Transaction	Transfer/ sale of its investment for "3,02,000" (Three Lakh Two Thousand) Equity Shares of Dipika Polymers Private Limited, an associate company of the Company", to Mrs. Madhu Doshi for Rs. 3,80,52,000/- (Three Crore Eighty Lakhs Fifty- Two Thousand only)
4.	Tenure of the transaction	Financial Year 2023-24
5.	Nature of concern or interest	Financial
6.	Value of the transaction	INR 380.52 (Lakhs)

7.	Percentage of the Company's annual consolidated turnover for the immediately preceding financial year, that is represented by the value of the proposed transaction	137.78%
8.	Justification as to why the related party transaction is in the interest of the Company	As part of regular business operations being a NBFC, the funds raised through sale of investments will be utilized for maximizing the yield on released funds which is in the interest of the Company.
9.	Details of valuation or other external party report, if such report has been relied upon	<p>The aforesaid transaction with Mrs. Madhu Doshi, not in the ordinary course of business will be undertaken at prevailing market rates and/or on the basis of comparable third party quotations or as per pricing charge by the related party to third party or independent valuations or such other arms' length criteria as is generally accepted for related party transactions.</p> <p>The RPT will help your company leverage economies of scale, improve service quality, and meet demand/ customer expectations of the company. It will also create operational efficiencies/synergies in the business.</p>
10.	Any other information that may be relevant	NIL

None of the other Directors /Key Managerial Personnel and their relatives except Mrs. Madhu Doshi herself, Mr. Mayur Jain & Mrs. Tina Hasmukh Mutha, Directors is in any way interested or concerned financially or otherwise, in the Resolution as set out in the notice. Members may note that pursuant to the provisions of the Listing Regulations, all related parties of the Company (whether such related party is a party to the above-mentioned transaction or not) shall not vote to approve this Resolution.

The Board recommends this Resolution for your approval.

ANNEXURE A

The details of Directors seeking appointment/re-appointment as per Regulation 36(3) of the SEBI (LODR) 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India is appended below:

PARTICULARS	Mr. Jatin Kakkar	Mr. Vikram Kishore Mutha	Mr. Mohit Chaturvedi	Mrs. Madhu Doshi
Designation	Independent Director	Independent Director	Independent Director	Non-Executive Non Independent Director
DIN	08196611	08288324	08299460	00626336
Date of Birth	19-02-1985	10-08-1985	14-11-1988	10-10-1960
Age	38	38	35	63
Date of first Appointment	30-08-2018	03-01-2019	01-01-2019	10-10-2000
Qualifications and Experience	Mr. Jatin Kakkar is an MBA in Marketing and he has been associated with the company since 2018 as an Independent Director.	Mr. Vikram Kishore Mutha is an MBA and he has been associated with the company since 2019 as an Independent Director.	Mr. Mohit Chaturvedi is an MBA in Marketing and he has been associated with the company since 2019 as an Independent Director.	Mrs. Madhu Doshi is a Higher Secondary qualified and she has been associated with the company since 2000 as Non-executive Director, thus is well versed with the functions and Management of the Company.
Expertise in specific functional area	He has a rich experience in Financial Sectors contributing towards the growth of the Company immensely.	He has a rich experience in Financial Sectors contributing towards the growth of the Company immensely.	He has a rich experience in Financial Sectors contributing towards the growth of the Company immensely.	Management & Business Development
Directorships held in Other Companies in India	None	None	None	None

Chairman/ Member of Committee of the Board of other Companies in which they are director	None	None	None	None
Shareholding in the Company	None	None	None	10,00,000 Shares constituting 9.85% of the Capital of the Company
Inter-se Relationship between Directors/ Mangers/Key Managerial Personnel	None	None	None	Mr. Mayur Jain, Son Mrs. Tina Hasmukh Mutha, Daughter
Terms and Conditions of Appointment / Re-appointment and Remuneration	As mentioned in the Resolution.			
Remuneration Last Drawn	None	None	None	None
Number of Board Meetings Attended during the Financial Year 2022-23	10	10	10	10

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

**Date: 19.08.2023
Place: Delhi**

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

DIRECTORS' REPORT

Dear Members,

Arihant Classic Finance Limited

Your Directors are pleased to present before you the Annual Report of the Company along with the Audited Financial Statements of the Company for the financial year ending March 31, 2023.

1. FINANCIAL RESULTS:

The Company's financial performance for the year under review along with previous year's figures is given hereunder:

(in Lakhs)

PARTICULARS	Year ended 31st March, 2023	Year ended 31st March, 2022
Sales & Other Income	276.17	394.50
Total Expenses	173.55	200.15
Profit/(Loss) for the year	102.62	194.34
Less: Provision for Taxation	-	-
Less: Income Tax	26.26	52.40
Less: Deferred Tax	-	-10.86
Profit/(Loss) after Tax	73.36	131.08
Balance Carried Forward to Balance Sheet	73.36	131.08

2. DIVIDEND:

The interest of shareholders remains uppermost in the mind of the Board of Directors. However, there is an equally important need to augment the Company's internal sources thereby increasing the Company's financial strength and capability to increase the financial business.

Accordingly, with a view to create the long -term economic value, your Directors have not recommended any dividend for the year ended March 31, 2023.

3. TRANSFER TO RESERVES:

Your Directors have not recommended transferring any amount of reserves during the financial year ended 31st March, 2023.

4. SHARE CAPITAL:

At present, the Company has only one class of shares – equity shares of par value Rs. 10/- each. The authorized share capital of the Company is (Rs. Eleven Crore Fifty Lakh only) Rs. 11,50,00,000/- divided into (One Crore Fifteen Lakh) 1,15,00,000 equity shares of Rs. 10 each. The paid-up share capital of the Company is (Rs. Ten Crore Fourteen Lakh Eight Thousand Nine Hundred only) Rs. 10,14,80,900/- divided into (One Crore One Lakh Forty-Eight Thousand Ninety) 1,01,48,090 equity shares of Rs. 10/- each.

During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

5. SUMMARY OF OPERATIONS:

During the year, the total revenue of our Company reduced from 394.50 Lakhs to 276.17 Lakhs. The Company is focusing more on reducing its cost of operations and optimum utilization of its resources. The Company will continue to strive to reach new heights and will toil towards attaining profits.

6. FUTURE OUTLOOK:

The global economy in FY 2022-23 witnessed divergent trends among major economies. The Indian economy and business environment remained largely subdued during 2022-23. The global economic recovery is gaining momentum coupled with some divergence.

India's economy is poised to return to its high-growth path, thanks to lower fiscal and current account deficits, falling inflation, low crude oil price, moderate commodity prices, and structural reforms to boost investments. Monetary policy is also likely to be supportive with the Reserve Bank of India (RBI) having moved to flexible inflation targeting. The manufacturing sector is likely to benefit from lower interest rates. However, productivity and capital efficiency improvement are likely to drive near-term growth. Demand from export as well as domestic markets has not increased substantially. Volatility of rupee may hamper growth of economy.

7. CHANGES IN NATURE OF BUSINESS, IF ANY:

The Nature or Activity of Business has not changed of the Company during the year.

8. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY (FROM THE END OF FINANCIAL YEAR TO THE DATE OF DIRECTORS REPORT):

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year to which balance sheet relates and the date of Directors report.

9. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS:

No such Orders have been passed by the Regulators/Court or Tribunals which can impact the going concern status and Company's operation in future.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company has no manufacturing activities during the year under review. The provisions of Section 134(m) of the Companies Act, 2013 do not apply to our Company. Still some of the measures taken up by the Company are mentioned below:

(A) Conservation of Energy

Energy Conservation measure taken: The Company has taken several steps to conserve energy. Energy conservation continues to be on high priority for existing as well as new projects. Various steps taken to bring about savings are: -

- Energy Conservation by replacing all the conventional lights by LED lights in the factory as well as in the offices.
- Energy Saving by using various sensors to auto switch off of the lights and air conditioners when not in use after certain time., staff members has been instructed to switch off all the lighting, electric/electronics equipment if idle.

(B) Research & Development, Technology absorption, Adaption and Innovation

The Company is not engaged in any manufacturing activity. Hence, no Research & Development, Technology absorption, Adaption and Innovation took place during the year under review.

(C) Foreign Exchange Earnings and Outgo

There was no foreign exchange inflow or Outflow during the year under review.

11. RISK MANAGEMENT:

Your Company has always recognized risk management as an essential and internal part of doing day-to-day business operations. The Company has a sound system of internal control which ensures compliance to internal processes, as well as with applicable laws and Regulations. The Company also has a well-established independent in-house Internal Audit function that is responsible for providing assurance on compliance with operating system.

The Company has implemented an integrated risk management approach through which it reviews and assesses significant risks on a regular basis to help ensure that there is a robust system of risk controls and mitigation in place. Senior management periodically reviews this risk management framework to keep updated and address emerging challenges. Major risks identified for the

Company by the management are Currency fluctuation, Compliance, Regulatory changes, Litigation, Information Technology and new capital investments return. The management is however, of the view that none of the above risks may threaten the existence of the Company as robust Risk mitigation mechanism is put in place to ensure that there is nil or minimum impact on the Company in case any of these risks materialize.

12. VIGIL MECHANISM:

In accordance with Section 177 of the Companies Act, 2013 and Clause 22 of the SEBI (Listing Obligation and Disclosure Requirement), 2015, the Company has constituted a Whistle Blower Policy/ Vigil Mechanism to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed and to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The details of the Whistle Blower Policy are explained in the Corporate Governance Report.

13. LOAN FROM DIRECTOR

During the financial year under review, the Company borrowed Rs. 3,80,52,000/- from Mrs. Madhu Doshi, Director of the Company and obtained a declaration from Mrs. Doshi that the amount is not given out of funds acquired by way of borrowing or accepting loans or deposit from others.

14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

Your Company, being an NBFC registered with RBI and engaged in the business of giving loans in ordinary course of its business, is exempt from complying with the provisions of Section 186 of the Companies Act, 2013 ("the Act") with respect to loans. Pursuant to the provisions of Section 186(4) of the Act, details with regard to the investments made by the Company, as applicable, are given in Note no.5 of the Standalone financial statements, forming part of this Annual Report

15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES:

There are some related party transactions noted in company during the year. Hence, Form AOC-2 is applicable to the company and enclosed in ANNEXURE -A.

The Policy on Related Party transactions may be accessed on the Company's website at the link <https://arihantclassic.in/investor-relations.aspx?type=93>.

16. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS:

There were no qualifications, reservations or adverse remarks made by the Auditors in their report. The auditors' remarks in their report are self-explanatory and do not call for any further comments.

17. EXTRACTS OF ANNUAL RETURN:

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of annual return of the financial year 2022-23 on its website at <https://arihantclassic.in/investor-relations.aspx?type=92>.

18. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

During the year, **Ten** Board meetings were held, with gap between Meetings not exceeding the period prescribed under the Act. Details of Board and committee meetings held during the year are given in the Corporate Governance Report.

Board meeting dates are finalized in consultation with all directors and agenda papers backed up by comprehensive notes and detailed background information are circulated well in advance before the date of the meeting thereby enabling the Board to take informed decisions.

The intervening gap between the Board Meetings was within the period prescribed under the Companies Act, 2013 and Secretarial Standard (SS)-1.

19. DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement: —

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

20. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any Subsidiary, Joint venture. The Company has one Associate Company. The performance of Associate Company has given in Form AOC-1 ANNEXURE-B. The Details of Associates Company which Given Below: -

S. No.	Company's Name	CIN	Shareholding (%)
1.	Dipika Polymer Private Limited	U25202DL2005PTC140370	30.39

21. DEPOSITS:

The Company has neither accepted nor renewed any deposits during the year under review.

22. DIRECTORS:

BOARD OF DIRECTORS

Your Board comprises of the following Directors during the year under review:-

- Mr. Mayur Jain – Chairmen/Director
- Ms. Tina Hasmukh Mutha – Managing Director
- Mrs. Madhu Doshi – Director
- Mr. Jatin Kakkar – Independent Director
- Mr. Mohit Chaturvedi – Independent Director
- Mr. Vikram Kishore Mutha – Independent Director

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Madhu Doshi retires by rotation at the ensuing Annual General Meeting and being eligible in terms of Section 164 of the Act offers himself for re-appointment.

The Board of Directors, based on performance evaluation and as per the recommendation of the NRC Committee, has recommended the reappointment of Mr. Jatin Kakkar, Mr. Vikram Kishore Mutha and Mr. Mohit Chaturvedi, as Independent Directors of the Company for a second term of 5 (five) consecutive years, effectively August 30,2023; January 3,2024, January 1, 2024 respectively on completion of their current term of office

23. COMMITTEES OF BOARD OF DIRECTORS:

There are currently 3 Committee of the Board, as follows:

-  **Audit Committee**
-  **Nomination and Remuneration Committee**
-  **Stakeholders' Relationship Committee**

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the “Report on Corporate Governance”, a part of this Annual report.

24. EVALUATION OF BOARD, COMMITTEES AND DIRECTORS:

Pursuant to the provisions of the Act and regulation 17(10) of SEBI (LODR) 2015, the Board had carried out performance evaluation of its own and the Board Committees. Independent Directors at a separate meeting evaluated performance of the Non-Independent Directors, Board as a whole and of the Chairman of the Board. The manner in which the evaluation has been carried out has been detailed in the Corporate Governance Report.

25. INDEPENDENT DIRECTORS’ DECLARATION:

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Companies Act, 2013, that he meets the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and declaration of independence under SEBI (LODR) Regulations, 2015

26. FAMILIARIZATION PROGRAMMES FOR BOARD MEMBERS:

Your Company has formulated Familiarization Programme for all the Board Members in accordance with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Schedule IV of the Companies act, 2013 which provides that the Company shall familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company etc. through various programs.

The Familiarization Programme for Board members may be accessed on the Company’s website at the link <https://arihantclassic.in/investor-relations.aspx?type=93>.

27. COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KMP & SENIOR MANAGERIAL PERSONNEL

The Company has been following well laid down policy on appointment and remuneration of Directors, KMP and Senior Managerial Personnel. The appointment of Directors is made pursuant to the recommendation of Nomination and Remuneration Committee (NRC).

The remuneration of Executive Directors comprises of Basic Salary and Perquisites & follows applicable requirements of the Companies Act, 2013. Approval of shareholders and the Central Government, if any, for payment of remuneration to Executive Directors is sought from time to time. At present, due to adverse financial position of the company, Executive Directors are working without remuneration.

The remuneration of non-Executive directors comprises of sitting fees in accordance with the provisions of Companies Act, 2013 and reimbursement of expenses incurred in connection with attending the Board meetings, Committee meetings, General Meetings and in relation to the business of the Company. A brief of the Remuneration Policy on appointment and remuneration of Directors, KMP and Senior Management is provided in the Report on Corporate Governance.

28. MANAGERIAL REMUNERATION:

Details of remuneration paid / payable to the Directors for Financial Year 2022-23:

Name	Salary and Perquisites (Rs.)	Commission	Shares issued under ESOP	Details of service contracts: notice period and severance fees
--	NIL	--	--	--

Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. – There is no Remuneration paid to Director.

29. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed Management Discussion and Analysis Report as required under Regulation 34(2)(e) of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as ANNEXURE-C to this report.

30. LISTING OF SECURITIES

The Equity Shares of your Company are listed at Metropolitan Stock Exchange of India Limited (MSE). The Company has duly paid the listing fee to the aforesaid Stock Exchange for the financial Year 2022-23.

31. DISCLOSURE REQUIREMENTS

- 1) Policy for Preservation of Documents of the company is available on the website of the Company at weblink: <https://arihantclassic.in/investor-relations.aspx?type=93>
- 2) Policy of Nomination and Remuneration policy is available on the website of the Company at weblink: <https://arihantclassic.in/investor-relations.aspx?type=93>
- 3) Policy on Terms and conditions for appointment of Independent Directors is available on the website of the Company at weblink: <https://arihantclassic.in/investor-relations.aspx?type=93>
- 4) Policy for Evaluation of the Performance is available on the website of the Company at weblink: <https://arihantclassic.in/investor-relations.aspx?type=93>
- 5) Code of Fair Disclosure and Code of Conduct for insiders is available on the website of the Company at weblink: <https://arihantclassic.in/investor-relations.aspx?type=93>
- 6) Code for Board and Senior Members is available on the website of the Company at weblink: <https://arihantclassic.in/investor-relations.aspx?type=93>

32. STATUTORY AUDITORS:

In the Annual General Meeting held on 26th day of September 2022, M/s. NJG & Co. Chartered Accountants (Firm Registration No. 0107702N) have been appointed as statutory Auditor of the Company for a period of 5 years till the conclusion of 32nd AGM to be held in 2027. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

33. SECRETARIAL AUDITOR:

As per provisions of Section 204(1) of the Companies Act 2013 read with rule 9 of the Companies (Appointment and Remuneration personnel) Rules 2014 and other applicable provisions if any of the Companies Act 2013, Consent of the Board be and is hereby given for appointment of **M/s Roni & Associates.,** Company Secretaries firm as Secretarial Auditors of the Company for the financial year 2022-23.

The Secretarial Auditor Report for the financial year ended March 31, 2023 is annexed herewith marked as **ANNEXURE-D** to this Report. The board gives the following explanations on the Observations of the Secretarial Audit Report:

Sr. No.	Observations	Board Comments
1.	As per Regulation 33(3)(g) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Company received an Intimation of non-compliance of SEBI (Regulations, 2015 LODR) for default in complying Regulation 33 for the quarter ended September 2022 with a total fine of Rs. 1,80,000/- (excluding applicable taxes). Therefore, the Company submitted a waiver request letter for waiver of penalty on 12th January, 2023 which was accepted by the Stock Exchange and the entire penalty was waived off.	The Company had filed/ submit the Unaudited financial results for the Quarter Ended on September, 2022 as per Regulation 33 of SEBI (LODR) Regulations, 2015 to the stock exchange within the prescribed time period on 12th November, 2022 along with the necessary reports and statements except Cash flow statement which was duly approved by the Board of Directors of the Company at their Meeting held on 12th November, 2022, however, inadvertently the same was not attached with the PDF filed submitted on 12th November, 2022. The Company thereafter submitted the complete set of documents again with the stock exchange and made its default good. The Stock exchange had imposed the

		fine of Rs. 1,80,000/- (excluding applicable taxes). In this respect, the Company submitted the waiver request letter dated 12th January, 2023 which was accepted and the entire penalty was waived off.
2.	As per Regulation 24A of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the company has made delay in submission of Annual secretarial compliance report for the financial year ended on 31st March, 2021 and accordingly the stock exchange imposed fine of Rs. 6,58,000/- (excluding applicable taxes) on the Company and freeze the demat accounts of the Company along with Promoter and Promoter Groups. The Company has paid the said fine through UTR No CMS3152232368423 on 11/11/2022.	The Company has been a law-abiding Company that always ensures to comply with all applicable laws and regulations within due date as prescribed and believes that Good Corporate Practice is being followed. Good Corporate Governance Practice have always been a top priority of the Management of the Company. Further the Board will take all precautions to avoid such non-compliances and delay in reporting.
3.	As per Regulation 3(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has not maintained the structured digital database containing the names of such person or entities as the case may be with whom information is shared.	The Board discussed the matter at length and noted that although there always was an intent to comply with the SDD regulations by the Company and it had in-fact partially complied with the same by adopting an indigenously developed system, but the said system was not sufficient enough to comply the regulations in full intent and spirit. Moreover, since, the Company was looking for an affordable alternative and all the software available in the market at that time were beyond the reach of the company, it could not get in place the requisite software on time. Gradually, upon new vendors entering the market to provide affordable SDD software, the company will select a vendor that met the company's financial parameters and will place the cost effective SDD software.
4.	As pr Regulation 29(2) the Company has made delay in furnishing prior intimation about the meeting of Board of Directors and accordingly the Company has paid the fine of Rs. 10,000/- through UTR No CMS3152232368423 on 11/11/2022.	The Company has been a law-abiding Company that always ensures to comply with all applicable laws and regulations within due date as prescribed and believes that Good Corporate Practice is being followed. Good Corporate Governance Practice have always been a top priority of the Management of the

		Company. Further the Board will take all precautions to avoid such non-compliances and delay in reporting.
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Rest of the points mentioned in the Secretarial Audit Report are self -explanatory.

34. INTERNAL AUDITOR:

Pursuant to the provisions of Section 138 of the Act and the Rule 13(1) of Companies (Accounts) Rules, 2014, the Board of Directors has appointed Mr. Mayank Choudhary, Chartered Accountant for conducting Internal Audit of the Company for the financial year 2022-23.

35. CHANGE OF REGISTRAR AND TRANSFER AGENT:

During the financial year, there is no change in the Registrar and Transfer Agent, hence Alankit Assignment Limited is continuing as Registrar and Transfer Agent of the Company.

36. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY:

During the year under review, in accordance with the provisions of the Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, it is found that CSR policy is not applicable on our Company.

37. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition & Redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013 & the Rules there under for prevention and redressal of Complaints of sexual harassment at workplace. Further Company is committed to providing equal opportunities without regard to their race, caste, sex, religion, color, nationality, disability etc. (permanent, temporary, contractual and trainees) as well as any women visiting the Company's premises or women service providers are

covered under this policy. All employees are treated with dignity with a view to maintain a work environment free from Sexual harassment whether physical, verbal or psychological. During year 2022-23 there were no complaints received or pending for disposal.

38. INTERNAL CONTROL SYSTEMS AND COMPLIANCE FRAMEWORK:

The Company has an Internal Control System, commensurate with size, scale and complexity of its operations. The internal financial controls are adequate and are operating effectively so as to ensure orderly and efficient conduct of business operations. The Company has appointed Internal Auditors of the Company. The Audit Committee in consultation with the internal auditors formulates the scope, functioning, periodicity and methodology for conducting the internal audit. The internal auditors carry out audit, covering inter alia, monitoring and evaluating the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations and submit their periodical internal audit reports to the Audit Committee.

Based on the internal audit report and review by the Audit committee, process owners undertake necessary actions in their respective areas. The internal auditors have expressed that the internal control system in the Company is effective. The Board has also put in place requisite legal compliance framework to ensure compliance of all the applicable laws and that such systems are adequate and operating effectively

39. PARTICULARS OF EMPLOYEES:

Disclosures with respect to the remuneration of directors and employees as required under Section 197(12) of the Companies Act read with Rule 5(1) and Rules 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 “Remuneration Rules” and “the names of the top ten employees in terms of remuneration drawn” are provided in the ANNEXURE-E to Board’s Report and there are no employees/ Directors who were in receipt of remuneration of Rs. 1.02 Crores or more per annum, if employed for whole of the year or, Rs. 8.5 lakhs or more per month if employed for a part of the year.

40. CORPORATE GOVERNANCE REPORT:

The Company is committed to good corporate governance in line with the Listing Agreement Norms. The Company is in compliance with the provisions on corporate governance specified in the Listing Agreement with Metropolitan Stock Exchange of India Limited (MSE).

The Compliance certificate from **M/s Roni & Associates**, a Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing agreement is appended to the report on Corporate Governance. **(ANNEXURE-F)**.

41. HUMAN RESOURCE:

Your Company firmly believes that employees are the most valuable assets and key players of business success and sustained growth. Various employee benefits, recreational and team building efforts are made to enhance employee skills, motivation as also to foster team spirit. Industrial relations were cordial throughout the year.

42. GREEN INITIATIVE

Notice of 28th Annual General Meeting of the Company and Annual Report of the Company for the financial year 2022-23 is to be sent to all members whose e-mail addresses are registered with the Company/ Depository Participant(s). The Company requested its shareholders to join in its endeavor to conserve resources by updating relevant information for receiving online communication and dividend payout. Shareholders holding shares in dematerialized mode have been requested to register their email address, dividend bank account details and mobile number with their depository participants. Those holding shares in physical mode have been requested to furnish their email address, bank account details and mobile number with the Company's RTA, at **virenders@alankit.com**. Updating all the relevant information will enable shareholders to receive communications and dividends on time, if any.

43. ACKNOWLEDGEMENTS:

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

For and on behalf of the Board

ARIHANT CLASSIC FINANCE LIMITED

**Mayur Jain
(Director)**

DIN: 00626354

**Tina Hasmukh Mutha
(Managing Director)**

DIN: 02260980

Date: 19.08.2023

Place: Delhi

FORM NO. AOC 2**For the financial year 2022-23***(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

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

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

S. No.	Particulars	Details
(a)	Name(s) of the related party and nature of relationship	NIL
(b)	Nature of contracts/arrangements/transactions	NIL
(c)	Duration of the contracts/arrangements/transactions	NIL
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	NIL
(e)	Justification for entering into such contracts or arrangements or transactions	NIL
(f)	date(s) of approval by the Board	NIL
(g)	Amount paid as advances, if any:	NIL
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NIL

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

Date: 19.08.2023**Place: Delhi**

**Mayur Jain
(Director)**

DIN: 00626354

**Tina Hasmukh Mutha
(Managing Director)**

DIN: 02260980

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

Name of the Related Parties	Nature of Relationship	Nature of contracts / arrangement s/ transactions	Amount	Duration of the contract s/ arrangement s/ transactions	Date of Approval by the Board	Salient terms of the contracts or arrangement t or transactions including the value, if any:
Madhu Doshi	Director	Rental Expenses	70800	Continuing One	Since these Related Party Transactions are in the Ordinary Course of Business and are at arm's length basis, approval of the Board is not applicable. However, omnibus approvals were granted by the Audit Committee given for transaction undertaken with related party.	As approved by the Board of Directors
Madhu Doshi	Director	Loan/advance taken & Interest Exp	3805200 0 & 189739	Repayment on Demand		As approved by the Board of Directors
Dev Kripa Developers Pvt. Ltd.	Common Director	Interest Income	3617924	Continuing One		As approved by the Board of Directors
Inново Infratech LLP	Director is Partner	Interest Income	5735441	Continuing One		As approved by the Board of Directors
Gitanjali Finvest Pvt. Ltd.	Common Director	Interest Income	1308458	Continuing One		As approved by the Board of Directors
Motilal Banarsi Das	Partners is relative of Director	Interest Income	748128	Continuing One		As approved by the Board of Directors

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

Date: 19.08.2023

Place: Delhi

**Mayur Jain
(Director)**

DIN: 00626354

**Tina Hasmukh Mutha
(Managing Director)**

DIN: 02260980

ANNEXURE – B

Form AOC-1

(Financial year ended on 31.03.2023)

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies
(Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
	Name of the subsidiary	NIL
	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	
	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	
	Share capital	
	Reserves & surplus	
	Total assets	
	Total Liabilities	
	Investments	
	Turnover	
	Profit before taxation	
	Provision for taxation	
	Profit after taxation	
	Proposed Dividend	
	% of shareholding	

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	Dipika Polymers Private Limited
Latest audited Balance Sheet Date	31.03.2023
Shares of Associate/Joint Ventures held by the company on the year end	
No. of Shares	3,02,000
Amount of Investment in Associates/Joint Venture	Rs. 1,51,00,000
Extend of Holding%	30.39
Description of how there is significant influence	More than 20 % Shareholding
Reason why the associate/joint venture is not consolidated	N.A.
Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. 38574501/-
Profit/Loss for the year	Rs. 1094369/-
Considered in Consolidation	Rs. 332579/-
Not Considered in Consolidation	Rs. 761790/-

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

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

Date: 19.08.2023

Place: Delhi

**Mayur Jain
(Director)**

DIN: 00626354

**Tina Hasmukh Mutha
(Managing Director)**

DIN: 02260980

MANAGEMENT DISCUSSION AND ANALYSIS

a) Industry Structure and Development:

The Company was incorporated on 3rd April, 1995 under the Companies Act, 1956 under the name and style as Arihant Classic Finance Limited vide Certificate of Incorporation No. 04-25312 of 1994-95 issued by the Registrar of Companies, Gujarat.

The Company obtained the Certificate of Commencement of Business vide certificate dated 5th April, 1995 issued by the Registrar of Companies, Gujarat and doing the business related to NBFC company and exploring the market for opportunities.

b) Opportunities and Threats:

The Company is involved in the following business:

1. To invest in Securities and trading.
2. To carry on and undertake the business of leasing and hire purchase of all kinds, finance, trading, distribution, agency, franchise, hire purchase in, , hiring or letting on hire, all kinds of plants.
3. To carry on the business of general Finance and to finance industrial enterprises in their projects on turnkey basis or otherwise and Asset Management Company or Trustee Company and to do the activity of portfolio management.
4. To carry on the business as finance company and to finance or assist in financing all kinds of activities whether industrial, commercial including housing and including commercial building or part thereof with or without interest and/or security In whatever form and method including short term, long term loan by participation in equity or preferential capital, issuing guarantees, to carry on and undertake the business of financing the purchase
5. To advance, or lend money with or without securities and properties to any company, person or association of persons, and to carry on the business of Bills discounting, Bills Purchasing, Loan Syndication Venture and seed Capital. However, the company shall not carry on the business of banking, as defined in the Banking Regulation Act. 1949

c) Segment Wise Performance:

The Company is involved in non-banking finance business and has doing the business as a NBFC.

d) Outlook

The overall outlook for industry remains positive as India treads on its growth trajectory leading to higher credit demand. The growth in credit is expected to be broad based across products and segments with key risks being elevated interest rates and inflation.

e) Risks and Concerns:

Risk of delayed receipt of instalments : In case of delayed receipts of instalment amounts of the hire purchase finance given, the funds of the Company get blocked resulting in high non-performing assets. To mitigate this risk, the Company is trying to put pressure on the delayed payers for payment of instalments and in inevitable cases legal action is also being initiated.

Risk of insolvency of the borrowers:

Where the borrower becomes insolvent, and is unable to clear the loan, the same becomes a bad debt and the total loan amount and the interest accrued thereon becomes a charge on the income generated by other good transactions.

To mitigate this risk, the company follows a very conservative policy of lending.

f) Internal Control Systems:

The Company has an adequate system of internal control and management with respect to disbursement of loans and follow-up action for collection of instalments.

g) Discussion on Financial Performance with respect to Operational Performance

The details of the financial performance of the Company are reflected in the Balance Sheet, Statement of Profit & Loss and other Financial Statements, appearing separately.

Highlights are provided below: (Rs. in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Total Income	276.17	394.50
Profit Before Tax	102.62	194.34

The financial performance of the Company has been further explained in the Board's Report of the Company for the Financial Year 2022-23 appearing separately. The financial statements have been prepared in accordance with the requirement of Companies Act 2013, and applicable accounting standards issued by the Institute of Chartered Accountant of India.

h) Human Resources:

Industrial harmony was maintained during the year through peaceful and productive employee relations. To augment the skills of employees, multiple training sessions were imparted to employees on matters related to ethics and compliance, discipline, safety of the employees and environmental awareness. Wide-ranging employee engagement initiatives e.g., Skip level connects, Career assessment centres, celebrations of milestone & festivals were organized to sustain the engagement levels of employees.

i) Details of significant changes in key financial ratios along with detailed explanations thereof, include

<u>S.No</u>	<u>Particulars</u>	<u>Financial Year 2022-23</u>	<u>Financial Year 2021-22</u>
1	Debtors Turnover	-	-
2	Inventory Turnover	-	-
3	Interest Coverage Ratio*	1.81	3.88
4	Current Ratio	1.40	1.57
5	Debt Equity Ratio**	2.21	1.54
6	Operating Profit Margin in percentage	-	-
7	Net profit margin in Percentage	0.27	0.34
8	Details of any change in Return on Net worth as compared to the immediately previous Financial Year along with a detailed explanation thereof**	-	-

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31.03.2023

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

To,
The Members,
Arihant Classic Finance Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ARIHANT CLASSIC FINANCE LIMITED (herein after called “the Company) for the Financial Year ended on 31st March, 2023. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year commencing from 1st April, 2022 and ended on 31st March, 2023 complied with statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2023 according to the provisions of:
 - i. The Companies Act, 2013 (**the Act**) and the rules made there under;
 - ii. The Securities Contract (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of the Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') is furnished hereunder for the financial year 2022-23: -
- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Complied with yearly and event-based disclosures, wherever applicable.**
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018; **The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e., <https://arihantclassic.in/>.**
 - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not applicable as the Company has not issued any Capital during the year under review.**
 - iv. The Securities and Exchange Board of India (Share based Employee Benefits & Sweat Equity) Regulations, 2021; **Not applicable as the Company has not issued any Employee Stock Options during the year under review.**
 - v. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not applicable as the Company has not issued any non-convertible securities during the year under review.**
 - vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review. However, the Company has Alankit Assignments Limited as its Share Transfer Agent.**
 - vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not applicable as the Company has not delisted/ proposed to delist its equity shares during the year under review.**
 - viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.**
 - ix. **Other applicable laws include the following**

1. Reserve Bank of India Act, 1934 and its circulars, Master Circulars and notifications as prescribed for Non-Banking Finance Companies;
2. Prevention of Money Laundering Act, 2002;
3. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2003

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

- i. Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS- 2) issued by The Institute of Company Secretaries of India.
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc mentioned above including the following:

- a) As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit we report that:
 - i) The provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
 - External Commercial Borrowings were not attracted to the Company under the financial year under report;
 - Foreign Direct Investment (FDI) was not attracted to the Company under the financial year under report;
 - Overseas Direct Investment (ODI) was not attracted to the Company under the financial year under report.
 - ii) As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the Financial year under report.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. As per Regulation 33(3)(g) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Company received an **Intimation of non-compliance of SEBI (Regulations, 2015 LODR) for default in complying Regulation 33 for the quarter ended September 2022 with a total fine of Rs. 1,80,000/-** (excluding applicable taxes). Therefore,

the Company submitted a waiver request letter for waiver of penalty on 12th January, 2023 which was accepted by the Stock Exchange and the entire penalty was waived off.

2. As per Regulation 24A of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the company has made delay in submission of Annual secretarial compliance report for the financial year ended on 31st March, 2021 and accordingly the stock exchange imposed fine of Rs. 6,58,000/- (excluding applicable taxes) on the Company and freeze the demat accounts of the Company along with Promoter and Promoter Groups. The Company has paid the said fine through UTR No CMS3152232368423 on 11/11/2022.
3. As per Regulation 3(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has not maintained the structured digital database containing the names of such person or entities as the case may be with whom information is shared.
4. As pr Regulation 29(2) the Company has made delay in furnishing prior intimation about the meeting of Board of Directors and accordingly the Company has paid the fine of Rs. 10,000/- through UTR No CMS3152232368423 on 11/11/2022.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including one-woman director in compliance with the provisions of the Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Further, Ms. Palak Gupta had resigned on 07th February, 2023 from the post of compliance officer cum company secretary and Mr. Niraj Kumar was appointed as compliance officer cum company secretary of the Company on 1st March, 2023. The above changes in the composition of the KMP that took place during the period were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- In my opinion there is scope to improve the systems and processes in the Company and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

- We further report that during the audit period the company has no specific events/actions having a major bearing on the company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc.
- The compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

Place: Delhi
Date:11.08.2023

FOR Roni & Associates

Roni Soni
Practicing Company Secretary
M. No.: F11600, C.P. No.: 21854
UDIN: F011600E000791709
Peer Review Cert. No.: 3471/2023

ANNEXURE

To,
The Members,
Arihant Classic Finance Limited

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records and other records under the scope/ambit of Secretarial Audit (hereinafter called 'Record') is the responsibility of the management of the Company. My responsibility is to express an opinion on these records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for my opinion.
3. I have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation and Managing Directors Certificate provided to the Board in each meeting of the Board about statutory compliances and / or compliance of laws, rules and regulations and happening of events etc. and have relied upon the same.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR Roni & Associates

Date: 11.08.2023
Place: Delhi

Roni Soni
Practicing Company Secretary
M. No.: F11600, C.P. No.: 21854
UDIN: F011600E000791709
Peer Review Cert. No.: 3471/2023

ANNEXURE -E

Statement of disclosure of Remuneration under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- The ratio of remuneration to each director to the median remuneration of the employees of the Company for the financial year.**

Since, during the financial year no remuneration was paid to the directors, there this information is not applicable.

- The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.**

Sr. No.	Name of Director/KMP	Designation	Remuneration (Rs.)		Increase/ (Decrease) %
			FY 2022-23	FY 2021-22	
1.	Ankita Kothari	Chief Financial Officer	NIL	NIL	NIL
2.	Phalak Gupta*	Company Secretary & Compliance Officer	25000/ Month	25000/ Month	NIL
3.	Niraj Kumar**	Company Secretary & Compliance Officer	35000/ Month	NA	NA

*Resigned w.e.f the 07th February, 2023

**Appointed w.e.f 01st March, 2023

- There was an increase/ reduction of zero % in the median remuneration of employees in the financial year 2022-23;**
- The Company has Nine permanent employees on its rolls as on 31st March, 2023;**
- Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and details if there are any exceptional circumstances for increase in the managerial remuneration:** Since, during the financial year no remuneration was paid to the directors, there this information is not applicable.

6. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

Particulars of employees as required Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the period ended the 31st March, 2023.

Name of Employee /Director	Designation of employee/ nature of employment	Age (Years)	Gross Remuneration received (Rs.) (Monthly)	Qualification	Experience (Years)	Date of Commencement of employment	Previous Employment	Period during which post held in last employment
TOP TEN EMPLOYEES								
Joginder Singh	Field Staff	40	20,000	Graduate	-	01-11-2019	-	-
Pushkar Singh	Field Staff	41	20,800	Graduate	-	01-04-2021	-	-
Ranchore	Admin	48	19,500	Basic	-	21-04-2019	-	-
Sushil Kumar	Field Staff	39	19,000	Basic	-	01-12-2019	-	-
Ankita	Marketing/ Admin	28	14,000	Graduate	-	14-03-2023	-	-
Virendra Kumar Tiwari	Driver	47	21,000	10 th	-	21-10-2022	-	-
Umashakar Panday	Driver	32	21,000	10 th	-	01-03-2023	-	-
Anjali	Accountant	22	20,000	Graduate	-	15-03-2023	-	-

Niraj Kumar	Company Secretary	30	35,000	Comp any Secret ary	3 Years	01-03-2023	TDI Infrastru cture Limited	2.5 Years
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**By The Order Of Board of Directors
For Arihant Classic Finance Limited**

Date: 19.08.2023

Place: Delhi

**Mayur Jain
(Director)**

DIN: 00626354

**Tina Hasmukh Mutha
(Managing Director)**

DIN: 02260980

REPORT ON CORPORATE GOVERNANCE

The Company has complied with the requirements of Corporate Governance as stipulated in Chapter IV of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations).

CORPORATE GOVERNANCE PHILOSOPHY

The Company's philosophy on Corporate Governance is aimed at assisting the management in the efficient conduct of the business and in meeting its obligations to stakeholders. A Strong emphasis on transparency accountability and integrity guide its philosophy. The Company acts responsibly as an integral part of the society by adhering to high compliance standards. The Company has consistently shown a high level of commitment towards effective Corporate Governance. The Company's philosophy on Corporate Governance envisages attainment of higher levels of transparency, accountability and ethical conduct in all facets of its operations and interactions with its stakeholders including shareholders, employees, customers, suppliers, government, lenders and the community at large, It aims to increase and sustain its corporate value through growth and innovation. The Company believes that its operations and actions must serve the underlying goal of enhancing the interests of its stakeholders over a sustained period of time, in a socially responsible way.

BOARD OF DIRECTORS

The Company is fully compliant with the Corporate Governance norms in respect of constitution of the Board of Directors. The Board has an optimum combination of Executive and Non-Executive Directors including Independent Directors. The Company's Board represents an optimum mix of knowledge, gender and experience.

A. Composition and category of the Board of Directors are as follows:

(i) Executive Directors*

Name	Date of Appointment	Designation	No. of meetings held during the Last Financial Year	No. of Meetings Attended	No. of Membership in Boards of other Public Companies	No. of Membership/ Chairmanships in Committees of other Public Companies
Mrs. Tina Hasmukh Mutha	31/10/2020	Managing Director/ Executive Director	10	10	NIL	NIL

(ii) NON-INDEPENDENT NON-EXECUTIVE DIRECTORS

Name	Date of Appointment	Designation	No. of meetings held during the Last Financial Year	No. of Meetings Attended	No. of Membership in Boards of other Public Companies	No. of Membership/ Chairmanships in Committees of other Public Companies
Mr. Mayur Jain	10-10-2000	Chairperson/ Non-Executive Director	10	10	NIL	NIL
Mr. Madhu Doshi	10-10-2000	Non-Executive Director	10	10	NIL	NIL

(iii) INDEPENDENT NON-EXECUTIVE DIRECTOR

Name	Date of Appointment	Designation	No. of meetings held during the Last Financial Year	No. of Meetings Attended	No. of Membership in Boards of other Public Companies	No. of Membership/ Chairmanships in Committees of other Public Companies
Mr. Jatin Kakkar	30-08-2018	Independent Director	10	10	NIL	NIL
Mr. Mohit Chaturvedi	01-01-2019	Independent Director	10	10	NIL	NIL
Mr. Vikram Mutha	03-01-2019	Independent Director	10	10	NIL	NIL

As per the declarations/disclosures received from Mr. Jatin Kakkar, Mr. Mohit Chaturvedi and Mr. Vikram Mutha, they do not serve as Independent Directors on the Board of more than 7 listed Companies. They are also not acting as Whole-time Directors on the Board of any listed Company.

The terms and conditions of appointment of Independent Directors are available on the Company's website viz.; <https://arihantclassic.in/investor-relations.aspx?type=93>.

The Company also has a familiarization programme for its Independent Directors, which is available at <https://arihantclassic.in/investor-relations.aspx?type=93>.

Key Board skills / expertise / competencies

<p>General Management & Business Operations</p>	<ul style="list-style-type: none"> • Knowledge and deeper understanding of Auto & Manufacturing Industry. • Experience and understanding on Financial Management, Decision Making, Communication, Leadership, Influencing, Stakeholder Relations including long term interest of shareholders etc. • Entrepreneurial mindset with outstanding organizational and leadership skills including experience in general management & administration of the organization. • Knowledge of Macro/ Global/ National/ Sectoral Economy.
<p>Financial & Risk Management</p>	<ul style="list-style-type: none"> • Experience in financial planning/analysis, controllership, finance operations, audit, information technology and consulting. • Understanding the structures and systems which gives an oversight to the organization to effectively identify, assess and manage Enterprise Risk Management and Crises.
<p>Legal, Regulatory, Corporate Governance, Ethics & Compliance</p>	<p>Expertise in Legal framework, the relevant laws, rules, regulation policies applicable to the industry/ sector and level/ status of compliances thereof.</p> <p>Understanding of the best corporate governance practices, relevant governance codes, governance structure, processes and practices followed by the organization.</p> <p>Driving the business ethics, ethical policies, codes and practices.</p> <p>Ability to monitor the compliance and knowledge of legal and regulatory requirements applicable to the Company.</p>
<p>Strategic Planning & Business Acumen</p>	<p>Ability to think strategically, to propose ideas, identify options and plans that take advantage of available business opportunities while reflecting a broad and future-oriented perspective and advice on international practices.</p> <p>Wider perspective on the business and industry, strategy implementation and change with vision & value creation.</p>
<p>Business Development, Sales & Marketing</p>	<p>Experience and ability to identify opportunities and threats to the company and to develop strategies, inter-alia to grow sales and market share, built brand awareness and equity.</p> <p>Deep knowledge and experience in business strategy, financial value and customer value creation.</p> <p>Develop a strategically aligned and values-based organizational culture.</p>

All the Directors of the company possess specific skill /expertise as mentioned above.

PROCEDURE TO CONDUCT MEETING OF THE BOARD OF DIRECTORS:

The Board meetings are generally held at the admin office of the Company and are convened by giving appropriate advance notice to all the Directors of the Company. The Meeting of the Board is governed by structured agenda papers which are circulated to Directors generally one week before the meeting. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting. In case of exigencies or urgency, resolutions are passed by circulation. The Board of Director at its succeeding meeting takes note of the resolution(s) which have been passed by way of Circulation.

INFORMATION SUPPLIED TO THE BOARD

The Board has complete access to all information of the Company. The following information is provided to the board and the agenda papers for the meetings are circulated in advance of each meeting:

- Annual operating plans, capital and revenue budgets and updates, if any.
- Minutes of meetings of Audit Committee and Other Committees of the Board.
- Details of Associates of the Company and its updates.
- Information on recruitment and remuneration of senior officers just below the Board level including appointment or removal of Chief Financial Officer and Company Secretary.
- Materially important Litigation, Show Cause, Demand, Prosecution and Penalty Notices, if any.
- Status of Litigations by or against the Company.
- Any material relevant default in financial obligation to and by the Company.
- Details of any Joint Venture or Collaboration Agreement.
- Formation/reconstitution of Board Committees and terms of references.
- Appointment, remuneration and resignation of Directors.
- Disclosure of Director's interest and their shareholding.
- Compliance Certificate from Director and Company Secretary, certifying compliance of all laws applicable to the Company.
- All other information which is relevant for decision-making by the Board.

NUMBER OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2022-2023:

During the year under review, your Directors have met 10 (Ten) times, at the various dates, as mentioned herein below:

No. of Board Meetings Held	Dates of Board Meetings
01	30.05.2022
02	08.08.2022
03	25.08.2022
04	02.09.2022
05	30.09.2022
06	18.10.2022
07	12.11.2022
08	19.12.2022
09	13.02.2023
10	01.03.2023

Pecuniary relationships or transactions of the Independent Non-Executive Directors vis-à-vis the Company

Mr. Jatin Kakkar, Mr. Mohit Chaturvedi and Mr. Vikram Mutha, Independent Non-Executive Director of the Company do not have any material pecuniary relationship with the Company other than the sitting fees paid to them, if any.

Relationships between Directors Inter se

Except Mr. Mayur Jain, Mrs. Madhu Doshi and Tina Hasmukh Mutha none of the Director of the Company is related to any other Directors of the Company.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board has constituted Committee(s) with specific terms of reference and scope, namely: Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee. The committees operate as empowered agents of the Board as per their charter/terms of reference. The practice to present the minutes of the meetings of Audit Committee, Nomination and

Remuneration Committee and Stakeholder Relationship Committee, before the Board of Director for their perusal, is being maintained continuously. The details as to the composition, terms of reference, number of meetings and attendance etc. of these Committees are provided hereunder:

AUDIT COMMITTEE

Audit Committee of the Board comprises of three Directors out of which two are Non-Executive Independent Director, namely Mr. Mohit Chaturvedi, Mr. Jatin Kakkar and one is Non-Executive Director, namely Mr. Mayur Jain. The Chairman of the Audit Committee is Mr. Jatin Kakkar an Independent Director having sound financial knowledge. The majority of the audit committee members, including the Chairman, have accounting and financial management expertise. The Company Secretary acts as Secretary of the Committee. A representative of the Statutory Auditors is invited as and when required.

Powers of the Audit Committee:

- To investigate any activity within terms of reference
- To seek information from any employee
- To obtain outside legal or professional advice

Role of Audit Committee, inter-alia, includes the following:

1. Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor's and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to the:

- ❖ Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of section 134 of the Companies Act, 2013.
- ❖ Changes, if any, in accounting policies and practices and reasons for the same.
- ❖ Major accounting entries involving estimates based on the exercise of judgment by management.
- ❖ Significant adjustments made in the financial statements arising out of audit findings.
- ❖ Compliance with listing and other legal requirements relating to financial statements.
- ❖ Disclosure of any related party transactions and Qualifications, if any, in the draft audit report.
- ❖ Qualifications in the draft audit report.
- ❖ Management Discussion and analysis of Financial Condition

5. Reviewing, with the management, the quarterly, half yearly, nine monthly and annually financial statements standalone as well as consolidated before submission to the Board for approval.

6. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.

7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

8. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

9. Scrutiny of inter-corporate loans and investments

10. To review the function of the vigil mechanism

11. Approval of appointment of the CFO (i.e the Whole Time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background etc of the candidate

12. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The dates on which the meetings were held and attendance of the members of the Committee during the financial year ended 31st March, 2023 are as follows:

No. of Meetings Held	<u>Date of meetings</u>
01	30.05.2022
02	02.09.2022
03	12.11.2022
04	13.02.2023

S. No.	<u>Name of the Members</u>	Meetings held	Meeting attended
1	Mr. Mohit Chaturvedi	4	4
2	Mr. Mayur Jain	4	4
3	Mr. Jatin Kakkar	4	4

NOMINATION AND REMUNERATION COMMITTEE

Constitution and Terms of Reference

The Nomination and Remuneration Committee comprises of Mr. Mohit Chaturvedi, Mr. Mayur Jain and Mr. Jatin Kakkar as members of Nomination and Remuneration Committee. The Chairman of the Committee is Mr. Jatin Kakkar an Independent Director. The Broad terms of reference of the Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal carry out evaluation of every director's performance. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable. To perform such other functions as may be necessary or appropriate for the performance of its duties.

The details of the Nomination & Remuneration committee Meetings are as follows:

No. of Meetings Held	<u>Date of meeting</u>
01	30.05.2022
02	02.09.2022
03	12.11.2022
04	01.03.2023

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

Remuneration Policy and Payment

There are no such arrangements to pay the remuneration to Non- Executive Directors and Independent Director during the financial year ended 31st March, 2023.

The key terms of reference of the Nomination & Remuneration Committee (stipulated by the Board) under Regulation 19 and schedule II Part D of the SEBI Listing Regulations are as under:

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board, a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees;
- To formulate criteria for evaluation of the performance of Independent Directors and the Board;
- To devise a policy on Board diversity

- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- To extend or continue the term of appointment of the Independent Directors on the basis of the report of performance evaluation of the Independent Directors.

- **Performance Evaluation Criteria for Independent Directors (ID)**

The Nomination & Remuneration Committee has formulated the criteria for evaluation of Independent Directors. Based on the said criteria, the performance of the Independent Directors was evaluated during the year.

- **Performance Evaluation of the Board/Committees**

The Board carries out the evaluation of the performance of Directors and Committees of the Board.

The purpose of the evaluation is to assess the performance of the Directors in discharging their responsibilities and to evaluate how effectively the Board, the Directors and the Committees were fulfilling their roles and duties.

An annual Board evaluation is conducted to assess the performance of the Board as a whole and that of individual Board members. Performance is assessed based on clearly defined objective criteria, which are in line with the Company's policy. Performance is measured against commitments and best-in-class benchmarks. Plans for orderly succession of the Senior Management are also in place.

As required under Regulation 25 of the SEBI Listing Regulations, a separate meeting of the Independent Directors of the Company was also held on **01st March, 2023**, to evaluate the performance of the Chairman. Non-Independent Directors and the Board as a whole and also to assess the quality, quantity and timelines of flow of information between the management of the Company and the Board.

- **Policy on Remuneration to the Managing Director, Whole Time Director, Key Managerial Personnel (KMP) and senior Management Personnel**

Remuneration to the Managing Director and Whole Time Directors shall be in accordance with the provisions of the Companies act, 2013. Increments to the existing remuneration/ compensation

structure shall be recommended by the Nomination & Remuneration Committee to the Board, which shall be within the overall maximum limits of managerial remuneration approved by the shareholders for the Managing Director and Whole-Time directors of the Company. The overall managerial remuneration in respect of any financial year shall be in accordance with the provisions laid down under section 197 and schedule V of the Companies Act, 2013.

If in any financial year, the Company has no profits or its profits are inadequate, the Company shall make payment of remuneration within the maximum limits as minimum remuneration to the Managing Director and Whole-time Directors of the Company based on the approval of the Nomination & Remuneration Committee, Board and subject to the approval of the Shareholders and such other approvals, as may be required, in accordance with the provisions of section 197 and schedule V of the Companies Act, 2013.

During the financial year 2022-23, no remuneration has been paid to the Managerial Personnel.

The Company does not have Employee Stock Options Scheme for its Directors and Employees.

STAKEHOLDER RELATIONSHIP COMMITTEE

Constitution and Objective

The Board of Directors of the Company has constituted the Stakeholder Relationship Committee which is chaired by Mr. Mayur Jain, Non-Executive Director to specially consider and resolve the grievances of security holders of the Company and other members of the committee are Mrs. Tina Hasmukh Mutha and Mr. Mohit Chaturvedi. The terms of reference of the Stakeholders' Relationship Committee covers the matters specified in Part D of the Schedule II of the SEBI Listing Regulations. The Committee looks into the redressal of shareholders' and investors' complaints/ grievances. The Committee also looks into complaints concerning transfer of shares, non-receipt of annual report, non-receipt of dividends etc. The Committee also oversees the performance of Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor service.

All matters related to shares vis a vis transfers, deletions, transmissions, dematerialization and dematerialization of shares etc. have been duly attended to by the Company within the prescribed time lines during the financial year 2022-23.

The composition of Stakeholder Relationship Committee and terms of references meet with the requirements of Regulation 20 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 and provisions of the Companies Act, 2013.

Mr. Niraj Kumar has been appointed as Company Secretary and Compliance officer of the Company w.e.f 01.03.2023 as per SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 and performs as a secretary to the Committee his **e-mail id is:** compliance4arihant@gmail.com . Further, Ms. Palak Gupta was appointed as Company Secretary cum Compliance Officer of the Company on January 1, 2022 and resigned from the office of Company Secretary on February 07, 2023.

No application and Complaints received from shareholder/ investor are pending during the year under review. The details of the Stakeholder Relationship committee are as follows:

No. of Meetings Held	<u>Date of meeting</u>
1	02.09.2022

Sl. No.	<u>Name of the Members</u>	Meetings attended
1	Mr. Mayur Jain (Chairman)	1
2	Mr. Mohit Chaturvedi	1
3	Ms. Tina Hasmukh Mutha	1

CEO/CFO CERTIFICATE

A certificate from the Managing Director and the Chief Financial Officer on the financial statements and other matters of the Company as provided in Regulation 17(8) and schedule II Part B of the SEBI Listing Regulations for the financial year ended 31st March, 2023 was placed before the Board at its meeting held on Tuesday, 23rd May, 2023 and the same is annexed to this report as **APPENDIX-A**.

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on the Management Discussion and Analysis is given separately and is a part of Annual Report in ANNEXURE-C.

MANAGEMENT DISCLOSURE

During the year under review, there were no transactions of material nature with the promoters, the directors or the management or relatives, etc. that had potential conflict with the interest of the Company. All disclosures related to financial and commercial transactions where directors may have a potential interest are provided to the board and the interested directors do not participate in the discussion nor do they vote on such matters.

RELATED PARTY TRANSACTIONS

All Related Party Transaction that was entered during the financial year were on an Arm's Length basis and were in the ordinary course of business. The particulars of contract/arrangement entered into by the Company with Related Parties are attached herewith marked as ANNEXURE-A of the Director's Report.

CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT

The Company has established the Code of Business Conduct ethics for all directors, officers and employees of the Company ("the Code"). This Code is a comprehensive Code applicable to all Directors, Officers and employees working at various level of the Company. The Code while laying down, in detail, the standard of business conduct, ethics and governance, centers around the following theme-

"All Directors, Officers and employees of the Company are committed to conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. This code is intended to provide guidance and help in recognizing and dealing

with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability. Each Director, officer and employees are expected to comply with this code in letter and spirit.

The Company has also formulated code on Prevention of Insider Trading, which is available at <https://arihantclassic.in/investor-relations.aspx?type=93>.

Declaration required under Regulation 17(5) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015

All the members covered under the “Code of Business Conduct and Ethics for Board Members and Senior Management” have affirmed compliance of the said code for the Financial Year 2022-23.

MEANS OF COMMUNICATIONS:

a) Communication to Shareholders

The Company is maintaining a functional website i.e., www.arhantclassic.in, in compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulation, 2015. The website contains the following information: -

- ❖ Basic information of the Company, e.g., details of its business, financial information etc.
- ❖ Shareholding pattern, compliance with Corporate Governance and contact information of designated official of the Company who are responsible for assisting and handling investor grievances.
- ❖ Quarterly/Half yearly/Nine- monthly and Annual Results.
- ❖ Annual Report.
- ❖ Various Corporate Policies.
- ❖ All important information pertaining to the Company is also mentioned in the Annual Report of the Company which is circulated to the members and others entitled thereto for each financial year.

Quarterly/Half yearly/Nine-monthly and Annual Financial Results of the Company are published in Leading English and Gujarati Dailies like **‘Financial Express’**.

Your Company provides necessary information to the Stock Exchange in terms of the SEBI(LODR) Regulations, 2015 and other rules and regulations issued by Securities and Exchange Board of India. Required Forms and Returns are filed with the Registrar of Companies.

DISCLOSURES

1) Investor Grievance:

As mentioned herein before, the Company has constituted Stakeholder Relationship Committee to redress Shareholders' and Investors' Complaints.

2) Share Transfer Agent

M/s. Alankit Assignments Limited is Share Transfer Agent of the Company.

3) Details of Non- Compliance

The Details of other Non- Compliances is mentioned in the Secretarial Audit Report forming part of this Annual Report and observation for the same is given in the Board's Report.

4) The Board of Directors of the Company has adopted (i) the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and (ii) the Code of Conduct as required under SEBI (Prohibition of Insider Trading) Regulations, 2015.

5) During the year no case was filed pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

6) The Company has no material subsidiary.

7) There was no materially significant related party transaction that may have any potential conflict with interest of the Company at large. Transaction with related parties are disclosed in the Financial Statements. The policy on dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link <https://arihantclassic.in/investor-relations.aspx?type=93>.

8) Certificate from Company Secretary in Practice regarding compliance of conditions of Corporate Governance. A certificate is annexed as “**APPENDIX B**” certifying the compliance of corporate governance requirements by the Company

9) The Company has obtained certificate from Practicing Company Secretary that none of the Directors on the Board of the Company are debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such authority and the Certificate to this effect, duly signed by the Practicing Company Secretary is annexed to this Report as “**APPENDIX-C**”.

10) Total fees for all services paid by the Company on a consolidated basis, to the statutory auditor mentioned in the Notes to the Financial Statement of the Company.

11) Disclosures with respect to demat suspense account/ unclaimed suspense account- **NA**

12) The Board has accepted and acted upon all the recommendations by the Audit & Nomination and Remuneration Committees.

GENERAL SHAREHOLDERS INFORMATION

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

Corporate Office: G-72, First Floor, Kirti Nagar Delhi-110015

Annual General Meeting:

No. of Meeting	Year	Date Time & Venue
28 th	2022-23	18.09.2023 01.00. P.M The Company is conducting meeting through VC /OAVM. The deemed venue for the 28 TH AGM shall be the Registered Office of the Company. For details, please refer to the Notice of this AGM.

Financial Calendar: 1st April to 31st March

Results for the quarter ending June 30, 2022	In the mid of August 2022
Results for the quarter ending September 30, 2022	In the mid of November, 2022
Results for the quarter ending December 31, 2022	In the mid of February, 2022
Results for the quarter/year ending March 31, 2023	In the mid/end of May, 2023
Annual General Meeting for the year ending March 2022	Latest by September, 2022

General Board Meetings:

Meeting	Location	Day and Date	Time	Description of Special Resolutions
AGM	Registered Office: 414, Nalanda Enclave, Opp. Sudama Resorts Pritam Nagar, Ellisbridge Ahmedabad - 380006	Monday, 26.09.2022	1:00 P.M.	NIL
AGM	Registered Office: 414, Nalanda Enclave, Opp. Sudama Resorts Pritam Nagar, Ellisbridge Ahmedabad – 380006	Wednesday, 29.09.2021	3:00 P.M.	NIL
AGM	Registered Office: 414, Nalanda Enclave, Opp. Sudama Resorts Pritam Nagar, Ellisbridge Ahmedabad - 380006	Wednesday 25.11.2020	2:00 P.M.	Appointment of Mrs. Tina Jain as Managing Director of the Company for a period of five years with effect from 1st November, 2020.

The Board of Directors has not recommended any Dividend on Equity Shares of the Company for the financial year 2022-23.

The securities of the Company are listed on the following Stock Exchange:

Metropolitan Stock Exchange of India Limited (MSE).

Address: Vibgyor Tower, 4th Floor, Plot No C-62, G – Block, Opp. Trident Hotel Bandra Kurla Complex Bandra (E), Mumbai – 400098

Listing fee, as applicable, has been duly paid to the aforesaid Stock Exchange.

Market Price Data*: High, Low on MSEI during each month in the last Financial Year 2022-23: During the year, the shares of the Company were not traded, therefore no transactions occurred over the stock exchange. Hence, the market price data of high & low is not available on the website of stock exchange.

Performance of Company share prices in comparison to MSEI Sensex*: Not Available

Registrar and Transfer Agent (R&TA):

M/s Alankit Assignments Limited is Registrar and Share Transfer Agent of the Company. The shareholders are advised to approach M/s Alankit Assignments Limited at the following address for any share and demat related queries and/or problems:

M/s Alankit Assignments Limited

Alankit House , 4E/2 Jhandewalan Extension

New Delhi – 110055

Contact Person: Mr. Virender Sharma

e-mail id: virenders@alankit.com

The RTA will process shares send for transfer, transmission etc every 10-15 days from the data of receipt thereof. Transfer/transmissions that are complete in all respects are processed and the certificates in respect thereof are returned to the lodger/shareholder within 15 days of lodgement.

Distribution of Shareholding as on March 31, 2023

Category	Total				Physical		Demat		Both
	Cases	%	Shares	%	Cases	Share	Cases	Share	Total
1-500	23	20.18	10890	0.11	7	3090	16	7800	0
501-1000	28	24.56	24900	0.25	12	11100	16	13800	0
1001-2000	13	11.40	17600	0.17	7	9500	6	8100	0
2001-3000	12	10.53	32500	0.32	8	20700	4	11800	0
3001-4000	2	1.75	7300	0.07	2	7300	0	0	0
4001-5000	0	0.00	0	0.00	0	0	0	0	0
5001-10000	3	2.63	20100	0.20	2	11400	1	8700	0
10001-9999999999	33	28.95	10034800	98.88	0	0	33	10034800	0
Total	114	100.00	10148090	100.00	38	63090	76	10085000	0

Land/Factory Location

Since the Company is engaged in the business of Non-Banking Financial Company (**NBFC**) and has no manufacturing activities hence it has no plant/factory.

Dematerialization of shares and liquidity:

As on March 31, 2023, total 1,01,48,090 equity shares of face value of Rs. 10 each are listed at Metropolitan Stock Exchange of India Ltd. (MSE). As on March 31, 2023 1,00,85,000 99.38% of the Company's total Share Capital was held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL).

All shareholders are requested to update their bank account details with their respective depositories urgently. This would facilitate transfer of dividend directly to the bank account of the shareholders.

Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity

During the year under review the Company has not issued any GDRs/ADRs /Warrants or any Convertible Instruments.

Adoption of Discretionary Requirements as Specified in Part E of Schedule II of SEBI (LODR) Regulations, 2015

The company has adopted discretionary requirements to the extent of Internal Auditors reporting to the Audit Committee

Whistle Blower Policy

The Company has a Vigil mechanism under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

Disclosure of Compliance with Corporate Governance Requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

Regulation	Particulars	Compliance Status
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of Listed company	NA
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other Corporate Governance Requirements	Yes
46 (2) (b) to (i)	Website	Yes

Declaration

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management personnel of the Company. The code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the Financial Year ended on March 31, 2023 as envisaged in Regulation 26(3) of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015. (APPENDIX-D)

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

Date: 19.08.2023

Place: Delhi

**Mayur Jain
(Director)**

DIN: 00626354

**Tina Hasmukh Mutha
(Managing Director)**

DIN: 02260980

APPENDIX A

MD / CFO CERTIFICATION

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Arihant Classic Finance Limited (“the Company”) certify that:

- A. We have reviewed Financial Statements and the Cash Flow Statement for the year ending March 31, 2023 and that to the best of our knowledge and belief, we state that:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We further state that to the best of our knowledge and belief there are no transactions entered into by the Company during the year ended 31st March, 2023 which are fraudulent, illegal or violative of the Company’s code of conduct.
- C. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee:
1. Significant changes in internal control over financial reporting during the financial year;
 2. Significant changes in Accounting Policies during the financial year and that the same have been disclosed in the notes to the financial statements; and
 3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

On behalf of the Board of Directors
ARIHANT CLASSIC FINANCE LIMITED

Tina Hasmukh Mutha
(Managing Director)
DIN: 02260980

Ankita Kothari
Chief Financial Officer
PAN: BHNPK4947H

Date: 23.05.2023
Place: Delhi

CERTIFICATE ON CORPORATE GOVERNANCE

TO
THE MEMBERS OF
Arihant CLASSIC FINANCE LIMITED

1. I have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2023.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Delhi
Date:11.08.2023

FOR Roni & Associates

Roni Soni
Practicing Company Secretary
M. No.: F11600, C.P. No.: 21854
UDIN: F011600E000791753
Peer Review Cert. No.: 3471/2023

APPENDIX C

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015)

TO THE MEMBERS OF ARIHANT CLASSIC FINANCE LIMITED

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Arihant Classic Finance Limited** (hereinafter referred to as 'the Company') having CIN L65910GJ1995PLC025312 and having Registered Office at 414, Nalanda Enclave, Opp. Sudama Resorts Pritam Nagar, Ellisbridge Ahmedabad – 380006, produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2023 has been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

DIN/DPIN/PAN	Full Name	Designation	Date of Appointment
00626336	Madhu Doshi	Director	10/10/2000
00626354	Mayur Jain	Director	10/10/2000
02260980	Tina Hasmukh Mutha	Managing Director	31/10/2020
08196611	Jatin Kakkar	Independent Director	30/08/2018
08288324	Vikram Kishore Mutha	Independent Director	03/01/2019
08299460	Mohit Chaturvedi	Independent Director	01/01/2019

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

FOR Roni & Associates
Roni Soni

Practicing Company Secretaries
M. No.: F11600, C.P. No.: 21854
UDIN: F011600E000791731
Peer Review Cert. No.: 3471/2023

Place: Delhi
Date: 11.08.2023

APPENDIX D

Declaration regarding Affirmation of compliance with the Code of Conduct

I hereby, confirm that the Company has received affirmations in compliance with the Code of conduct for the Financial Year 2022-23 from all the Board Members and Senior Management Personnel pursuant to the requirements of Regulation 26(3) of Securities and Exchange Board of India (Listing and Disclosure Obligations) Regulations 2015.

**On behalf of the Board of Directors
ARIHANT CLASSIC FINANCE LIMITED**

**Tina Hasmukh Mutha
(Managing Director)
Din: 02260980**

**Date: August 19, 2023
Place: Delhi**



INDEPENDENT AUDITOR'S REPORT

To the Members of ARIHANT CLASSIC FINANCE LIMITED

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

Opinion

We have audited the standalone Ind AS financial statements of **ARIHANT CLASSIC FINANCE LIMITED ("the Company")**, for the quarter and year ended March 31, 2023, which comprise the balance sheet and the statement of Profit and Loss, including statement of changes in equity and statement of cash flows for the quarter & year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred as the "financial statements") being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its Profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) as specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone Ind AS financial statements.

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

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

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



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

Responsibilities of Management and those charged with governance for the Standalone Ind AS Financial Statements

These quarterly financial results as well as the year to date Consolidated Financial Results have been prepared on the basis of the audited financial statements. The quarterly financial results are derived figures between the audited figures in respect of the year ended March 31, 2023, and the published year-to-date figures up to December 31, 2022, being the date of the end of the fourth quarter of the current financial year, which were subject to limited review.

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements

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



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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended 31 March, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare

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 1' 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 purpose 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 Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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 with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in 'Annexure 2' to this report.
 - g. In our opinion, no managerial remuneration for the year ended 31 March 2023 has been paid/provided by the company to its directors, therefore there is no requirement to check whether the payment of remuneration has been paid in accordance with the provisions of section 197 read with Schedule V to the Act;
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position in its standalone Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



NJG & CO.s
CHARTERED ACCOUNTANTS

115, NEW DELHI HOUSE,
27, BARAKHAMBA ROAD,
NEW DELHI - 110001
Tel. No. 011-23325314
E-mail : njg_co@yahoo.co.in

For NJG & Co.
Chartered Accountants

(CA Ashok Kumar Kansal)
Partner, Mem. No 072170
Firm Regn. No.019718N
UDIN: 23072170BGXSSV8519
Place: New Delhi
Date: 23/05/2023



Annexure 1 to Independent Auditor's Report

Annexure 1 referred to in paragraph (1) under the heading 'Report on other legal and regulatory requirements' of our report even date

1.
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets of the Company were physically verified in full by the management during the year. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us, the records examined by us, we report that the Company does not hold any freehold property in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease, the company does not hold any such assets therefore it is not disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.
2. The company have inventories in the form of Shares in the electronic form so there is no requirement of physical verification. However, the company has been regularly verifying the e-statement as provided by the authority. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
3. According to information and explanation given to us, the company has granted unsecured loans to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013.
 - a. In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the company.
 - b. In respect of the aforesaid loans, the parties are repaying the principal amounts as stipulated and are also regular in payment of interest, where applicable.
 - c. In respect of the aforesaid loans, in the cases where the overdue amount is more than ninety days, in our opinion, reasonable steps have been taken by the company for the recovery of the principal amounts and interest, where applicable.
 - d. In respect of the aforesaid loans, in the cases where the overdue amount did not pay within the stipulated time, then in our opinion, the company has made sufficient and appropriate provision for the such loans.
4. In our opinion and according to information and explanation given to us, in respect of loans, investments, guarantees and security, the Company has complied with the provisions of sections 185 and section 186 of the Companies Act, 2013.
5. In our opinion and according to the information and explanations given to us, the company has complied with the directives of the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder, to the extent applicable, have been complied with. We are informed by management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.



6. To the best of our knowledge and as explained, the central government has not specified the maintenance of cost records under section 148(1) of the Act, for the services of the company.
7. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
According to the information and explanations given to us and the records of the company examined by us, there is one dispute pending regarding income tax of Rs. 10,79,460 relating to financial year 2008-09, against which the company already paid of Rs. 3,32,670 and the balance if any, will be paid on the time of final disbursement of appeal by the authority.
8. In our opinion and according to the information and explanations given to us, the company has no outstanding dues to any financial institutions or banks or any government or any debenture holders during the year. Accordingly, paragraph 3 (viii) of the order is not applicable.
9. According to the information and explanations given by management, the company has not raised any money by way of initial public offer or further public offer.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. According to information and explanations as given by the management, there is no managerial remuneration has been paid/provided by the company during the financial year. Hence, there is no requirement to check the compliance of provisions of section 197 read with schedule V to the Act.
12. The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.
15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.



NJG & CO.s
CHARTERED ACCOUNTANTS

115, NEW DELHI HOUSE,
27, BARAKHAMBA ROAD,
NEW DELHI - 110001
Tel. No. 011-23325314
E-mail : njg_co@yahoo.co.in

16. According to the information and explanations given to us and based on our examination of the records of the company, the company has registered as required, under section 45-IA of the Reserve Bank of India Act 1934.

For NJG & Co.
Chartered Accountants

(CA Ashok Kumar Kansal)
Partner, Mem. No 072170
Firm Regn. No.019718N
UDIN: 23072170BGXSSV8519
Place: New Delhi
Date: 23/05/2023



Annexure 2 to the Independent Auditor's Report

Annexure 2 referred to in paragraph 2(f) under the heading 'Report on the other legal and regulatory requirements' of our report of even date

Report on the internal financial controls over financial reporting under clause (i) of sub – section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of ARIHANT CLASSIC FINANCE LIMITED ("the Company") as at March 31, 2023, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The board of directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 were 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 with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in 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 control system over financial reporting with reference to these standalone Ind AS financial statements.



Meaning of internal financial controls over financial reporting with reference to these Ind AS Financial Statements

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

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) 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
- (iii) 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 with reference to these standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management of 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 and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NJG & Co.
Chartered Accountants

(CA Ashok Kumar Kansal)
Partner, Mem. No 072170
Firm Regn. No.019718N
UDIN: 23072170BGXSSV8519
Place: New Delhi
Date: 23/05/2023

Standalone Balance Sheet as at 31st March 2023

(Rs In Lacs)

	Note no.	Mar. 31, 2023 (Rs.) (Audited)	Mar. 31, 2022 (Rs.) (Audited)
A. ASSETS			
1 Financial Assets			
a. Cash and Cash Equivalents	3	0.82	196.75
d. Loans	4	4,164.06	2,818.65
e. Investments	5	151.01	151.01
f. Other Financial assets	6	0.12	-
Total Financial Assets		4,316.01	3,166.41
2 Non-Financial Assets			
a. Inventories	7	136.27	137.27
b. Current tax assets(Net)	8	-	-
c. Deferred tax assets	9	1.80	1.80
d. Property, Plant and equipment	10	-	-
e. Other Non-Financial assets	11	46.81	53.96
Total non-financial Assets		184.88	193.03
Total Assets		4,500.89	3,359.44
B. LIABILITIES AND EQUITY			
I. LIABILITIES			
1 Financial Liabilities			
b. Borrowings	12	2,844.56	1,971.12
c. Other Financial liabilities	13	225.35	14.33
Total Financial liabilities		3,069.91	1,985.45
2 Non-Financial Liabilities			
b. Current Tax Liabilities	14	29.26	52.40
Total non-financial liabilities		29.26	52.40
Total Liabilities		3,099.17	2,037.85
II. EQUITY			
a. Equity Share Capital	15	1,014.81	1,014.81
b. Other Equity	16	386.91	306.78
Total Equity		1,401.72	1,321.59
Total Liabilities and Equity		4,500.89	3,359.44

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For NJG & CO.

Chartered Accountants

Firm Reg. No. 019718N

For and on behalf of the Board of Directors

CA ASHOK KUMAR KANSAL

(Partner)

Membership No. 072170

UDIN: 23072170BGXSSV8519

TINA HASMUKH MUTHA

DIRECTOR

DIN:002260980

MAYUR JAIN

DIRECTOR

DIN:00626354

Place : New Delhi

Dated : 23-05-2023

ANKITA KOTHARI

CHIEF FINANCIAL OFFICER

NIRAJ KUMAR

COMPANY SECRETARY

Statement of profit & Loss for the year ended March 31, 2023

(Rs In lacs)

	Note No.	Mar. 31, 2023	Mar. 31, 2022
		(Rs.)	(Rs.)
INCOME			
1.Revenue from Operations			
Interest Income		267.50	140.96
Sale of shares		4.02	248.75
Total revenue from operation		271.52	389.71
2. Other Income	17	4.64	4.79
Total Income(1+2)		276.17	394.50
EXPENSES			
Purchases of Stock-in-Trade	18	0.92	67.94
Changes in inventories of Finished Goods & Work in Progress	19	1.00	19.17
Employee Benefits Expenses	20	17.23	19.38
Finance Costs	21	127.11	63.72
Depreciation & Amortisation		-	-
Other Expenses	22	21.89	23.02
Investment Allowance	23	5.41	6.92
Total Expenses		173.55	200.15
Profit Before Exceptional Items and Tax		102.62	194.34
Exceptional Items			
Profit before tax		102.62	194.34
Tax expenses:			
(1) Current Tax		29.26	52.40
(2) Deferred Tax		-	-10.86
Profit for the year		73.36	131.08
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:-			
Re-measurement gains (losses) on defined benefit plans			
Income tax benefit			
Net other comprehensive income not to be reclassified to profit or loss			-
Total Comprehensive income for the year, net of tax		73.36	131.08
Earning per equity share(nominal value of Rs 10/- each)			
Basic	24	0.72	1.29
Diluted	24	0.72	1.29

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For NJG & CO.

Chartered Accountants

Firm Reg. No. 019718N

For and on behalf of the Board of Directors

CA ASHOK KUMAR KANSAL

(Partner)

Membership No. 072170

UDIN: 23072170BGXSSV8519

TINA HASMUKH MUTHA

DIRECTOR

DIN:002260980

MAYUR JAIN

DIRECTOR

DIN:00626354

Place : New Delhi

Dated : 23-05-2023

ANKITA KOTHARI

CHIEF FINANCIAL OFFICER

NIRAJ KUMAR

COMPANY SECRETARY

ARIHANT CLASSIC FINANCE LIMITED
414, NALANDA ENCLAVE, OPP. SUDAMA RESORTS, PRITAM NAGAR,
ELLISBRIDGE, AHMEDABAD, GUJARAT-380006
Corp. Office : G-72, Kirti Nagar, New Delhi-110015
CIN L65910GJ1995PLC025312
EMAIL : COMPLIANCE4ARIHANT@GMAIL.COM, CONTACT : 011-45061900

Statement of Changes in equity for the year ended March 31, 2023

a. Equity Share Capital	Amount
Balance at April 1, 2022	1,014.81
Changes in equity share capital during the year	-
Balance at 31st March, 2023	1,014.81

b. Other Equity

Particulars	Reserve & Surplus		Total
	General Reserve	Retained Earnings	
Balance at April 1, 2021	-	86	86
Profit for the year	-	131	131
Other comprehensive income for the year, net of tax	-	-	0
Total comprehensive income for the year	-	217	217
Payment of Dividend	-	-	-
Tax on Dividend	-	-	-
Balance at 31st March, 2022	-	217	217
Balance at April 1, 2022	-	217	217
Profit for the year	-	73	73
Other comprehensive income for the year, net of tax	-	-	0
Total comprehensive income for the year	-	291	291
Payment of Dividend	-	-	-
Tax on Dividend	-	-	-
Balance at 31st March, 2023	-	291	291

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For NJG & CO.

Chartered Accountants
Firm Reg. No. 019718N

For and on behalf of the Board of Directors

CA ASHOK KUMAR KANSAL
(Partner)
Membership No. 072170
UDIN: 23072170BGXSSV8519

TINA HASMUKH MUTHA
DIRECTOR
DIN:002260980

MAYUR JAIN
DIRECTOR
DIN:00626354

Place : New Delhi
Dated : 23-05-2023

ANKITA KOTHARI
CHIEF FINANCIAL OFFICER

NIRAJ KUMAR
COMPANY SECRETARY

Cash flow Statement for the year ended Mar 31, 2023

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Cash Flow From Operating Activities		
Profit before tax	102.62	194.34
Extraordinary Items	-	-
Adjustments for :		
Depreciation and amortisation expenses	-	-
Finance Costs	127.11	63.72
Interest Income	-	-
Tax Adjustments	-6.77	-
Dividend Received	-	-
Re-measurement (loss)/gain on defined benefit plans	-	-
Operating profit before working capital changes	222.95	258.06
Adjustments for:		
-(Increase)/decrease in loans (non-current)	-1,345.41	-1,723.08
-(Increase)/decrease in other financial assets (non-current)	0.16	80.23
-(Increase)/decrease in other non-current assets	7.15	-34.34
-(Increase)/decrease in inventories	1.00	19.17
-(Increase)/decrease in trade receivables	-	-
-(Increase)/decrease in loans (current)	-	-
-(Increase)/decrease in other financial assets (current)	-	-
-(Increase)/decrease in other current assets	-	-
- Increase/(decrease) in other financial liabilities (Non-current)	-	-
- Increase/(decrease) in non-current provisions	-	-
- Increase/(decrease) in trade payables	-	-
- Increase/(decrease) in other financial liabilities (current)	211.02	-0.87
- Increase/(decrease) in current provisions	-23.14	-3.65
- Increase/(decrease) in other current liabilities	-	-
Cash Generated From operations	-1,149.22	-1,662.55
Income tax paid (net)	-	-
Cash Generated From operations before extraordinary Items	-1,149.22	-1,662.55
Extraordinary Items	-	-
Net Cash From/(used in) Operating Activities (A)	-926.27	-1,404.49
Cash Flow From Investing Activities		
Payments for purchase of property, plant and equipment and capital work in progress	-	-
Proceeds from sale of property, plant and equipment	-	-
Net Cash from/(used in) Investing Activities (B)	-	-
Cash Flow From Financing Activities		
Repayment/Taken of Short term borrowings	873.44	1,651.11
Finance cost paid	-127.11	-63.72
Net Cash from/(used in) Financing Activities (C)	746.34	1,587.39
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	-179.93	182.90
Add: Cash and Cash Equivalents at the beginning of the year	196.75	13.86
Cash and Cash Equivalents at the end of the year	16.82	196.75
Components of cash and cash equivalents		
Cash on Hand	0.44	2.99
With banks -		
On Current Accounts & cheque in hand	0.38	193.76
Total cash and cash equivalents (Refer Note No.-3)	0.82	196.75

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For NJG & CO.

Chartered Accountants

Firm Reg. No. 019718N

For and on behalf of the Board of Directors

CA ASHOK KUMAR KANSAL

(Partner)

Membership No. 072170

UDIN: 23072170BGXSSV8519

TINA HASMUKH MUTHA

DIRECTOR

DIN:002260980

MAYUR JAIN

DIRECTOR

DIN:00626354

Place : New Delhi

Dated : 23-05-2023

ANKITA KOTHARI

CHIEF FINANCIAL OFFICER

NIRAJ KUMAR

COMPANY SECRETARY

ARIHANT CLASSIC FINANCE LIMITED
414, NALANDA ENCLAVE, OPP. SUDAMA RESORTS, PRITAM NAGAR,
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(Rs In lacs)

Notes to the financial statements for the year ended March 31, 2023

10 Property Plant and Equipments

Carrying Amount of	As at March 31,2023	As at March 31, 2022
Computer	-	-
Office Equipment	-	-
Furniture	-	-
Mobile	-	-
	-	-

Cost or deemed cost

Particulars	Computer	Office Equipment	Furniture	Mobile	Total
Deemed cost at April 1, 2021	1.76	0.14	0.32	0.66	2.88
Addition for the year	-	-	-	-	-
Disposal / adjustments	-	-	-	-	-
Balance at March 31, 2022	1.76	0.14	0.32	0.66	2.88
Addition for the year	-	-	-	-	-
Disposal / adjustments	-	-	-	-	-
Balance at March 31, 2023	1.76	0.14	0.32	0.66	2.88

Accumulated Depreciation and

Accum. dep as at April 1, 2021	1.76	0.14	0.32	0.66	2.88
Depreciation expenses	-	-	-	-	-
Disposal / adjustments	-	-	-	-	-
Accm. Dep. at March 31, 2022	1.76	0.14	0.32	0.66	2.88
Depreciation expenses	-	-	-	-	-
Disposal / adjustments	-	-	-	-	-
Balance at March 31, 2023	1.76	0.14	0.32	0.66	2.88

Carrying amount of

Particulars	Computer	Office Equipment	Furniture	Mobile	Total
Balance at April 1, 2021	-	-	-	-	-
Addition for the year	-	-	-	-	-
Disposal / adjustments	-	-	-	-	-
Depreciation charges	-	-	-	-	-
Balance at March 31, 2022	-	-	-	-	-
Addition for the year	-	-	-	-	-
Disposal / adjustments	-	0	1	3	-
Depreciation charges	-	-	-	-	-
Balance at March 31, 2023	-	0	1	3	-

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Notes to the financial statements for the year ended March 31, 2023

	Mar 31, 2023	Mar 31, 2022 (Rs.)
3 Cash and Bank Balances		
Cash and cash equivalents:		
Cash in hand	0.44	2.99
Current Account with scheduled bank	0.38	193.76
Total	0.82	196.75
4 Loans (Carried at Amortised Cost)		
Unsecured, Considered good		
Loans to Related Parties	1,286.05	1,302.79
Loans to Others	2,894.73	1,527.18
	4,180.79	2,829.97
Doubtful/NPA		
Loans to Related Parties	153.95	153.95
Loans to Others	153.95	153.95
	170.68	165.27
Less: Impairment Allowance	170.68	165.27
	4,164.06	2,818.65
<i>Terms and Conditions of Loan given</i>		
a All Loans are receivable on demand		
b Interest is receivable annually and interest rate mentioned in note no. 25		
5 Investments		
A. Investments in equity shares (fully paid)		
Unquoted - In associate (equity investments at cost)		
302,000 equity shares (2020 : 302,000) of Rs. 10 each of Dipika Polymer Pvt Ltd	151	151.00
B. Investments in equity shares (fully paid)		
Unquoted - In other entities (equity investments at cost)		
36,380 equity shares (2020 : 36,380) of Rs. 10 each of D.R. International Pvt Ltd		
1000 equity shares (2020 : 100) of Rs. 1 each of Dev Kirpa International Pvt Ltd	0.01	0.01
Equity shares of Rs. 10 each of Pal Peugeot Ltd. Less: Equity share Impaired		
Total investments in equity instruments	151.01	151.01
Aggregate carrying value of unquoted investments	151.01	151.01
6 Other Financial Assets		
Madhu Doshi	-	-
Other recoverable in cash and kind	0.12	-
	0.12	-
7 Inventories		
Stock-in Trade	136.27	137.27
	136.27	137.27
8 Current Tax Assets(net)		
Advance Tax (taxes paid)		
Provision for Income Tax	-	-

ARIHANT CLASSIC FINANCE LIMITED
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EMAIL : COMPLIANCE4ARIHANT@GMAIL.COM, CONTACT : 011-45061900

Notes to the financial statements for the year ended March 31, 2023

	Mar 31, 2023	Mar 31, 2022 (Rs.)
9 Deferred Tax Assets		
Deferred Tax Assets		
Property, Plant and Equipment and Intangible Assets	1.80	1.80
MAT Credit Entitlement		10.86
	<u>1.80</u>	<u>12.66</u>
Deferred tax assets	<u>1.80</u>	<u>12.66</u>
Significant components of net deferred tax assets and liabilities are as follows:		
	Opening Balance	Recognised in Profit or Loss
<i>For the year ended March 31, 2023</i>		
Property, plant and equipment and Intangible assets	1.80	-0.00
MAT Credit Entitlement	-	-
Net deferred tax Assets	<u>1.80</u>	<u>-0.00</u>
	Opening Balance	Recognised in Profit or Loss
<i>For the year ended March 31, 2022</i>		
Property, plant and equipment and Intangible assets	1.81	-0.00
MAT Credit Entitlement	10.86	-10.86
Net deferred tax Assets	<u>12.67</u>	<u>-10.86</u>
Note: <i>Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.</i>		
Note: <i>In view of the Company's past financial performance and future profit projections, the Company expects that it shall generate sufficient profits to fully recover the deferred tax assets.</i>		
11 Other non-financial Assets		
<i>Balance with Government Authorities</i>		
-Income Tax refundable	46.81	53.96
Other		
	<u>46.81</u>	<u>53.96</u>
12 Borrowings		
Loan from related parties (Unsecured)		
Loans from others	2,844.56	1,971.12
	<u>2,844.56</u>	<u>1,971.12</u>
Terms and conditions:		
<i>The loan is repayable on demand and interest is payable @ 9% p.a</i>		
13 Other Financial Liabilities		
Statutory Remittances :		
- Audit Fees Payable		
- TDS payable	0.35	3.42
- Expenses Payable	10.59	10.81
Interest accrued but not booked (NPA)		
Sundry Creditors	0.10	0.11
Due to Bank	214.31	
	<u>225.35</u>	<u>14.33</u>
14 Current Tax Liabilities(net)		
Provision for Income Tax	29.26	52.40
Income Tax payable	-	
	<u>29.26</u>	<u>52.40</u>
15 Equity Share Capital		
Authorised share capital:		
11500000 Equity shares of Rs 10/- Each (as at 31.03.2023 : 11500000 Equity shares of Rs 10/- Each & as at 01.04.2022 :11500000 Equity shares of Rs 10/- Each)	1,150.00	1,150.00
	<u>1,150.00</u>	<u>1,150.00</u>
Issued, subscribed and fully paid up share capital:		
10148090 Equity shares of Rs 10/- Each (as at 31.03.2023 : 10148090 Equity shares of Rs 10/- Each & as at 01.04.2022 :10148090 Equity shares of Rs 10/- Each)	1,014.81	1,014.81
	<u>1,014.81</u>	<u>1,014.81</u>
Total issued, subscribed and paid up share capital	<u>1,014.81</u>	<u>1,014.81</u>

ARIHANT CLASSIC FINANCE LIMITED
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EMAIL : COMPLIANCE4ARIHANT@GMAIL.COM, CONTACT : 011-45061900

Notes to the financial statements for the year ended March 31, 2023

Mar 31, 2023 **Mar 31, 2022**
(Rs.)

a) Rights, Preference and restriction attached to equity shares

The Company has only one class of equity shares, having par value of Rs.10/- per share. Each holder of equity share is entitled for one vote per share and has a right to receive dividend as recommended by the Board of Directors subject to the necessary approval from the shareholders.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

Equity Shares	Nos.	Amount (Rs.)	Nos.
Balance as at the beginning of the year	1,01,48,090	1,014.81	1,01,48,090
Issued during the year	-	-	-
Balance as at the end of the year	1,01,48,090	1,014.81	1,01,48,090

c) Details of shares held by each shareholder holding more than 5% shares

	March 31,2023		March 31,2022
	Nos.	% holding in the class	Nos.
Equity Shares of Rs 10 each, fully paid up			
Mr. Premjibhai Purshotambhai Patel	9,37,300	9.24%	9,37,300
Mrs.Hemaben Premjibhai Patel	9,37,300	9.24%	9,37,300
Mr. Munind Shah	8,58,800	8.46%	8,58,800
Mr. Dhiren Shah	5,37,700	5.30%	5,37,700
Mr. Madhu Doshi	10,00,000	9.85%	10,00,000

16 Other Equity

Retained earnings (Note-1)	244.25	178.79
Special Reserve (Note-2)	110.03	95.36
Share Forfeiture Account(Note -3)	32.64	32.64
	<u>386.91</u>	<u>306.78</u>

Retained earnings

	(Rs.)	(Rs.)
Balance at beginning of the year	178.79	73.93
Add : Profit for the year	73.36	131.08
Less: Transfer to special reserve	14.67	26.22
Add: Adjustment for Taxes	6.77	
Balance at end of year	244.25	178.79

Special Reserve

	(Rs.)	(Rs.)
Opening balance	95.36	69.14
Addition During Year	14.67	26.22
Closing Balance	110.03	95.36

Note 1- Retained Earning

It represents accumulated profits of the company and can be utilised as per Companies Act 2013

Note 2: Special Reserve

It is Statutory Reserve maintained as per RBI Norms

Note 3: Share Forfeiture account

This represents the amount of shares forfeited by the company

ARIHANT CLASSIC FINANCE LIMITED
414, NALANDA ENCLAVE, OPP. SUDAMA RESORTS, PRITAM NAGAR,
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Notes to the financial statements for the year ended March 31, 2023

	Mar. 31, 2023	Mar. 31, 2022 (Rs.)
17 Other Income		
Dividend Income	4.64	4.79
Other Income		
Gain on sale of investment	0	
	4.64	4.79
18 Purchase of Stock in Trade		
Purchase	0.92	67.94
Total	0.92	67.94
19 Change in Inventory of Stock in Trade		
Opening: Stock In Trade (Shares & Security)	137.27	156.44
	137.27	156.44
Closing: Stock In Trade (Shares & Security)	136.27	137.27
	136.27	137.27
Total	1.00	19.17
20 Employee Benefit expenses		
Salaries and Incentives	15.66	17.24
Staff Welfare Expenses	1.57	2.14
TOTAL (Rs.)	17.23	19.38
21 Finance Costs		
Interest Expense	127.11	63.72
TOTAL (Rs.)	127.11	63.72
22 Other Expenses		
Auditors Remuneration	0.71	0.71
Advertisement Expenses	0.30	0.45
Conveyance Expenses	1.06	1.78
Interest on TDS	0.00	0.03
Legal & Professional Charges	2.07	2.07
Membership Fees	0.24	0.30
Misc.& General Exp.	0.00	0.03
CDSL/NSDL fees	2.29	0.53
Connectivity/Maintenance charges	0.49	0.49
Office Expenses	0.95	1.38
Listing Fees	0.65	0.65
Postage & Telegram	0.43	0.64
Printing & Stationary	0.61	0.89
Rent paid	0.71	0.71
ROC Filling Charges	0.30	0.41
Repair & Maintenance		0.04
MSE Penalty	7.88	
Telephone Expenses	0.37	0.35
Travelling , Loading & Fooding	0.76	0.23
Website Expenses	0.05	0.09
Interest on Income Tax	2.03	0.24
Donation		11.00
Bad Debts		
TOTAL (Rs.)	21.89	23.02
23 Impairment loss		
	Mar. 31, 2023	Mar. 31, 2022
	(Rs.)	(Rs.)
Contingent Provisions Against Standard Assets	1.46	6.92
Impairment allowance on non performing assets	-	-
Impairment allowance on Equity Shares	-	-
	1.46	6.92

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Notes to the financial statements for the year ended March 31, 2023

(Rs in Laacs)

24 Earning per share (EPS)

Earning Per Share (EPS) computed in accordance with Indian Accounting Standard (Ind AS) 33 issued by The Institute of Chartered Accountants of India:-

	Mar 31, 2023 (Rs.)	March 31, 2022 (Rs.)
Net Profit/(Loss) as per Statement of Profit & Loss (Rs. in Lakhs)	73.36	131.08
Weighted Average Number of Equity Shares outstanding during the year (Nos.)	1,01,48,090.00	1,01,48,090.00
Number of shares - Diluted (Nos.)	1,01,48,090	1,01,48,090
Basic Earning Per share (Rs.)	0.72	1.29
Diluted Earning Per share (Rs.)	0.72	1.29

25 Related party disclosures

Names of related parties and related party relationship

Associates	Dipika Polymer Pvt Ltd
Key Managerial Personnel	Mr. Rohit Jain Mr. Mayur Jain Mrs. Madhu Doshi
Other Related Parties (Entity in which KMP of Holding Company and their relatives exercise significant influences)	M/S I.K.Polymer North Pvt. Ltd. M/S Dipika Polymers Pvt. Ltd. M/S Dev Kripa Developers Pvt. Ltd. M/S Dmax Polymer Pvt. Ltd. M/S Gitanjali Finvest Pvt. Ltd. M/S Innovo Infratech Llp M/S Moti Lal Banarsi Das

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year :

	March 31, 2023 (Rs.)	March 31, 2022 (Rs.)
Rent Paid		
Madhu Doshi	0.71	0.71
Loan Received		
Madhu Doshi	380.52	-
Interest Paid		
Madhu Doshi	1.89	-
Interest Income		
M/S Dev Kripa Developers Pvt. Ltd.(Interest rate 8%)	36.18	35.68
M/S Innovo Infratech Llp (Interest rate 9%)	57.36	19.74
M/S Gitanjali Finvest Pvt. Ltd. (Interest rate 15%)	13.08	14.75
M/S Moti Lal Banarsi Das (Interest rate 12%)	7.48	7.11
	March 31, 2023 (Rs.)	March 31, 2022 (Rs.)
Balance Payable		
Madhu Doshi	380.52	-
Balance Receivable		
M/S Dev Kripa Developers Pvt. Ltd.	516.85	516.85
M/S Innovo Infratech Llp	620.00	625.00
M/S Gitanjali Finvest Pvt. Ltd.	86.64	98.36
M/S Moti Lal Banarsi Das	62.57	62.59
Interest rates of Other Parties		
M/s Din Dayal Real Estates (Interest rate 12%)		
M/s Pritesh Chander Kothari (Interest rate 9%)		
M/s Divine Polymers (Interest rate 9%)		
M/s Kamal Ideal Infratech Pvt. Ltd. (Interest rate 9.5%)		
M/s Real Polymers (Interest rate 7.5%)		

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Notes to the financial statements for the year ended March 31, 2023

(Rs in Lacs)

26 Financial instruments and risk management

26.1 A Financial Instruments by Category

	March 31, 2023		March 31, 2022	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Cash and Cash Equivalents	-	0.82	-	196.75
Loans	-	4,164.06	-	2,818.65
Investments	-	151.01	-	151.01
Other Financial assets	-	0.12	-	-
	-	4,316.01	-	3,166.41
Financial Liabilities				
Borrowings	-	2,844.56	-	1,971.12
Other Financial liabilities	-	225.35	-	14.33
	-	3,069.91	-	1,985.45

26.1.a Fair value hierarchy

The fair value of financial instruments as referred to in note above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements]. The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

26.1.b Financial assets and liabilities measured at fair value - recurring fair value measurements

Financial assets at fair value through profit or loss	As at	Level 1	Level 2	Level 3	Total
Current Investment in Mutual Funds	March 31, 2023	-	-	-	-
Current Investment in Mutual Funds	March 31, 2022	-	-	-	-

26.1.c Valuation technique used to determine fair value

The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at the Balance

Note: There were no specific financial instruments which were fair valued using level 3 indicators hence no unobservable inputs.

Note: Management considers that the carrying amounts of financial assets and financial liabilities measured at amortised cost approximate their fair values.

26.2 Financial risk management

The Company, is exposed to various market risks, credit risk and liquidity risk. The laid down processes, periodic communication, control framework and management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks. Below notes explain the sources of risk in which the company is exposed to and how it manages the risk.

26.2.A Market risk:

a. Price risk:

The Company is using aluminium and ferrous items for production of various products. Fluctuation in commodity prices in global market affects directly and indirectly the price of raw material and components used by the Company in manufacturing its various product segments. Further, Pricing pressure from its major Customer to give price cuts and the inability to pass on the increased cost of inputs to the customers may also affect the profitability of the company. The Price risk arises due to fluctuation in prices of these commodities.

The Company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices. The Company's commodity risk is managed centrally through well-established trading operations and control processes. Further, the Company is having arrangement with major customer for actualization of raw material price variations periodically.

b. Foreign currency risk:

Foreign currency risk arise from monetary receivables and obligations expressed in a currency other than functional currency of the Company. Primarily the Company is catering to customers in local currency.

The derivative instruments and unhedged foreign currency exposure is as follows:

(i) Derivatives outstanding as at the reporting date

Particulars / Purpose	March 31, 2023 (Rs.)	March 31, 2022 (Rs.)
Forward Contract (Buy)	-	-

(ii) Particulars of unhedged foreign exposure as at the reporting date

The Company does not have unhedged foreign currency at the end of reporting period.

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Notes to the financial statements for the year ended March 31, 2023

(Rs in Laacs)

c. Interest rate risk:

Interest rate is the risk that fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates.

The exposure of the Company's borrowing at variable rate and fixed rate at the end of reporting period are as follows:

Particulars	March 31, 2023 (Rs.)	March 31, 2022 (Rs.)
Variable rate borrowings		
Fixed rate borrowings	2,844.56	1,971.12
Total borrowings		

Profit / loss is sensitive to higher / lower interest expense from borrowings as a results of changes in interest rates. Holding all other variable constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rate on floating portion of borrowings.

	March 31, 2023 (Rs.)	March 31, 2022 (Rs.)
Variable rate borrowings		
Interest rate increase by 0.5%	-	-
Interest rate decrease by 0.5%	-	-

26.2.B Credit Risk :

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Company and arises principally from the Company's receivables from customers and liquid investments with banking institutions / mutual funds. The maximum amount of the credit exposure is equal to the carrying amounts of these receivables.

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customer, is its ultimate holding company with good credit rating . Other customers are subjected to credit assessments as a precautionary measure, and the adherence of all customers to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default.

	March 31, 2023 (Rs.)	March 31, 2022 (Rs.)
Investment Allowance	165.27	158.35
Add: Provided During the year	5.41	6.92
Closing	170.68	165.27

26.2.C Liquidity risk:

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities and maintaining availability of standby funding through an adequate line up of committed credit facilities.

The Company manages liquidity risk by maintaining availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

(a) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	0- 3 months	3 - 6 months	6 months - 1 Year	1 - 3 Years
As at March 31, 2023				
Borrowing*	-	-	-	-
Other Financial liabilities	-	225.35	-	-
Total	-	225.35	-	-

	0- 3 months	3 - 6 months	6 months - 1 Year	1 - 3 Years
As at March 31, 2022				
Borrowing*	-	-	-	-
Other Financial liabilities	-	14.33	-	-
Total	-	14.33	-	-

*Repayable on demand

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Notes to the financial statements for the year ended March 31, 2023

(Rs in Lacs)

26.3 Capital management

The capital structure of the Company consists of debt, cash and cash equivalents and equity attributable to equity shareholders of the Company which comprises issued share capital (including premium) and accumulated reserves disclosed in the Statement of Changes in Equity. The Company's capital management objective is to achieve an optimal weighted average cost of capital while continuing to safeguard the Company's ability to meet its liquidity requirements (including its commitments in respect of capital expenditure) and repay loans as they fall due. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is debt divided by total equity. The Company's policy is to keep an optimum gearing ratio. The Company includes within debt, interest bearing loans and borrowings.

A. Net Debt (Total Debt less cash and cash equivalents) divided by Total equity

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Debt	2,844.56	1,971.12
Cash and cash equivalent	0.82	196.75
Net Debts	2,843.74	1,774.37
Total Equity	1,321.59	1,321.59
Net debts to Total Equity	2.15	1.34

Loan covenants

The Company is in compliant with all the loan covenants on all the borrowings outstanding as on the financial statements date

B. Dividends

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<i>On Equity share of Rs.10 each</i>		
Final Dividend		
- Amount of dividend paid	Nil	Nil
- Dividend per equity share	Nil	Nil
Interim Dividend		
- Amount of dividend paid	Nil	Nil
- Dividend per equity share	Nil	Nil

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Notes to the financial statements for the year ended March 31, 2023

(Rs in Lacs)

27 Comparative Ratio Analysis of some of the component of Financial Statements are as under

	As at March 31, 2023	As at March 31, 2022
Current Ratio	1.40	1.57
Debt Equity Ratio	2.21	1.54
Debt Service Coverage Ratio	1.81	3.88
Return On Equity Ratio	5.39%	10.44%
Trade Receivable Turnover Ratio	NIL	NIL
Trade Payable Turnover Ratio	NIL	NIL
Net Capital Turnover Ratio	0.22	0.33
Net Profit Ratio	0.27	0.34
Return On Capital Employed	16.39%	18.71%
Return On Investment	7.66%	7.20%

28 **Segment wise revenue, results and capital employed**

- a. As the Company's business activity falls within a single primary business segment viz. "manufacturing and sale of auto components for two wheelers and four wheelers", hence, the
b. Secondary segment: Geographical- No such reporting required as company is operating in India only.

29 **Previous year figures**

Previous year's figures have been regrouped/reclassified, where necessary, to confirm to this year's classification.

For NJG & CO.
Chartered Accountants
Firm Reg. No. 019718N

For and on behalf of the Board of Directors

CA ASHOK KUMAR KANSAL
(Partner)
Membership No. 072170
UDIN: 23072170BGXSSV8519

TINA HASMUKH MUTHA
DIRECTOR
DIN:002260980

MAYUR JAIN
DIRECTOR
DIN:00626354

Place: New Delhi
Dated : 23-05-2023

ANKITA KOTHARI
CHIEF FINANCIAL OFFICER

NIRAJ KUMAR
COMPANY SECRETARY



INDEPENDENT AUDITOR'S REPORT

To the Members of **ARIHANT CLASSIC FINANCE LIMITED**

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

Opinion

We have audited the Consolidated Ind AS financial statements of **ARIHANT CLASSIC FINANCE LIMITED ("the Company")**, for the quarter and year ended March 31, 2023, which comprise the balance sheet and the statement of Profit and Loss, including statement of changes in equity and statement of cash flows for the quarter & year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred as the "financial statements") being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its Profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) as specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Ind AS financial statements.



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

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

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

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

Responsibilities of Management and those charged with governance for the Consolidated Ind AS Financial Statements

These quarterly financial results as well as the year to date Consolidated Financial Results have been prepared on the basis of the audited consolidated financial statements. The quarterly financial results are derived figures between the audited figures in respect of the year ended March 31, 2023, and the published year-to-date figures up to December 31, 2022, being the date of the end of the fourth quarter of the current financial year, which were subject to limited review.

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going



concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our



auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS financial statements for the financial year ended 31 March, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare

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 1' 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 purpose 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 Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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 with reference to these Consolidated Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in 'Annexure 2' to this report.
- g. In our opinion, no managerial remuneration for the year ended 31 March 2023 has been paid/provided by the company to its directors, therefore there is no requirement to check whether the payment of remuneration has been paid in accordance with the provisions of section 197 read with Schedule V to the Act;
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position in its Consolidated Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For NJG & Co.
Chartered Accountants

(CA Ashok Kumar Kansal)
Partner, Mem. No 072170
Firm Regn. No.019718N
UDIN: 23072170BGXSSW7021
Place: New Delhi
Date: 23/05/2023



Annexure 1 to Independent Auditor's Report

Annexure 1 referred to in paragraph (1) under the heading 'Report on other legal and regulatory requirements' of our report even date

1.
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets of the Company were physically verified in full by the management during the year. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us, the records examined by us, we report that the Company does not hold any freehold property in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease, the company does not hold any such assets therefore it is not disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.
2. The company have inventories in the form of Shares in the electronic form so there is no requirement of physical verification. However, the company has been regularly verifying the e-statement as provided by the authority. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
3. According to information and explanation given to us, the company has granted unsecured loans to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013.
 - a. In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the company.
 - b. In respect of the aforesaid loans, the parties are repaying the principal amounts as stipulated and are also regular in payment of interest, where applicable.
 - c. In respect of the aforesaid loans, in the cases where the overdue amount is more than ninety days, in our opinion, reasonable steps have been taken by the company for the recovery of the principal amounts and interest, where applicable.
 - d. In respect of the aforesaid loans, in the cases where the overdue amount did not pay within the stipulated time, then in our opinion, the company has made sufficient and appropriate provision for the such loans.
4. In our opinion and according to information and explanation given to us, in respect of loans, investments, guarantees and security, the Company has complied with the provisions of sections 185 and section 186 of the Companies Act, 2013.
5. In our opinion and according to the information and explanations given to us, the company has complied with the directives of the Reserve Bank of India and the provisions of Sections 73 to 76 or



any other relevant provisions of the Act and the rules framed thereunder, to the extent applicable, have been complied with. We are informed by management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

6. To the best of our knowledge and as explained, the central government has not specified the maintenance of cost records under section 148(1) of the Act, for the services of the company.
7. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable. According to the information and explanations given to us and the records of the company examined by us, there is one dispute pending regarding income tax of Rs. 10,79,460 relating to financial year 2008-09, against which the company already paid of Rs. 3,32,670 and the balance if any, will be paid on the time of final disbursement of appeal by the authority.
8. In our opinion and according to the information and explanations given to us, the company has no outstanding dues to any financial institutions or banks or any government or any debenture holders during the year. Accordingly, paragraph 3 (viii) of the order is not applicable.
9. According to the information and explanations given by management, the company has not raised any money by way of initial public offer or further public offer.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. According to information and explanations as given by the management, there is no managerial remuneration has been paid/provided by the company during the financial year. Hence, there is no requirement to check the compliance of provisions of section 197 read with schedule V to the Act.
12. The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement



NJG & CO.s
CHARTERED ACCOUNTANTS

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27, BARAKHAMBHA ROAD,
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of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.

15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.

16. According to the information and explanations given to us and based on our examination of the records of the company, the company has registered as required, under section 45-IA of the Reserve Bank of India Act 1934.

For NJG & Co.
Chartered Accountants

(CA Ashok Kumar Kansal)
Partner, Mem. No 072170
Firm Regn. No.019718N
UDIN: 23072170BGXSSW7021
Place: New Delhi
Date: 23/05/2023



Annexure 2 to the Independent Auditor's Report

Annexure 2 referred to in paragraph 2(f) under the heading 'Report on the other legal and regulatory requirements' of our report of even date

Report on the internal financial controls over financial reporting under clause (i) of sub – section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of ARIHANT CLASSIC FINANCE LIMITED ("the Company") as at March 31, 2023, in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The board of directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 were 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 with reference to these Consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the



auditor's judgement, including the assessment of the risks of material misstatement in 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 control system over financial reporting with reference to these Consolidated Ind AS financial statements.

Meaning of internal financial controls over financial reporting with reference to these Ind AS Financial Statements

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

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) 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
- (iii) 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 with reference to these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Consolidated Ind AS financial statements, including the possibility of collusion or improper management of 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.



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Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting with reference to these Consolidated Ind AS financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NJG & Co.
Chartered Accountants

(CA Ashok Kumar Kansal)
Partner, Mem. No 072170
Firm Regn. No.019718N
UDIN: 23072170BGXSSW7021
Place: New Delhi
Date: 23/05/2023

Consolidated Balance Sheet as at 31st March 2023

(Rs In Lacs)

	Note no.	Mar. 31, 2023 (Rs.) (Audited)	Mar. 31, 2022 (Rs.) (Audited)
A. ASSETS			
1 Financial Assets			
a. Cash and Cash Equivalents	3	0.82	196.75
d. Loans	4	4,164.06	2,818.65
e. Investments	5	478.71	482.54
f. Other Financial assets	6	0.12	-
Total Financial Assets		4,643.71	3,497.95
2 Non-Financial Assets			
a. Inventories	7	136.27	137.27
b. Current tax assets(Net)	8	-	-
c. Deferred tax assets	9	1.80	1.80
d. Property, Plant and equipment	10	-	-
e. Other Non-Financial assets	11	46.81	53.96
Total non-financial Assets		184.88	193.03
Total Assets		4,828.59	3,690.98
B. LIABILITIES AND EQUITY			
I. LIABILITIES			
1 Financial Liabilities			
b. Borrowings	12	2,844.56	1,971.12
c. Other Financial liabilities	13	225.35	14.33
Total Financial liabilities		3,069.91	1,985.45
2 Non-Financial Liabilities			
b. Current Tax Liabilities	14	29.26	52.40
Total non-financial liabilities		29.26	52.40
Total Liabilities		3,099.17	2,037.85
II. EQUITY			
a. Equity Share Capital	15	1,014.81	1,014.81
b. Other Equity	16	714.61	638.32
Total Equity		1,729.42	1,653.13
Total Liabilities and Equity		4,828.59	3,690.98

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For NJG & CO.

Chartered Accountants

Firm Reg. No. 019718N

For and on behalf of the Board of Directors

CA ASHOK KUMAR KANSAL

(Partner)

Membership No. 072170

UDIN: 23072170BGXSSW7021

TINA HASMUKH MUTHA

DIRECTOR

DIN:002260980

MAYUR JAIN

DIRECTOR

DIN:00626354

Place : New Delhi

Dated : 23-05-2023

ANKITA KOTHARI

CHIEF FINANCIAL OFFICER

NIRAJ KUMAR

COMPANY SECRETARY

Consolidated Statement of profit & Loss for the year ended March 31, 2023

(Rs In lacs)

	Note No.	Mar. 31, 2023	Mar. 31, 2022
		(Rs.)	(Rs.)
INCOME			
1.Revenue from Operations			
Interest Income		267.50	140.96
Sale of shares		4.02	248.75
Total revenue from operation		271.52	389.71
2. Other Income	17	4.64	4.79
Total Income(1+2)		276.17	394.50
EXPENSES			
Purchases of Stock-in-Trade	18	0.92	67.94
Changes in inventories of Finished Goods & Work in Progress	19	1.00	19.17
Employee Benefits Expenses	20	17.23	19.38
Finance Costs	21	127.11	63.72
Depreciation & Amortisation		-	-
Other Expenses	22	21.89	23.02
Investment Allowance	23	5.41	6.92
Total Expenses		173.55	200.15
Profit Before Exceptional Items and Tax		102.62	194.34
Exceptional Items			
Share of Net Profit/Loss of Associates and Joint Venture Accounted for using Equity Method		3.33	6.79
Profit before tax		105.94	201.13
Tax expenses:			
(1) Current Tax		29.26	52.40
(2) Deferred Tax		-	-10.86
Profit for the year		76.68	137.87
Other Comprehensive Income			
Items that will not be reclassified to profit or loss:-			
Re-measurement gains (losses) on defined benefit plans			
Income tax benefit			
Share of Net Profit/Loss of Associates and Joint Venture Accounted for using Equity Method		-7.16	-3.28
Net other comprehensive income not to be reclassified to profit or loss			-
Total Comprehensive income for the year, net of tax		69.52	134.58
Earning per equity share(nominal value of Rs 10/- each)			
Basic	24	0.76	1.36
Diluted	24	0.76	1.36

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For NJG & CO.

Chartered Accountants
Firm Reg. No. 019718N

For and on behalf of the Board of Directors

CA ASHOK KUMAR KANSAL
(Partner)
Membership No. 072170
UDIN: 23072170BGXSSW7021

TINA HASMUKH MUTHA
DIRECTOR
DIN:002260980

MAYUR JAIN
DIRECTOR
DIN:00626354

Place : New Delhi
Dated : 23-05-2023

ANKITA KOTHARI
CHIEF FINANCIAL OFFICER

NIRAJ KUMAR
COMPANY SECRETARY

ARIHANT CLASSIC FINANCE LIMITED
414, NALANDA ENCLAVE, OPP. SUDAMA RESORTS, PRITAM NAGAR,
ELLISBRIDGE, AHMEDABAD, GUJARAT-380006
Corp. Office : G-72, Kirti Nagar, New Delhi-110015
CIN L65910GJ1995PLC025312
EMAIL : COMPLIANCE4ARIHANT@GMAIL.COM, CONTACT : 011-45061900

Statement of Changes in equity for the year ended March 31, 2023

a. Equity Share Capital	Amount
Balance at April 1, 2022	1,014.81
Changes in equity share capital during the year	-
Balance at 31st March, 2023	1,014.81

b. Other Equity

Particulars	Reserve & Surplus		Total
	General Reserve	Retained Earnings	
Balance at April 1, 2021	-	86	86
Profit for the year	-	138	138
Other comprehensive income for the year, net of tax	-	-	0
Total comprehensive income for the year	-	224	224
Payment of Dividend	-	-	-
Tax on Dividend	-	-	-
Balance at 31st March, 2022	-	224	224
Balance at April 1, 2022	-	224	224
Profit for the year	-	77	77
Other comprehensive income for the year, net of tax	-	-	0
Total comprehensive income for the year	-	301	301
Payment of Dividend	-	-	-
Tax on Dividend	-	-	-
Balance at 31st March, 2023	-	301	301

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For NJG & CO.

Chartered Accountants
Firm Reg. No. 019718N

For and on behalf of the Board of Directors

CA ASHOK KUMAR KANSAL
(Partner)
Membership No. 072170
UDIN: 23072170BGXSSW7021

TINA HASMUKH MUTHA
DIRECTOR
DIN:002260980

MAYUR JAIN
DIRECTOR
DIN:00626354

Place : New Delhi
Dated : 23-05-2023

ANKITA KOTHARI
CHIEF FINANCIAL OFFICER

NIRAJ KUMAR
COMPANY SECRETARY

Cash flow Statement for the year ended Mar 31, 2023

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Cash Flow From Operating Activities		
Profit before tax	105.94	201.13
Extraordinary Items	-	-
Adjustments for :		
Depreciation and amortisation expenses	-	-
Finance Costs	127.11	63.72
Interest Income	-	-
Tax Adjustments	-6.77	-
Dividend Received	-	-
Re-measurement (loss)/gain on defined benefit plans	-	-
Operating profit before working capital changes	226.28	264.85
Adjustments for:		
-(Increase)/decrease in loans (non-current)	-1,345.41	-1,723.08
-(Increase)/decrease in other financial assets (non-current)	3.99	80.23
-(Increase)/decrease in other non-current assets	7.15	-34.34
-(Increase)/decrease in inventories	1.00	19.17
-(Increase)/decrease in trade receivables	-	-
-(Increase)/decrease in loans (current)	-	-
-(Increase)/decrease in other financial assets (current)	-	-
-(Increase)/decrease in other current assets	-	-
- Increase/(decrease) in other financial liabilities (Non-current)	-	-
- Increase/(decrease) in non-current provisions	-	-
- Increase/(decrease) in trade payables	-	-
- Increase/(decrease) in other financial liabilities (current)	211.02	-0.87
- Increase/(decrease) in current provisions	-23.14	-3.65
- Increase/(decrease) in other current liabilities	-	-
Cash Generated From operations	-1,145.39	-1,662.55
Income tax paid (net)	-	-
Cash Generated From operations before extraordinary Items	-1,145.39	-1,662.55
Extraordinary Items	-	-
Net Cash From/(used in) Operating Activities (A)	-919.11	-1,397.70
Cash Flow From Investing Activities		
Payments for purchase of property, plant and equipment and capital work in progress	-	-
Proceeds from sale of property, plant and equipment	-	-
Net Cash from/(used in) Investing Activities (B)	-	-
Cash Flow From Financing Activities		
Repayment/Taken of Short term borrowings	873.44	1,651.11
Finance cost paid	-127.11	-63.72
Net Cash from/(used in) Financing Activities (C)	746.34	1,587.39
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	-172.77	189.68
Add: Cash and Cash Equivalents at the beginning of the year	196.75	13.86
Cash and Cash Equivalents at the end of the year	23.98	203.54
Components of cash and cash equivalents		
Cash on Hand	0.44	2.99
With banks -		
On Current Accounts & cheque in hand	0.38	193.76
Total cash and cash equivalents (Refer Note No.-3)	0.82	196.75

The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

For NJG & CO.

Chartered Accountants

Firm Reg. No. 019718N

For and on behalf of the Board of Directors

CA ASHOK KUMAR KANSAL

(Partner)

Membership No. 072170

UDIN: 23072170BGXSSW7021

TINA HASMUKH MUTHA

DIRECTOR

DIN:002260980

MAYUR JAIN

DIRECTOR

DIN:00626354

Place : New Delhi

Dated : 23-05-2023

ANKITA KOTHARI

CHIEF FINANCIAL OFFICER

NIRAJ KUMAR

COMPANY SECRETARY

ARIHANT CLASSIC FINANCE LIMITED
414, NALANDA ENCLAVE, OPP. SUDAMA RESORTS, PRITAM NAGAR,
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(Rs In lacs)

Notes to the consolidated financial statements for the year ended March 31, 2023

10 Property Plant and Equipments

Carrying Amount of	As at March 31,2023	As at March 31, 2022
Computer	-	-
Office Equipment	-	-
Furniture	-	-
Mobile	-	-
	-	-

Cost or deemed cost

Particulars	Computer	Office Equipment	Furniture	Mobile	Total
Deemed cost at April 1, 2021	1.76	0.14	0.32	0.66	2.88
Addition for the year	-	-	-	-	-
Disposal / adjustments	-	-	-	-	-
Balance at March 31, 2022	1.76	0.14	0.32	0.66	2.88
Addition for the year	-	-	-	-	-
Disposal / adjustments	-	-	-	-	-
Balance at March 31, 2023	1.76	0.14	0.32	0.66	2.88

Accumulated Depreciation and

Accum. dep as at April 1, 2021	1.76	0.14	0.32	0.66	2.88
Depreciation expenses	-	-	-	-	-
Disposal / adjustments	-	-	-	-	-
Accm. Dep. at March 31, 2022	1.76	0.14	0.32	0.66	2.88
Depreciation expenses	-	-	-	-	-
Disposal / adjustments	-	-	-	-	-
Balance at March 31, 2023	1.76	0.14	0.32	0.66	2.88

Carrying amount of

Particulars	Computer	Office Equipment	Furniture	Mobile	Total
Balance at April 1, 2021	-	-	-	-	-
Addition for the year	-	-	-	-	-
Disposal / adjustments	-	-	-	-	-
Depreciation charges	-	-	-	-	-
Balance at March 31, 2022	-	-	-	-	-
Addition for the year	-	-	-	-	-
Disposal / adjustments	-	0	1	3	-
Depreciation charges	-	-	-	-	-
Balance at March 31, 2023	-	0	1	3	-

ARIHANT CLASSIC FINANCE LIMITED
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Notes to the consolidated financial statements for the year ended March 31, 2023

	Mar 31, 2023	Mar 31, 2022
		(Rs.)
3 Cash and Bank Balances		
Cash and cash equivalents:		
Cash in hand	0.44	2.99
Current Account with scheduled bank	0.38	193.76
Total	0.82	196.75
4 Loans (Carried at Amortised Cost)		
Unsecured, Considered good		
Loans to Related Parties	1,286.05	1,302.79
Loans to Others	2,894.73	1,527.18
	4,180.79	2,829.97
Doubtful/NPA		
Loans to Related Parties		
Loans to Others	153.95	153.95
	153.95	153.95
Less: Impairment Allowance	170.68	165.27
	4,164.06	2,818.65
<i>Terms and Conditions of Loan given</i>		
a All Loans are receivable on demand		
b Interest is receivable annually and interest rate mentioned in note no. 25		
5 Investments		
A. Investments in equity shares (fully paid)		
Unquoted - In associate (equity investments at cost)		
302,000 equity shares (2020 : 302,000) of Rs. 10 each of Dipika Polymer Pvt Ltd	151	151.00
Post Acquisition Profit of Dipika Ploymer Pvt Ltd. (Associate)	327.70	331.53
B. Investments in equity shares (fully paid)		
Unquoted - In other entities (equity investments at cost)		
36,380 equity shares (2020 : 36,380) of Rs. 10 each of D.R. International Pvt Ltd		
1000 equity shares (2020 : 100) of Rs. 1 each of Dev Kirpa International Pvt Ltd	0.01	0.01
Equity shares of Rs. 10 each of Pal Peugeot Ltd.		
Less: Equity share Impaired		
Total investments in equity instruments	478.71	482.54
Aggregate carrying value of unquoted investments	478.71	482.54
6 Other Financial Assets		
Madhu Doshi	-	-
Other recoverable in cash and kind	0.12	-
	0.12	-
7 Inventories		
Stock-in Trade	136.27	137.27
	136.27	137.27
8 Current Tax Assets(net)		
Advance Tax (taxes paid)		
Provision for Income Tax	-	-
	-	-

ARIHANT CLASSIC FINANCE LIMITED
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EMAIL : COMPLIANCE4ARIHANT@GMAIL.COM, CONTACT : 011-45061900

Notes to the consolidated financial statements for the year ended March 31, 2023

	Mar 31, 2023	Mar 31, 2022 (Rs.)
9 Deferred Tax Assets		
Deferred Tax Assets		
Property, Plant and Equipment and Intangible Assets	1.80	1.80
MAT Credit Entitlement		10.86
	<u>1.80</u>	<u>12.66</u>
Deferred tax assets	1.80	12.66
Significant components of net deferred tax assets and liabilities are as follows:		
	Opening Balance	Recognised in Profit or Loss
For the year ended March 31, 2023		
Property, plant and equipment and Intangible assets	1.80	-0.00
MAT Credit Entitlement	-	-
Net deferred tax Assets	1.80	-0.00
	Opening Balance	Recognised in Profit or Loss
For the year ended March 31, 2022		
Property, plant and equipment and Intangible assets	1.81	-0.00
MAT Credit Entitlement	10.86	-10.86
Net deferred tax Assets	12.67	-10.86
Note: <i>Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.</i>		
Note: <i>In view of the Company's past financial performance and future profit projections, the Company expects that it shall generate sufficient fully recover the deferred tax assets.</i>		
11 Other non-financial Assets		
<i>Balance with Government Authorities</i>		
-Income Tax refundable	46.81	53.96
Other		
	<u>46.81</u>	<u>53.96</u>
12 Borrowings		
Loan from related parties (Unsecured)		
Loans from others	2,844.56	1,971.12
	<u>2,844.56</u>	<u>1,971.12</u>
Terms and conditions:		
<i>The loan is repayable on demand and interest is payable @ 9% p.a</i>		
13 Other Financial Liabilities		
Statutory Remittances :		
- Audit Fees Payable		
- TDS payable	0.35	3.42
- Expenses Payable	10.59	10.81
Interest accrued but not booked (NPA)		
Sundry Creditors	0.10	0.11
Due to Bank	214.31	
	<u>225.35</u>	<u>14.33</u>
14 Current Tax Liabilities(net)		
Provision for Income Tax	29.26	52.40
Income Tax payable	-	
	<u>29.26</u>	<u>52.40</u>
15 Equity Share Capital		
Authorised share capital:		
11500000 Equity shares of Rs 10/- Each (as at 31.03.2023 : 11500000 Equity shares of Rs 10/- Each & as at 01.04.2022 :11500000 Equity shares of Rs 10/- Each)	1,150.00	1,150.00
	<u>1,150.00</u>	<u>1,150.00</u>
Issued, subscribed and fully paid up share capital:		
10148090 Equity shares of Rs 10/- Each (as at 31.03.2023 : 10148090 Equity shares of Rs 10/- Each & as at 01.04.2022 :10148090 Equity shares of Rs 10/- Each)	1,014.81	1,014.81
Total issued, subscribed and paid up share capital	1,014.81	1,014.81

ARIHANT CLASSIC FINANCE LIMITED
414, NALANDA ENCLAVE, OPP. SUDAMA RESORTS, PRITAM NAGAR,
ELLISBRIDGE, AHMEDABAD, GUJARAT-380006
Corp. Office : G-72, Kirti Nagar, New Delhi-110015
CIN L65910GJ1995PLC025312

EMAIL : COMPLIANCE4ARIHANT@GMAIL.COM, CONTACT : 011-45061900

Notes to the consolidated financial statements for the year ended March 31, 2023

Mar 31, 2023 **Mar 31, 2022**
(Rs.)

a) Rights, Preference and restriction attached to equity shares

The Company has only one class of equity shares, having par value of Rs.10/- per share. Each holder of equity share is entitled for one vote per share and has a right to receive dividend as recommended by the Board of Directors subject to the necessary approval from the shareholders.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the equity shareholders.

b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

<u>Equity Shares</u>	<u>Nos.</u>	<u>Amount (Rs.)</u>	<u>Nos.</u>
Balance as at the beginning of the year	1,01,48,090	1,014.81	1,01,48,090
Issued during the year	-	-	-
Balance as at the end of the year	1,01,48,090	1,014.81	1,01,48,090

c) Details of shares held by each shareholder holding more than 5% shares

	<u>March 31,2023</u>		<u>March 31,2022</u>
	<u>Nos.</u>	<u>% holding in the class</u>	<u>Nos.</u>
Equity Shares of Rs 10 each, fully paid up			
Mr. Premjibhai Purshotambhai Patel	9,37,300	9.24%	9,37,300
Mrs.Hemaben Premjibhai Patel	9,37,300	9.24%	9,37,300
Mr. Munind Shah	8,58,800	8.46%	8,58,800
Mr. Dhiren Shah	5,37,700	5.30%	5,37,700
Mr. Madhu Doshi	10,00,000	9.85%	10,00,000

16 Other Equity

Retained earnings (Note-1)	567.04	506.08
Special Reserve (Note-2)	114.94	99.60
Share Forfeiture Account(Note -3)	32.64	32.64
	<u>714.61</u>	<u>638.32</u>
Retained earnings		
	<u>(Rs.)</u>	<u>(Rs.)</u>
Balance at beginning of the year	506.08	399.07
Add : Profit for the year	69.52	134.58
Less: Transfer to special reserve	15.34	27.57
Add: Adjustment for Taxes	6.77	
Balance at end of year	567.04	506.08
Special Reserve		
	<u>(Rs.)</u>	<u>(Rs.)</u>
Opening balance	99.60	72.03
Addition During Year	15.34	27.57
Closing Balance	114.94	99.60

Note 1- Retained Earning

It represents accumulated profits of the company and can be utilised as per Companies Act 2013

Note 2: Special Reserve

It is Statutory Reserve maintained as per RBI Norms

Note 3: Share Forfeiture account

This represents the amount of shares forfeited by the company

ARIHANT CLASSIC FINANCE LIMITED
414, NALANDA ENCLAVE, OPP. SUDAMA RESORTS, PRITAM NAGAR,
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Notes to the consolidated financial statements for the year ended March 31, 2023

	Mar. 31, 2023	Mar. 31, 2022 (Rs.)
17 Other Income		
Dividend Income	4.64	4.79
Other Income		
Gain on sale of investment	0	
	4.64	4.79
18 Purchase of Stock in Trade		
Purchase	0.92	67.94
Total	0.92	67.94
19 Change in Inventory of Stock in Trade		
Opening: Stock In Trade (Shares & Security)	137.27	156.44
	137.27	156.44
Closing: Stock In Trade (Shares & Security)	136.27	137.27
	136.27	137.27
Total	1.00	19.17
20 Employee Benefit expenses		
Salaries and Incentives	15.66	17.24
Staff Welfare Expenses	1.57	2.14
TOTAL (Rs.)	17.23	19.38
21 Finance Costs		
Interest Expense	127.11	63.72
TOTAL (Rs.)	127.11	63.72
22 Other Expenses		
Auditors Remuneration	0.71	0.71
Advertisement Expenses	0.30	0.45
Conveyance Expenses	1.06	1.78
Interest on TDS	0.00	0.03
Legal & Professional Charges	2.07	2.07
Membership Fees	0.24	0.30
Misc. & General Exp.	0.00	0.03
CDSL/NSDL fees	2.29	0.53
Connectivity/Maintenance charges	0.49	0.49
Office Expenses	0.95	1.38
Listing Fees	0.65	0.65
Postage & Telegram	0.43	0.64
Printing & Stationary	0.61	0.89
Rent paid	0.71	0.71
ROC Filling Charges	0.30	0.41
Repair & Maintenance		0.04
MSE Penalty	7.88	
Telephone Expenses	0.37	0.35
Travelling , Loading & Fooding	0.76	0.23
Website Expenses	0.05	0.09
Interest on Income Tax	2.03	0.24
Donation		11.00
Bad Debts		
TOTAL (Rs.)	21.89	23.02
23 Impairment loss		
	Mar. 31, 2023	Mar. 31, 2022
	(Rs.)	(Rs.)
Contingent Provisions Against Standard Assets	1.46	6.92
Impairment allowance on non performing assets	-	-
Impairment allowance on Equity Shares	-	-
	1.46	6.92

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Notes to the consolidated financial statements for the year ended March 31, 2023

(Rs in Lacs)

24 Earning per share (EPS)

Earning Per Share (EPS) computed in accordance with Indian Accounting Standard (Ind AS) 33 issued by The Institute of Chartered Accountants of India:-

	Mar 31, 2023 (Rs.)	March 31, 2022 (Rs.)
Net Profit/(Loss) as per Statement of Profit & Loss (Rs. in Lakhs)	76.68	137.87
Weighted Average Number of Equity Shares outstanding during the year (Nos.)	1,01,48,090.00	1,01,48,090.00
Number of shares - Diluted (Nos.)	1,01,48,090	1,01,48,090
Basic Earning Per share (Rs.)	0.76	1.36
Diluted Earning Per share (Rs.)	0.76	1.36

25 Related party disclosures

Names of related parties and related party relationship

Associates	Dipika Polymer Pvt Ltd
Key Managerial Personnel	Mr. Rohit Jain Mr. Mayur Jain Mrs. Madhu Doshi
Other Related Parties (Entity in which KMP of Holding Company and their relatives exercise significant influences)	M/S I.K.Polymer North Pvt. Ltd. M/S Dipika Polymers Pvt. Ltd. M/S Dev Kripa Developers Pvt. Ltd. M/S Dmax Polymer Pvt. Ltd. M/S Gitanjali Finvest Pvt. Ltd. M/S Innovo Infratech Llp M/S Moti Lal Banarsi Das

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year :

	March 31, 2023 (Rs.)	March 31, 2022 (Rs.)
Rent Paid		
Madhu Doshi	0.71	0.71
Loan Received		
Madhu Doshi	380.52	
Interest Paid		
Madhu Joshi	1.89	
Interest Income		
M/S Dev Kripa Developers Pvt. Ltd.(Interest rate 8%)	36.18	35.68
M/S Innovo Infratech Llp (Interest rate 9%)	57.36	19.74
M/S Gitanjali Finvest Pvt. Ltd. (Interest rate 15%)	13.08	14.75
M/S Moti Lal Banarsi Das (Interest rate 12%)	7.48	7.11
	March 31, 2023 (Rs.)	March 31, 2022 (Rs.)
Balance Payable		
Madhu Doshi	2	-
Balance Receivable		
M/S Dev Kripa Developers Pvt. Ltd.	516.85	516.85
M/S Innovo Infratech Llp	620.00	625.00
M/S Gitanjali Finvest Pvt. Ltd.	86.64	98.36
M/S Moti Lal Banarsi Das	62.57	62.59
Interest rates of Other Parties		
M/s Din Dayal Real Estates (Interest rate 12%)		
M/s Pritesh Chander Kothari (Interest rate 9%)		
M/s Divine Polymers (Interest rate 9%)		
M/s Kamal Ideal Infratech Pvt. Ltd. (Interest rate 9.5%)		
M/s Real Polymers (Interest rate 7.5%)		

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Notes to the consolidated financial statements for the year ended March 31, 2023

(Rs in Lacs)

26 Financial instruments and risk management

26.1 A Financial Instruments by Category

	March 31, 2023		March 31, 2022	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
Cash and Cash Equivalents	-	0.82	-	196.75
Loans	-	4,164.06	-	2,818.65
Investments	-	478.71	-	482.54
Other Financial assets	-	0.12	-	-
	-	4,643.71	-	3,497.94
Financial Liabilities				
Borrowings	-	2,844.56	-	1,971.12
Other Financial liabilities	-	225.35	-	14.33
	-	3,069.91	-	1,985.45

26.1.a Fair value hierarchy

The fair value of financial instruments as referred to in note above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements]. The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

26.1.b Financial assets and liabilities measured at fair value - recurring fair value measurements

Financial assets at fair value through profit or loss	As at	Level 1	Level 2	Level 3	Total
Current Investment in Mutual Funds	March 31, 2023	-	-	-	-
Current Investment in Mutual Funds	March 31, 2022	-	-	-	-

26.1.c Valuation technique used to determine fair value

The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at the Balance

Note: There were no specific financial instruments which were fair valued using level 3 indicators hence no unobservable inputs.

Note: Management considers that the carrying amounts of financial assets and financial liabilities measured at amortised cost approximate their fair values.

26.2 Financial risk management

The Company, is exposed to various market risks, credit risk and liquidity risk. The laid down processes, periodic communication, control framework and management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks. Below notes explain the sources of risk in which the company is exposed to and how it manages the risk.

26.2.A Market risk:

a. Price risk:

The Company is using aluminium and ferrous items for production of various products. Fluctuation in commodity prices in global market affects directly and indirectly the price of raw material and components used by the Company in manufacturing its various product segments. Further, Pricing pressure from its major Customer to give price cuts and the inability to pass on the increased cost of inputs to the customers may also affect the profitability of the company. The Price risk arises due to fluctuation in prices of these commodities.

The Company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices. The Company's commodity risk is managed centrally through well-established trading operations and control processes. Further, the Company is having arrangement with major customer for actualization of raw material price variations periodically.

b. Foreign currency risk:

Foreign currency risk arise from monetary receivables and obligations expressed in a currency other than functional currency of the Company. Primarily the Company is catering to customers in local currency.

The derivative instruments and unhedged foreign currency exposure is as follows:

(i) Derivatives outstanding as at the reporting date

Particulars / Purpose	March 31, 2023 (Rs.)	March 31, 2022 (Rs.)
Forward Contract (Buy)	-	-

(ii) Particulars of unhedged foreign exposure as at the reporting date

The Company does not have unhedge foreign currency at the end of reporting period.

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Notes to the consolidated financial statements for the year ended March 31, 2023 (Rs in Laacs)

c. Interest rate risk:

Interest rate is the risk that fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates.

The exposure of the Company's borrowing at variable rate and fixed rate at the end of reporting period are as follows:

Particulars	March 31, 2023 (Rs.)	March 31, 2022 (Rs.)
Variable rate borrowings		
Fixed rate borrowings	2,844.56	1,971.12
Total borrowings		

Profit / loss is sensitive to higher / lower interest expense from borrowings as a results of changes in interest rates. Holding all other variable constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rate on floating portion of borrowings.

	March 31, 2023 (Rs.)	March 31, 2022 (Rs.)
Variable rate borrowings		
Interest rate increase by 0.5%	-	-
Interest rate decrease by 0.5%	-	-

26.2.B Credit Risk :

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Company and arises principally from the Company's receivables from customers and liquid investments with banking institutions / mutual funds. The maximum amount of the credit exposure is equal to the carrying amounts of these receivables.

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customer, is its ultimate holding company with good credit rating . Other customers are subjected to credit assessments as a precautionary measure, and the adherence of all customers to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default.

	March 31, 2023 (Rs.)	March 31, 2022 (Rs.)
Investment Allowance	165.27	158.35
Add: Provided During the year	5.41	6.92
Closing	170.68	165.27

26.2.C Liquidity risk:

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities and maintaining availability of standby funding through an adequate line up of committed credit facilities.

The Company manages liquidity risk by maintaining availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

(a) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	0- 3 months	3 - 6 months	6 months - 1 Year	1 - 3 Years
As at March 31, 2023				
Borrowing*	-	-	-	-
Other Financial liabilities	-	225.35	-	-
Total	-	225.35	-	-

	0- 3 months	3 - 6 months	6 months - 1 Year	1 - 3 Years
As at March 31, 2022				
Borrowing*	-	-	-	-
Other Financial liabilities	-	14.33	-	-
Total	-	14.33	-	-

*Repayable on demand

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Notes to the consolidated financial statements for the year ended March 31, 2023

(Rs in Lacs)

26.3 Capital management

The capital structure of the Company consists of debt, cash and cash equivalents and equity attributable to equity shareholders of the Company which comprises issued share capital (including premium) and accumulated reserves disclosed in the Statement of Changes in Equity. The Company's capital management objective is to achieve an optimal weighted average cost of capital while continuing to safeguard the Company's ability to meet its liquidity requirements (including its commitments in respect of capital expenditure) and repay loans as they fall due. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is debt divided by total equity. The Company's policy is to keep an optimum gearing ratio. The Company includes within debt, interest bearing loans and borrowings.

A. Net Debt (Total Debt less cash and cash equivalents) divided by Total equity

Particulars	As at	
	March 31, 2023	March 31, 2022
Debt	2,844.56	1,971.12
Cash and cash equivalent	0.82	196.75
Net Debts	2,843.74	1,774.37
Total Equity	1,653.13	1,653.13
Net debts to Total Equity	1.72	1.07

Loan covenants

The Company is in compliant with all the loan covenants on all the borrowings outstanding as on the financial statements date

B. Dividends

Particulars	As at	
	March 31, 2023	March 31, 2022
<i>On Equity share of Rs.10 each</i>		
Final Dividend		
- Amount of dividend paid	Nil	Nil
- Dividend per equity share	Nil	Nil
Interim Dividend		
- Amount of dividend paid	Nil	Nil
- Dividend per equity share	Nil	Nil

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Notes to the consolidated financial statements for the year ended March 31, 2023

(Rs in Lacs)

27 Comparative Ratio Analysis of some of the component of Financial Statements are as under

	As at March 31, 2023	As at March 31, 2022
Current Ratio	1.40	1.57
Debt Equity Ratio	1.79	1.23
Debt Service Coverage Ratio	1.83	3.99
Return On Equity Ratio	4.53%	9.70%
Trade Receivable Turnover Ratio	NIL	NIL
Trade Payable Turnover Ratio	NIL	NIL
Net Capital Turnover Ratio	0.22	0.33
Net Profit Ratio	0.28	0.35
Return On Capital Employed	13.48%	15.36%
Return On Investment	7.66%	7.20%

28 **Segment wise revenue, results and capital employed**

- a. As the Company's business activity falls within a single primary business segment viz. "manufacturing and sale of auto components for two wheelers and four wheelers", hence, the
b. Secondary segment: Geographical- No such reporting required as company is operating in India only.

29 **Previous year figures**

Previous year's figures have been regrouped/reclassified, where necessary, to confirm to this year's classification.

For NJG & CO.
Chartered Accountants
Firm Reg. No. 019718N

For and on behalf of the Board of Directors

CA ASHOK KUMAR KANSAL
(Partner)
Membership No. 072170
UDIN: 23072170BGXSSW7021

-
TINA HASMUKH MUTHA
DIRECTOR
DIN:002260980

MAYUR JAIN
DIRECTOR
DIN:00626354

Place: New Delhi
Dated : 23-05-2023

ANKITA KOTHARI
CHIEF FINANCIAL OFFICER

NIRAJ KUMAR
COMPANY SECRETARY